

EMAKHAZENI LOCAL MUNICIPALITY



FINAL ANNUAL BUDGET
2017/2018 - 2019/2020
FINANCIAL YEARS

TABLE OF CONTENTS

- 1) ANNUAL BUDGET REPORT 2017/18
- 2) SUPPORTING DOCUMENTS:-SCHEDULE A 2017/18
- 3) TARIFFS FOR 2017/18 FINANCIAL YEAR
- 4) DETAILED Mscoa ANNUAL BUDGET 2017/18
- 5) COUNCIL RESOLUTION:PROPOSED (DRAFT)ANNUAL BUDGET 2017/2018
- 6) QUALITY CERTIFICATE:BUDGETPROPOSED/20182017
- 7) BUDGET RELATED POLICIES
- 8) PUBLIC COMMENTS ON THE DRAFT BUDGET

**FINAL BUDGET: MEDIUM TERM REVENUE AND EXPENDITURE 2017/2018,
2018/2019 AND 2019/2020**

REPORT OF THE CHIEF FINANCIAL OFFICER

BACKGROUND

In terms of Section 16 of the Municipal Finance Management Act no 56 of 2003, the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

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

The MFMA refers to funding of expenditure and states that:

- 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 85 & 86 issued by National Treasury provide further guidance for the preparation of 2017/2018 MTREF

National Treasury – Key Focus Areas for budget process

The 2017/2018 Budget reviews note the unfavourable global and domestic growth which results in high unemployment which impacts our communities and businesses. Inflation and nominal spending ceiling, will put real budgets under pressure over the medium term, requiring all spheres of government to work more efficiently.

Consequently, municipal revenue and cash flows are expected to remain under pressure in 2017/2018 and municipalities must adopt a conservative approach when projecting their expected revenues cash receipts. Municipalities will also have to revise their spending plans and reprioritize funds to ensure key objectives are achieved and well performing programmes are supported.

Municipal Standard Charts Of Accounts compliancy

The municipal Regulations on Standards Charts Of Accounts no 37577 was gazetted on the 22 April 2014 by the Minister of Finance. The Municipal Standard Charts of Accounts is applicable to all municipalities with effect from 1 July 2017.

In order for the municipality to be regarded as Mscoa compliant by 01 July 2017, municipalities must be able to transact across the mSCOA- segment and its core system and all sub systems.

Furthermore, all municipalities must accommodate seamless integration of the Integrated Development Plan (IDP).

The budget and Service Delivery and Budget implementation Plan (SDBIP) are important in the financial system as these documents create a point of departure for the transactional environment comes 1 July 2017.

Revising rates, tariffs and other charges

Treasury guides that when municipalities revise their rates, tariffs and other charges for their 2017/18 budgets and MTREF, taking into account the overall economic pressure such as inflation and economic growth and conclude on a justifiable tariff in line with the CPI.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality.

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.

Funding choices and management issues

The funding for the budget 2017/2018 has not changed. The major funding will still consist of Property Rates and Grants received from National Treasury.

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;

- -Strengthen local economic development (LED) by supporting initiatives that foster micro and small business opportunities and job creation;
-Strengthen financial management by enhance revenue management, include appropriate tariffs, regular billing and effective collection systems while strengthening asset management by spending 8% of the operational budget on repairs and maintenance; and

The Mayors of municipalities are still advised to eliminate wasteful expenditure in government by implementing cost containing measures, 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

Headline inflation forecast

Fiscal Year	2016/17 Estimate	2017/18	2017/18 Forecast	2019/20 Forecast
Real GDP Growth	0.5%	1.3%	2.0%	2.2%
CPI Inflation	6.4 %	6.4%	5.7%	5.6%

Source: MFMA Circular 86

Employee related costs

The salary increase in terms of the collective agreement circular no 02/2017 dated the 28 March 2017 will be seven comma three six percent (7.36%) with effect from the 1 July 2017.

The organograms for 2017/18 are effective as from 1 July 2017 whereby some vacant posts have been provided for in the 2017/18 budget and appointment should be made in accordance to the provided budget.

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 by the Department of Cooperative Governance.

Therefore the salary increase budgeted for the 2017/18 shall be seven comma three six percent (7.36%) 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 2017/18.

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. In the final 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 ward committee, 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.

Budget related Policies 2017/18

For all the policies referred to 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
Leave management		Yes
Overtime	Yes	
Asset Management		Yes
Petty Cash		Yes
Supply Chain Management : Good and Services		Yes
Banking and investment		Yes
Receipt		Yes
Free basic and Indigent		Yes
Budget		Yes
Tariffs		Yes
Property Rates		Yes
Credit Control and Debt Management		Yes
Debt Impairment		Yes

Traffic Fines		Yes
Inventory Management		Yes
SCM Infrastructure Procurement and Delivery Management Policy	Yes	

Below is a summary of changes made to each policy mention above.

(i) Cell phone policy

Old Policy	Reviewed policy
None	<p>6.2 Allocation of cell phone and data card allowances shall be as follows:</p> <p>6.2.3 The above amount shall increase by the same percentage as determined by the Bargaining Council.</p>

(ii) Stand by Allowance policy

Old Policy	Reviewed policy
None	The Municipal Manager should review allocation of travelling allowances to any other posts on a quarterly basis.

(iii) Subsistence and Travelling Allowance Policy

Old Policy	Reviewed policy
None	<p>6.1.1.5 Should there be any changes made to the calculation of the standby allowance as agreed upon at the South African Local Bargaining Council, such changes will be implemented and Council notified until such time that the policy is reviewed.</p>

(iv) Leave Management Policy

Old Policy	Reviewed policy
None	<p>6.1.2.6 An employee must take annual leave not later than six (6) months after the end of the annual leave cycle. Within six months of the end of a leave cycle, an employee may not have more</p>

<p>6.4.3 Family responsibility leave will be granted in the following circumstances: When the employee's child is born; When the employee's child is sick; When the employee's spouse or life partner is sick; In the event of death of the employee's spouse or life partner; In the event of death of the employee's parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling.</p> <p>6.2.1.3 If an employee is unable to report for duty due to sudden illness, they must immediately notify their immediate Supervisor of their inability to report for duty. Employees are required to submit medical certificates if more than two (2) consecutive days are taken as sick leave.</p>	<p>than 48 days annual leave to his credit.</p> <p>6.4.3 Family responsibility leave will be granted in the following circumstances: When the employee's child is born; When the employee's child is sick; When the employee's spouse or life partner is sick; In the event of death of the employee's spouse or life partner; In the event of death of the employee's parent, adoptive parent, parents in law, grandparent, child, adopted child, grandchild or sibling.</p> <p>6.2.1.3 If an employee is unable to report for duty due to sudden illness, they must immediately notify their Supervisor of their inability to report for duty. The employee shall be required to submit a medical certificate from a registered Medical Practitioner or any other person who is certified to diagnose and treat patients and who is registered with a professions Council established by an Act of Parliament, if more than two (2) days are taken as sick leave, provided that an employer may request a sick leave for everyday of sick leave where there is evidence of abuse of sick leave</p>
---	---

(v) Assets Management policy	
Old information on the policy	New information on the policy
Vision and Mission Statement	Vision and Mission
It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conductive institutional environment within which communities can thrive economically and socially.	It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing

	accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society"	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness
5.3 Community assets on table content, Pg5, Pg14 and Pg32	Removed

(vi) Petty Cash Policy

Old information on the policy	New information on the policy
Vision and Mission Statements It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.	It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society"	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities

society	
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness
Deputy Manager Finance	Chief Financial Officer

(vii) Supply Chain Management Policy

Old information on the policy	New information on the policy
Vision and Mission Statements It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.	It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning

The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness
--	--

(viii) Banking and Investment policy

Old information on the policy Vision and Mission Statements It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.	New information on the policy It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness

(ix) Receipts policy

Old information on the policy	New information on the policy
Vision and Mission Statements It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.	It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness
"MFMA" Municipal Finance Management Act.	"MFMA" Municipal Finance Management Act no 56 of 2003.

(x) Free basic and indigent policy

Old information on the policy	New information on the policy
It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within	It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to

which communities can thrive economically and socially.	improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society".	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness
The combined or joint gross income of all occupants or dependants in a single household which receives services from the municipality does not exceed two times the government pension grant	The threshold for indigents should be kept at R3500 combined income per household taking into consideration the national minimum wage.
Validity period Validity period of assistance will be for a maximum period of 12 month - municipality's financial year - 1 July to 30 June. Applications received prior to 1 July each year, will be approved as from 1 July for the full 12 months and the applications received after 1 July each year will only be approved in January that financial year and will therefore only benefit as from council approval until 30 June that financial year. Households must re-apply annually	Validity period Validity period of assistance will be for a maximum period of 12 month - municipality's financial year - 1 July to 30 June. Only applications that have been received during the registration process as determined by Council will be considered.

	Household must re-apply annually except for pensioners who are already receiving the indigence relief. Only verification on pensioners will be conducted by the municipality through the available mechanism to confirm their status.
Termination of indigent support When circumstances in the indigent household have improved in terms of a gross income exceeding two times the government pension grant;	Termination of indigent support When circumstances in the indigent household have improved in terms of a gross income exceeding R3500
Monitoring and Reporting The Chief Financial Officer shall report quarterly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to Council and other interested parties.	Monitoring and Reporting The Chief Financial Officer shall report annually to the Municipal Manager in a suitable format to enable the Municipal Manager to report to Council and other interested parties.
	New issue Approval of the indigent list Final approval of the indigent list will be in terms of a Council resolution.

(xi) Budget policy

Old information on the policy It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.	New information on the policy It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive

Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness
"MFMA" Municipal Finance Management Act.	"MFMA" Municipal Finance Management Act no 56 of 2003.
9. Budget Virement 9.2 GFS Function The GFS functions is used to divide the budget into segments and the council then approves the budget according to these functions via a resolution. The GFS functions is to facilitate greater accountability for senior managers and in turn having a positive change on the level of service delivery	9. Budget Virement 9.2 Mscosa Function The Mscosa functions is used to divide the budget into segments and the council then approves the budget according to these functions via a resolution. The Mscosa functions is to facilitate greater accountability for senior managers and in turn having a positive change on the level of service delivery.

(xii)Tariff policy

Old information on the policy	New information on the policy
It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.	It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision	A developmental local municipality striving to

"A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society"	accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness

(xiii) Property Rates policy

It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.	It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society"	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning

The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness
	New Illegal use of land Property owners will be fined a penalty if they use the land for a purpose other than as categorized on the municipal valuation roll without applying for rezoning

(xiv) Credit control and debt management policy

Vision and Mission Statements <p>It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.</p>	Vision and Mission Statement <p>It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning</p>
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity	Core Values Consultation Service Standards Access Courtesy

Efficiency Professionalism	Information Transparency Redress Value for money Responsiveness
6.1 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 salary.	Deleted
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.	
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.	
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.	
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.	
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.	
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.	
6.6 All recoverable costs incurred by The municipality relating to the collection process shall be recovered from the debtor.	
	6.5 All disconnection / reconnection costs incurred by The municipality relating to the collection process shall be recovered from the debtor. In instances where the municipality incurs legal cost those may be recovered from

	the debtor as well
6.7 Implementation of charging of interest will take effect with the July 2016 billing/invoice which will become in arrears.	6.6 No interest will be charged by the municipality for the 2017/2018 financial year end.
6.8 Interest will be charged 30 days after an account becomes in arrears.	Deleted
6.9 Interest rate charged shall be prime rate (as at the 1 st of July each year), plus 1 (one) percentage.	
6.10 Should an account not have been billed due to defective meters, an account will be averaged on consumption for no more than 3 years.	
6.11 Employer deductions	6.7 Employer deductions
a) The municipality may enter in to an agreement with employers whose employees are in arrears with their municipal accounts to deduct an agreed amount from their employees' weekly or monthly wages or salary to pay towards the arrears.	The current account outstanding on municipal invoices on properties where municipal employees as well as municipal as well as arrear amounts councillors reside will be deducted from their salaries on a monthly basis.
The relevant employees must consent to the deduction in writing and that there is no existing legislation precluding same	
7.1.2 The applicant is required to submit Municipal Services Application Form together with the ID document for identification and verification of any monies outstanding to the municipality.	7.2 The applicant is required to submit Municipal Services Application Form together with the ID document for identification. If an owner is opening a second account then all the outstanding invoiced amount has to be settled prior to opening a new account. Before a municipal account is closed outstanding balance has to be settled.
7.1.3 Before a new account is opened the balance outstanding must be checked & ensure that all monies outstanding are settled	
7.1.6 New services applied through the Property Transfer between the buyer and the seller procedures will only be provided if a clearance certificate has been issued indicating that all amounts due in respect of municipal services, surcharge on fees, property rates and other municipal taxes, levies and duties at the customer's previous address have been paid in full.	7.2.3 Before any property can be transferred from one owner to another, the account must be settled, after which the municipality will issue a Clearance Certificate to that effect. No property transfer can take place without the issue of a Clearance certificate.
7.1.7 Before any property can be transferred from one owner to another, all arrears must be paid, where after the Municipality issues a Clearance Certificate to that effect. No transfer can take place without such a certificate.	7.2.4 Once the Clearance Certificate has been issued only then can new rates and services account be applied for by the new owner.

8.1.1 Accounts for municipal services must be paid by the due date as shown on the account.	8.1.1 Accounts for municipal services must be paid by the due date which is on /before the 05 th of each month
8.1.2 The debtor must be warned on the monthly account of possible disconnection if payment is not received by the due date.	8.1.2 The debtor must be warned by any communication means as elected by the municipality of possible disconnection if <u>payment is not received by the due date.</u>
8.1.4 If payment is not received by the due date as shown on the notice, then the supply of services will be disconnected.	8.1.4 If payment is not received by the due date as shown on the notice, then the supply of services will be discontinued.
8.1.5 The above notice must also advise that the supply of services will only be reconnected after the total balance of the amount specified on the notice, including the reconnection fee has been paid.	8.1.5 The reconnection of services will be done upon receipt of total balance amount specified on the notice including a reconnection fee
8.1.6 Disconnected services will be restored within a reasonable period of time after the debtor produces proof of payment of the required amount.	Deleted
8.1.7 All negotiations with the debtors should strive to result in an agreement that is sustainable and is most beneficial to the municipality.	8.1.7 All arrangements with the debtors should strive to result in an agreement that is sustainable and is most beneficial to the municipality.No arrangements may be entered into with regards to the current invoiced amount as well as arrears effective from 1 January 2017.
8.1.8 All debtors that are in arrears and wish to apply to make arrangements to reschedule their debt will be subjected to the payment arrangements contained in this policy.	8.1.8 All debtors that are in arrears and wish to apply to make arrangements to reschedule their debt will be subjected to the payment arrangements contained in this policy.
8.2 PREPAID ELECTRICITY	8.2 PREPAID ELECTRICITY
Municipality will produce a monthly report of all municipal prepaid consumers who are not purchasing electricity on a monthly basis. <i>Prepaid Electricity Consumption Exception Report.</i>	8.2.1 A debtor consumer may only purchase pre- paid electricity once their current invoiced amount is paid (This included arrears from 1 January 2017.)
Municipal Technicians or the Municipality appointed contractor will perform physical inspections of all the properties appearing on the <i>Prepaid Electricity Consumption Exception Report.</i>	8.2.2 Municipality will produce a quarterly report of all municipal prepaid consumers who are not purchasing electricity on a monthly basis. The report is called the Prepaid Electricity Consumption Exception Report. Prohibition of access by the residence will results in the municipality, taking steps against such consumer.
Municipality will investigate and consider root causes for a consumer to be on the <i>Prepaid Electricity Consumption Exception Report.</i>	8.2.3 Municipal Technicians or an appointed contractor will perform physical inspection of all the properties of all the properties appearing on the Prepaid Electricity Consumption Exception Report .

	8.2.4 Municipality will investigate and consider root causes for a consumer to be on the Prepaid Electricity Consumption Exception Report
8.3 CLASSIFICATION OF POSSIBLE ROOT CAUSES	Deleting
Financial situation of the consumer stopping him / her from regular purchases of electricity units.	
<p>a) First tampering:</p> <ul style="list-style-type: none"> • A penalty based on the approved Municipal Tariff list must be paid with immediate effect and the meter be disconnected, plus; • Average charges of three months consumption will be effected over the period of non-payment. • Criminal Charges may be instituted <p>b) Second tampering:</p> <ul style="list-style-type: none"> • Removal of the circuit breaker, and; • Replacement of meter after payment of penalty based on approved Tariff list • Plus, average charges of three months consumption will be effected over a period of non-payment. • Criminal Charges will be instituted <p>c) Third tampering:</p> <ul style="list-style-type: none"> • Removal of municipal electricity cable from the property ,and, • Replaced after a payment of penalty based on approved Tariff list • Plus, average charges of six months consumption will be affected over a period of non-payment. • Criminal charges will be instituted. • After which a Municipality will accept a new application for services 	<p>8.3 TAMPERING WITH THE MUNICIPAL PREPAID ELECTRICITY METER</p> <p>a) First tampering:</p> <ul style="list-style-type: none"> • A penalty based on the approved Municipal Tariff list must be paid with immediate effect and the meter be removed , plus; • Average charge of the consumer / or consumer's residing in the same of three months consumption will be affected over the period of non-payment. • Criminal Charges may be instituted <p>b) Second tampering:</p> <ul style="list-style-type: none"> • Removal of the circuit breaker, and; • Replacement of meter after payment of penalty based on approved Tariff list • Plus, average charges. of the consumer / or consumer's residing in the same of three months consumption will be affected over the period of non-payment. • Criminal Charges may be instituted <p>c) Third tampering:</p> <ul style="list-style-type: none"> • Removal of municipal electricity cable from the property ,and, • Replaced after a payment of penalty based on approved Tariff list • Plus, average charges of six months consumption of the consumer / or consumer's residing in the same of three months consumption will be affected over the period of non-payment. • Criminal charges may be instituted. • After which a Municipality will accept a new application for services. <p>The municipal services will remain suspended until the municipal account is settled in full.</p>

8.5 BLOCKING OF ELECTRICITY PRE-PAID METER	8.6 BLOCKING OF ELECTRICITY PRE-PAID METER
For prepaid electricity meter owners, once a customer gets blocked for non-payment of municipal services, an amount of 50% of the outstanding amount will be required before the unblocking of electricity meter.	Once a pre- paid meter has been blocked the current invoiced amount on municipal account as well as arrears effective from 1January 2017 are payable.
8. 6 FINE FOR ILLEGAL CONNECTION	8.4 FINE FOR ILLEGAL CONNECTION
Should the municipality find out that services that were disconnected due to non-payment are illegally connected, or the metering infrastructure is removed, the consumer will have to pay full amount outstanding on the account	<p>a. Illegal connection of previously disconnected services as a result of non – payment will result in the debtor being required to pay the full outstanding amount on the municipal account.</p> <p>b. No arrangement may be entered into for illegal connections and/ or meter tampering. The debtor will also be required to pay outstanding arrears on municipal account prior to reconnection of any services.</p>
8.7 BANK CHARGES	8.7 Back Dated Municipal Rates and Services
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.	Deleted
8.8 a) Discretion in terms of negotiable amounts as per this policy is delegated to the Accounting Officer.	8.8 a) Discretion in terms of arranged amounts as per this policy is delegated to the Chief Financial Officer.
8.9 RATES	Deleted
8.9.1 Annual rates	
a) Interest will be charged on all overdue accounts at 1% above the prime rate	
b) If the account is not paid by the due date as displayed on the account, a Notice shall be issued showing the total amount owed to The municipality.	
c) If the account is not settled or there is no response from the debtor to make acceptable arrangements to repay the debt, summons shall be issued and the legal process followed.	
8.9.2 Monthly Rates	
a) Interest will be charged on all overdue accounts at 1% above the prime rate	
b) Debtors can make application to the The municipality to pay current and future rates	

monthly, the approval of which is at the sole discretion of the Accounting Officer.	
c) The municipality will only enter payment arrangement plan with the owner of the property not the tenant.	
d) The monthly amount payable for annual rates will be calculated to allow the total balance of such amount to be paid in equal instalments by the end of that financial year.	
8.10 SERVICES AND ELECTRICITY	Deleted
a) Accounts must be paid by the due date as shown on the account.	
b) Interest will be charged on all overdue accounts at 1% above prime rate	
c) If payment is not received by the due date as shown on the Notice, the supply will be disconnected.	
d) A notice shall be left at the property or a sms/e-mail will be issued advising that the supply has been disconnected with a warning that all electric points should be considered live and that all water outlets should be closed.	
e) The above notice must also advise that the supply will only be reconnected after the total balance of the amount specified on the notice, including the reconnection fee, has been paid or an arrangement acceptable to the municipality has been made.	
f) The said notices must also warn of the consequences of unauthorised reconnection.	
g) Debtors should be required to pay all penalties and arrears in full before the supply is restored.	
h) Disconnected services will be restored within a reasonable period of time after the debtor produces proof of payment of the required amount.	
i) The onus shall always be on the debtor to request reconnection and to provide proof that the full amount on the disconnection notice was paid or that an arrangement was entered into.	
	Deleted
8.12.1 Dishonoured payments	
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>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) <u>Property management leases</u></p> <p>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>8.12.2 Employee debt</p>	Deleted
<p>b) Service charges</p> <p>A staff member of a municipality may not be in arrears to the municipality for rates and service charges for a period longer than 2 months, and a municipality may deduct any outstanding amounts from a staff member's salary after this period.</p>	
<p>8.13.1 Principles for Debtors</p>	Deleted
<p>a) Certain categories of debt may be subject to category specific repayment parameters.</p>	
<p>b) Current charges must be paid in full and is not negotiable.</p>	
<p>c) For prepaid electricity once a customer has been block for non-payment, an amount equals to 50% of the total outstanding amount will be required to be paid before the unblocking of electricity which is payable at the municipal offices.</p>	
<p>d) For all the payments the debtor is required to prove levels of income and must agree to a monthly payment towards arrears based on his/her ability to pay or based on his/her total liquidity and current account.</p>	
<p>e) All negotiations with the debtor should strive to result in an agreement that is sustainable and is most beneficial to the municipality.</p>	
<p>f) Interest will be charged on all overdue accounts(as from 1 July 2016 invoice/billing)and will be charged monthly at prime(as at 1 July each year) rate plus 1%</p>	
<p>g) 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>8.1.4 DISPUTE</p>	Deleted
<p>Debtor</p>	
<p>2. The dispute must actually be received by The municipality.</p>	

8.1.4 DISPUTE	8.12 DISPUTE
Municipality	Municipality
5. All appeals regarding disputed amounts must be unilaterally concluded by The municipality's authorised officials within 14 calendar days from receipt thereof.	5. All appeals regarding disputed amounts must be unilaterally concluded by The municipality's authorised officials within 30 working days from receipt thereof.

(xv) Debt impairment policy

Vision and Mission Statement It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.	Vision and Mission Statement It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness

(xvi) Traffic fine policy

Vision and Mission Statements It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is	Vision and Mission Statement It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our
--	--

committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.	communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness

(xvii) Inventory policy

It is the vision of Council to "create a secure environmental and sustainable development to promote service excellence and unity". Council is committed to its mission of creating conducive institutional environment within which communities can thrive economically and socially.	It is the vision of Council to "be a developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities. Council is committed to its mission to improve the quality of life of its citizens by providing accelerated services and creation of conducive environment for economic growth through good governance, innovation and integrated planning
Vision "A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society	A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities
Mission Emakhazeni Local Municipality is a category B municipality and a tourist destination within the	Emakhazeni Local Municipality exist to improve the quality of life of its citizens by providing accelerated services and creation of conducive

Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development and promoting democracy, accountability and participation in our affairs.	environment for economic growth through good governance, innovation and integrated planning
The values of Council: Transparency High quality Services Delivery Accountability Serving Communities with integrity Efficiency Professionalism	Core Values Consultation Service Standards Access Courtesy Information Transparency Redress Value for money Responsiveness
5.3.6 A copy of the purchase order form will then be forwarded by the Store Controller to the Senior clerk risk and assets to match the goods received against the order once goods are delivered at the stores	5.3.6 A copy of the purchase order form will then be forwarded by the Senior clerk risk and assets to the Store Controller to match the goods received against the order once goods are delivered at the stores
5.4.4 The Senior Clerk: risk and assets must create an electronic Goods Received Note on the system to record all the inventory items delivered in good condition.	5.4.4 The Senior Clerk: Creditors must create an electronic Goods Received Note on the system to record all the inventory items delivered in good condition.
5.4.8 The inventory record on the system must be updated on the day the goods are received, by the Senior clerk risk and assets and authorized on the system by the Store Controller	5.4.8 The inventory record on the system must be updated on the day the goods are received, by the Store Controller and authorized on the system by the Senior clerk risk and assets
5.6.7 The Stock controllers capture the requisition on the system and then it must be authorized by the Stock controllers	5.6.7 The Senior Clerk: Risk and Assets capture the requisition on the system and then it must be authorized by the Senior Acquisition Clerk
Annexure A 1.4 A copy of the purchase order form will then be forwarded by the Store Controller to the Senior Clerk Risk and Assets.	Annexure A 1.4 A copy of the purchase order form will then be forwarded by the Senior Clerk Risk and Assets to the Store Controller .

2.2 The Senior clerk risk and assets must match the delivery note to the purchase order, an electronic GRN will be created on the system and authorized by the Store Controller	2.2 The Store Controller must match the delivery note to the purchase order, an electronic GRN will be created on the system and authorized by the Senior clerk risk and assets
---	---

Proposed Tariff increases 2017/18

The recommended tariffs for approval,

Assessment Rates:

After a re-assessment of the tariff was done by based on cost reflective tariffs, it resulted in an increase of 6.4% for assessment rates in line with Circular 86.
Below are the tariffs on Assessment rates showing categories and increase:

ASSESSMENT RATES					
TARIFF 2017/2018					
Cents per R 1.00					
CATEGORY		2016/2017	2017/2018	Tariff Increase/ Decrease 2017/18	% Increase 2017/18
Residential ** / *** (For properties above R100,000 with exemption of first R15 000 of assessed market value)		0.0077	0.0082	0.0005	6.40%
Residential ** / *** (For properties less than R 100,000.00 market value a flat rate will be charged)	Flat rate per Year R654.50		R 696.39	R 41.89	6.40%
	Flat rate per Month R54.50		R 57.99		
Informal Settlement (Rebate of 100% as per Property Rates policy will granted)		0.0077	0.0082	0.0005	6.40%
Commercial ***		0.0246	0.0261	0.0016	6.40%
Industrial		0.0253	0.0269	0.0016	6.40%

Public service infrastructure	0.0019	0.0019	0.0000	0.00%
Agriculture ***	0.0019	0.0020	0.0001	6.40%
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)	0.0077	0.0020	-0.0057	-73.94%
Agri Business: (Farms including agricultural small holdings used for business/commercial/ industrial purposes)	0.0091	0.0020	-0.0071	-77.92%
Vacant property	0.0230	0.0245	0.0015	6.40%
Privately Open Space	0.0077	0.0082	0.0005	6.40%
Municipal property (Rebate of 100% as per Property Rates policy)	0.0019	0.0020	0.0001	6.40%
Public Open Space (Rebate of 100% as per Property Rates policy will be granted)	0.0019	0.0020	0.0001	6.40%
Mining	0.1965	0.2091	0.0126	6.40%
Public benefits organisations*	0.0019	0.0020	0.0001	6.40%
Place of worship (Rebate of 100% as per Property Rates policy will be granted)	0.0019	0.0020	0.0001	6.40%
Privately owned towns	0.0059	0.0063	0.0004	6.40%
State owned/Institutional	0.0246	0.0261	0.0016	6.40%

* 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 Basic & Consumption:
Annually NERSA issue a local authority guideline consultation document which indicates a percentage increase on electricity sales for municipalities. The guideline was issued and municipalities were expected to apply for an increase in tariffs.

Emakhazeni Local Municipality has applied for tariff increase and such was granted by Nersa . All electricity charges will be based on Nersa's approval.

Sewerage services:
After a re-assessment of the tariff was done based on cost reflective tariffs, it resulted in an increase of 6.4% for sewerage charges which is in line with Circular 86.

Water (Basic Charge & Consumption):
After a re-assessment of the tariff was done by based on cost reflective tariffs, it resulted in an increase of 6.4% for water charges which is in line with Circular 86.

Cleansing (Refuse):
After a re-assessment of the tariff was done by based on cost reflective tariffs, it resulted in an increase of 6.4% for refuse charges which is in line with Circular 86.

Other/sundry income:
After a re-assessment of the tariffs were done, it resulted in an increase of 6.4% for refuse charges which is in line with Circular 86by the help

For all tariff and detail of tariffs, please refer to the Proposed Tariff list for 2017/18 hereto attached.

J. Debt Impairment
A provision for debt impairment is made for 2017/18 to the amount of R 32,421,960. This forms one of the non-cash items and was informed by outstanding debtors amounting R186 million as per the mid year performance for 2016/2017.

K. Capital Budget summary

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

Source of funding	Cost 2017/18	Cost 2018/19	Cost 2019/20
Municipal Infrastructure Grant	R 18 484 000	R 19 320 000	R 20 202 000
Integrated National Electrification Programme	R 7 000 000	R 6 989 000	R80 000 000
Water Service Infrastructure Grant	R 30 000 000	R15 000 000	R20 000 000
Nkangala District Municipality	R 22 033 338	R14 732 447	R16 028 552
Internal Capital	R 5 276 000	R 5 592 560	R 5 928 113

TOTAL	R 82 793 338	R 61 635 007	R 142 158 665
--------------	---------------------	---------------------	----------------------

L. Public comments

WARD / TOWN	ISSUED RAISED	
EGGF	<ul style="list-style-type: none"> • A critical path needs to be laid out by the municipality which will lay out the budget process as well as implementation of the Supplementary Valuation Roll. • Investigate whether Dullstroom's basic charge is not already included in the tariffs for Dullstroom. • The Indigent Process needs to be communicated to community members. • The municipality should consider whether the introduction of a Basic Charge at an amount of R131, 57 will not be too high • Consider Starting a debt write - off process • The municipality should consider the implementation of a Supplementary Valuation Roll to address all the matters we could not address in the current year. • The manner of communication with community members should be considered. • Municipality should convert the basic charge from Pre - paid to Conventional basic charge on the consumer accounts of all the consumers who have converted. • The Delays in the Correction of Consumer accounts is taking an abnormally long time. • A discussion needs to be entered into with the MM to discuss the staffing arrangements in the Revenue Section. • Repairs and Maintenance needs to be improved in the 	

	<p>budget. Mayor has spoken about improving it to make it R 2 000 0000 which he will make available.</p> <ul style="list-style-type: none"> • The high deficit is a concern R71 952 988 • Mechanisms must be put in place to monitor the budget on a quarterly basis. • May MM give progress on the Pre- paid meters 	
Ward 01 ENTOKOZWENI COMMUNITY HALL	There were no questions asked	
Ward 02 SIYATHUTHUKA COMMUNITY HALL		
Ward 03 SIYATHUTHUKA COMMUNITY HALL	<ul style="list-style-type: none"> • The Budget Consultation Document should be improved to explain how many households are within ward 3 and how many of these are Indigent. The document must also have page numbers. • The employee cost in relation to the total budget is high, do this high cost benefit the municipality. • The Organogram of the municipality should remain fixed • The budget for budget for repairs and maintenance is low and should be considered • The document is misleading and should not say that there is a 6.4%increase, because for example electricity has not increased by that much. • The question was raised that when one tries to purchase electricity and the amount is taken for the current account, where does the amount go. The answer was given that it goes to the municipal account. • Confusion arouse as to whether electricity can only purchased only from the municipality. It was explained that electricity can be purchased from Shell Garage and the Bank. • Will there be an improvement in municipal services based on the increase. The response was given that the increase is to curb inflation. • Concern was raised about the non - payment of services in Sakhelwe townships • What is the budget for the budget for repairs of roads? • The question was raised why are erracting a new park when Alfred Mahlangu has never been used, • Concern that in Sakhelwe there is non -payment of services because they are not blocked like the other townships <p>Indigent Policy</p> <ul style="list-style-type: none"> • The communication was poor • Cashier should be appointed to assist in Siyathuthuka. Answer that a cashier has been • For consumers who have been fined for tampering may the policy be reviewed to allow for arrangements to be made to enable consumers to pay • Basic charge increase is too high can it not be a bit less, maybe it 	

	<p>can be R120</p> <ul style="list-style-type: none"> Refuse Collectors do not return the dustbins to household and they throw them on the floor which causes them to break. Siyathuthuka is always experiencing network problems Emphasized the handling of dustbins Complain about meter readers who do not read meters <p>Emphasized the need for an additional cashier in Siyathuthuka</p>
<p>Ward 04 SAKHELWE COMMUNITY HALL/BEER HALL</p>	<p><u>Jan Mkonto –ext 2 Stand 899</u> Does not work so cannot afford</p> <p><u>Locus Mputi Stand 201</u> Does not agree with basic charges as they are ESKOM customers</p> <p><u>Happy – Stand 1000/1</u> Not working and we are Eskom customer so do not support basic charges for prepaid</p> <p><u>Michael Mahlangu – Stand 26</u> Only Eskom assists us on electricity. The lights do not work.</p> <p><u>Buti Skosana – Stand 774/06</u> Do not support the rates increases They are Eskom customers and street lights not working. Cannot compare us with Dullstroom</p> <p><u>Ward committee member Dimakhato</u> Was not given an opportunity to express her views by the some community members</p> <p><u>MMC Comments</u> Municipality loud hails for people to register for indigents and those whose income is R3500 have a responsibility to register Those who earn less than R3500 qualify for indigents and they must register The period for registration will be looked at MMC said where will the money to bring services come from if even those who afford also don't pay for services When we pay we also take the municipality to account for the services they provide The municipality needs to buy globes and also maintains street lines. The MMC said the grannies are the ones who have improved in paying services.</p> <p><u>Buti Skosana</u> Says the current process is not effective. Suggested the municipality to do door to door registration of indigents for gogos</p> <p><u>J Mashava – Stand 12</u> Support paying rent but asked if it compulsory for ELM employees to pay rent. Claims The WWTP employee does he pay rent because he comes from</p>

	<p>Mbombela</p> <p>David – Stand 1152 ext 2 Mnisi the officials are not doing well to register indigents.</p> <p>Klenboy – No.87 Dudu street Does not support the increase of rates. Said we can not compare Sakhelwe with Emgwenya, Emthonjeni and Belfast because they have Mines and they only got Hotels Complained that the rate gap between the Dullstroom and Sakhelwe rates is not big enough to cater for the different income levels.</p> <p>MMC Commented that the overall proposed rates increase is 6.4%.</p> <p>MMC then presented the Capital projects budgets MMC says he will take the mandate that rent should remain the same Says let work together with municipality</p> <p>Buti Skosana Says the private estates are making a lot of money so they should be charged more MMC explained that they have higher rates</p> <p>Dumisani – Stand 774/30 Is this budget based on IDP Does raising rates increase services or maintain the existing areas. LED should assist ward 4 to get opportunities.</p> <p>MMC responded that the budget is IDP based That The budget will assist to maintain existing services as the costs have gone up That the LED unit will be requested to assist on the matter</p> <p>The MMC advised the community that he would rely the request from the community that they do not want the proposed increases because they cannot afford them but warned that this would deprive Sakhelwe of development</p>
<p>Ward 04 DULLSTROOM MUNICIPAL OFFICES</p>	<ul style="list-style-type: none"> • Mr Mike Brett needed a clarity on what is debt impairment, • Why so much increase on the remuneration of Councillors • Why so much minimal budget allocated for repairs and maintenance • Why the municipality is not planning to charge any interest on overdue accounts <p>Q: Mr Mike Brett requested clarity on the issue of the rezoning as this issue is going to be included in the credit control policy A: Mr St'clear gave clarity on the issue and refers to the issue of</p>

	<p>categories in the valuation roll which the municipality must comply with when charging property rates.</p> <p>The community requested an amnesty on the registration to the municipality with the correct zoning as this is new to them.</p> <p>It was then resolved that such a request will be forwarded to Council for approval</p> <p>Q: The proposes budget in relation to the project of Waterbone sanitation is Sakhelwe is too little to cover the phases that needs to be done and the number of stand does not correspond to the one that is on the IDP document of the municipality. A: Mr Macdonald gave a background of the project</p> <p>The community of Ward 4 Dullstroom objected to the basic electricity charge as they have indicated that they are getting electricity directly from Eskom not from the municipality.</p> <p>In terms of the 6.4% increase, they were happy and they have accepted and supported the increase of 6.4%</p>
Ward 05 EMTHONJENI MUNICIPALITY	
Ward 06 Vusi Masango Hall	<ul style="list-style-type: none"> • Simphiwe Jele Agreed on the proposed Budget 2017/2018 • A community member seconded
Ward 06 ENTOKOZWENI MUNICIPAL OFFICES	<p>The rates bill is never received before the due date for payments.</p> <p>2. EPWP is their salary paid by ELM or Province?</p> <p>3. Equitable share Ward Committees. 8 wards max 10 members per Ward R500/member per month (8*10*500*12) = R480 000 not R3 150 000 where does the rest of the money go?</p> <p>4. Total revenue down from previous year by R19 417 376 why?</p> <p>5. Employee and Councillors cost 46.76% of total budget</p> <p>6. Repairs and maintenance R5 632 188 2.7% this is for repairs in 4 towns it is ridiculous</p> <p>7. Cleansing, what is this a new charge?</p> <p>8. Electricity Nursa increase 2.2%</p> <p>9. Electricity basic charges again it is incorrect to increase basic by the same as electricity.</p> <p>10. Where does the 8% of the operational budget come from?</p> <p>11. Institutional state or otherwise, industrial & commercial are not charged a basic electricity charge?</p> <p>12. MIG, WSIG nothing for Machadodorp</p> <p>13. LED 07 R1 000 000 for a feasibility study, a study of what?</p> <p>14. LED 08 R15 000 000 for rebuilding Elandskrans. It would be cheaper to knock it down and build another building.</p> <p>15. LED 15 a good idea, but R500 000 between 4 Towns will</p>

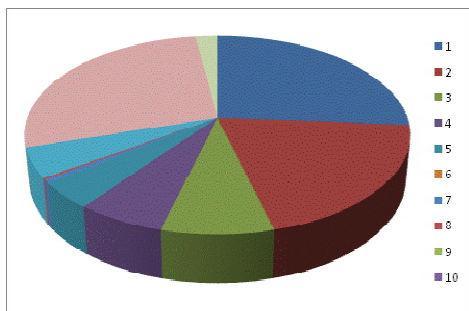
	not pay for it to be feasible.
Ward 07 PAUL NKOSI HALL	Sunnyboy Mazibuko <ul style="list-style-type: none"> • He thanked the proposed positive budget and the proposed projects. • He requested the community to put their weight behind this budget. • He also thanked the municipality for the improvement taking place in Emgwenya. Giltorn Mthimunye <ul style="list-style-type: none"> • He thanked the municipality for the progressive budget. • He enquired on why are there disparities in service charges. People living in similar houses charged different tariffs. This matter was raised before but still no positive response from the municipality. Vincent Vuma <ul style="list-style-type: none"> • He thanked the municipality for the progressive budget and projects to be implemented in Emgwenya. • He supports the proposed tariffs. • The municipal billing system needs to be fixed. • Electricity project that was running in Emgwenya has stopped and there are still houses are not connected. • Request that stand numbers be allocated to occupiers of those stands. Lindani Mthimunye <ul style="list-style-type: none"> • Appreciated the proposed budget. • He requests more information on the requested alternative route to the toll gate and the Steam Train Project. BIBI <ul style="list-style-type: none"> • Request that there must be Tour Guides with knowledge on Train Disaster and to upgrade on the Train Disaster Memorial Site
Ward 07 NICHOLUS NDLOVU HALL	<ul style="list-style-type: none"> • The maintenance budget is very low and the matter has been raised in other forums with both the CFO and the Municipal Manager • The contractor responsible for changing of conventional meters into prepaid should consult her and she will refer them to the relevant security company which have keys of most unoccupied housed in town • Maintenance budget should be increased because everything is old in Emgwenya • The proposed increment should be accepted is accepted by the community members • Illegal dumping sites are increasing all over town and Municipal employees seem to turn a blind eye on it. • The municipality should pass by-laws for trucks not to drive on the main road in town • Upgrading of the electricity system as to avoid it to trip during lighting and storm • Erection of speed-humps on the main road especially adjacent to the butchery because motorist doesn't consider the stop sign there.

	<ul style="list-style-type: none"> A live electricity pole next to her house is skewed and about to fall, the matter has been reported to ELM and nothing is done about it. She is a neighbour of a house owned by Nkomati Mine, the house is unoccupied and has long grass and she wants to know how the Municipality can assist
Ward 08 COUNCIL CHAMBER	<ul style="list-style-type: none"> MR Khumalo (Community member) –How is the bakery going to operate because it was under Exaro before. Mrs Nhlambo – Concern about agricultural and how is it going to operate and it must be taken care of. Mr Nhlambo – Concern about sewerage at Doboro, when is the municipality coming to fix it. Mr Rensburg – Our town is full of grass and it is dirty, Investors are coming but their concern is the dirty and long grass in our town.
Ward 08 MADALA OLD LOCATION	<p>Maria Mahlangu</p> <ul style="list-style-type: none"> When are they expected to rent as some of them are unemployed, taps are leaking, does not have a toilet and others do not have stands If they do not have stands, how should they pay for services <p>Hleki Mahlangu</p> <ul style="list-style-type: none"> Most of them are unemployed, how should they pay for services <p>Innocent Mpenge</p> <ul style="list-style-type: none"> He is from Venda and now lives in Madala. Why does the Municipality allow that some people do not have electricity but their neighbours have. <i>(It was clear that he was on a stand that did not belong to him and there are issues on that stand)</i> <p>Tholiwe Maseko</p> <ul style="list-style-type: none"> Thanked the MMC for the stand and electricity. <p>Has no water at the stand, the water is red (dirty) where she gets from</p> <p>Mashabela Hlasela</p> <ul style="list-style-type: none"> Wants to know the duration of all the said projects Wants to know as to how long did it take the Municipality to realise that some employees need training Why does the Municipality want to focus on a leather project instead of wood leaving the area <i>(logs)</i> Need a vending machine to buy electricity A notice has been given by the Municipality on refuse removal however based on the document placed at the library the matter is not noted <p>Sarah Msiza What is going to happen to the water meters as they have been running before billing could start</p>

L. Operating Revenue & Expenditure Framework

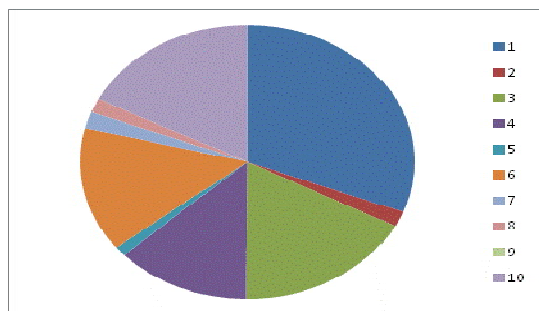
MP314 Emakhazeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source									
Property rates	54 487	16 928	29 065	39 647	39 647	39 647	57 512	60 790	64 194
Service charges - electricity revenue	35 438	33 173	44 374	42 838	42 838	42 838	43 643	46 131	48 714
Service charges - water revenue	13 992	13 305	13 151	16 612	16 612	16 612	17 675	18 683	19 729
Service charges - sanitation revenue	7 702	8 136	8 063	13 264	13 264	13 264	14 113	14 918	15 753
Service charges - refuse revenue	7 806	8 662	8 651	8 807	8 807	8 807	9 370	9 904	10 459
Service charges – other									
Rental of facilities and equipment	435	806	953	1 078	1 078	1 078	1 218	863	912
Interest earned - external investments	218	380	546	351	501	501	533	386	403
Interest earned - outstanding debtors				3 907	–				
Dividends received									
Fines, penalties and forfeits	9 207	8 874	16 609	13 069	10 069	10 069	10 713	13 068	13 068
Licences and permits	23	6	7	8	6	6	6	8	8
Agency services	2 794	3 172	2 120						
Transfers and subsidies	41 975	44 855	51 410	56 899	58 182	58 182	60 632	61 936	64 985
Other revenue	14 979	10 995	2 359	30 475	33 485	33 485	4 791	5 064	5 348
Gains on disposal of PPE	14		13 981						
Total Revenue (excluding capital transfers and contributions)	189 071	149 293	191 286	226 955	224 488	224 488	220 207	231 750	243 573



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

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure By Type									
Employee related costs	59 445	61 517	69 180	85 182	86 555	86 555	105 203	95 315	102 297
Remuneration of councillors	4 788	5 070	5 388	5 743	5 743	5 743	6 066	6 473	6 887
Debt impairment	31 225	(32 364)	72 197	10 000	10 000	10 000	59 236	62 613	66 119
Depreciation & asset impairment	49 320	41 289	45 680	44 243	44 243	44 243	44 243	46 765	49 384
Finance charges	2 162	4 080	4 882	3 700	3 700	3 700	3 937	4 161	4 394
Bulk purchases	34 256	39 404	38 577	49 697	49 697	49 697	49 851	52 692	55 643
Other materials	5 372	12 301	4 752	6 588	6 597	6 597	6 754	7 139	7 539
Contracted services	3 548	3 272	4 180	5 285	5 225	5 225	5 560	5 876	6 206
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	33 211	30 581	32 422	50 443	52 541	52 541	59 297	61 228	64 607
Loss on disposal of PPE	21								
Total Expenditure	223 349	165 149	277 258	260 881	264 301	264 301	340 147	342 263	363 076



Conclusion

Summary of the Final Budget 2017/18 inclusive of Non-cash item:

DESCRIPTION	DRAFT BUDGET 2017/2018	BUDGET FORECAST 2018/2019	BUDGET FORECAST 2019/2020
TOTAL OPERATING REVENUE (EXCLUDING CAPITAL SOURCE)	R 220 207	R 231 750	R 243 573
TOTAL EXPENDITURE (EXCLUDING CAPITAL)	R 340 147	R 342 263	R 363 076
DEFICIT / (SURPLUS) OPERATING	R 119 940	R 110 513	R 119 503

Summary of the Final Budget 2017/18 excluding Non-cash item:

DESCRIPTION	DRAFT BUDGET 2017/2018	BUDGET FORECAST 2018/2019	BUDGET FORECAST 2019/2020
TOTAL OPERATING REVENUE (EXCLUDING CAPITAL SOURCE)	R 220 207	R 231 750	R 243 573
TOTAL EXPENDITURE (EXCLUDING CAPITAL)	R 340 147	R 342 263	R 363 076
DEFICIT / (SURPLUS) OPERATING	R 119 940	R 110 513	R 119 503
LESS : NON CASH ITEM			
DEPRECIATION/AMORTIZATION	R 44 243	R 46 765	R 49 384
DEBT IMPAIRMENT	R 59 236	R 62 613	R 66 119
DEFICIT / (SURPLUS) OPERATING (IF NON CASH ITEM IS EXCL)	R 16 461	R 1 135	R4 000

Summary of final budget including internal capital expenditure

DESCRIPTION	DRAFT BUDGET 2017/2018	BUDGET FORECAST 2018/2019	BUDGET FORECAST 2019/2020
TOTAL OPERATING REVENUE (EXCLUDING CAPITAL SOURCE)	R 220 207	R 231 750	R 243 573
TOTAL EXPENDITURE (EXCLUDING CAPITAL)	R 340 147	R 342 263	R 363 076
DEFICIT / (SURPLUS) OPERATING	R 119 940	R 110 513	R 119 503
Internal capital expenditure	R 5 276	R 5 592 560	R 5 928 113
Total expenditure	R 125 216	R 116 106	R 125 431

The MTREF for 2017/2018 – 2019/2020 has an overall deficit amounting to R 125 216m of which is inclusive of non-cash item (depreciation & amortization), amounting to R 103 479m . Therefore should the non-cash item be taken out of the equation then the deficit will be R 21 717 m .

The deficit should be reduced

RECOMMENDATIONS BY THE CHIEF FINANCIAL OFFICER

1. **That** the Final Annual Budget Medium Term Revenue and Expenditure Framework for 2017/18 – 2019/20 be approved with all budget tables; A1 to A10 Framework for 2017/18 – 2019/20

2. **That all** electricity tariff as per Nersa Approval be approved.

3. **That** the reviewed budget related policies be approved

Policy Name	Reviewed: No changes	Reviewed: With Changes
Cellphone Allowance		Yes
Standby Allowance		Yes
Subsistence and Travelling Allowance		Yes
Leave management		Yes
Overtime	Yes	
Asset Management		Yes
Petty Cash		Yes
Supply Chain Management : Good and Services		Yes
Banking and investment		Yes
Receipt		Yes
Free basic and Indigent		Yes
Budget		Yes
Tariffs		Yes
Property Rates		Yes
Credit Control and Debt Management		Yes

4. **That** the following proposed tariffs as per the tariff list be approved together with the complete proposed tariff list;

Assessment Rates: 6.4 %

Sewerage: 6.4 %

Water (Consumption & Basic Charge): 6.4 %

Cleansing: 6.4 %

Other income: 6.4 %

5. **That** the 7.36% salary increase be approved as a draft.

6. **That** the 7.36% council remuneration increase be approved.

7. **That** the payment of Ward committee members stipends of R500.00 per member per month be paid as from 1 July 2017 and procedures to control attendance of the members be put in place.

8. **That** the budget deficit with regards to non-cash items be considered be discussed and approved.

9. **That** all issues raised have been considered the Medium Term Revenue and Expenditure Framework for 2017/2018 – 2019/2020 be approved before the

10. **That** The Accounting Officer must submit the SDBIP's for the 2017/2018 financial year which is linked to the budget 2017/2018 and approve it.
11. **That** The Executive Mayor ensures 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.
12. **That** The Accounting Officer must publish the approved final budget on the municipal website.

RECOMMENDATIONS BY THE EXECUTIVE MAYOR