



FINAL MTREF 2018/2019 TO 2020/2021



EMAKHAZENI LOCAL MUNICIPALITY



EMAKHAZENI LOCAL MUNICIPALITY

VISION

A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities

MISSION

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

CORE VALUES AND PRINCIPLES

- Consultation
- Service Standards
- Access
- Courtesy
- Information
- Transparency
- Redress
- Value for money
- Responsiveness

**BUDGET: FINAL MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR
2018/2019, 2019/2020 AND 2020/2021**

REPORT OF THE CHIEF FINANCIAL OFFICER

BACKGROUND

In terms of section 24 of the MFMA the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget. An annual budget must be approved before the start of the budget year and is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i)

- must be approved together with the adoption of resolutions as may be 17(3)(a)(i); and necessary
- imposing any municipal tax for the budget year;
- setting any municipal tariffs for the budget year;
- Approving measurable performance objectives for revenue from each
- approving any changes to the municipality's integrated development plan
- approving any changes to the municipality's budget-related policies. source and for each vote in the budget; plan; and

The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.

An annual budget of a municipality must be a schedule in the prescribed format setting out realistically anticipated revenue for the budget year from each revenue source; appropriating expenditure for the budget year under the different votes of the municipality; setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year; setting out estimated revenue and expenditure by vote for the current year; and actual revenue and expenditure by vote for the financial year preceding the current year; and statement containing any other information required by section 215 (3) of the Constitution or as may be prescribed.

An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.

The MFMA refers to funding of expenditure and states:

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).

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

Circular 89 and 91 issued by National Treasury provide further guidance for the preparation of 2018/2019 MTREF

Municipal revenue and cash flows are expected to remain under pressure in 2018/2019 and the municipality adopted 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 2018/2019 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. Municipality is in a process to ensure that tariffs are cost reflective.

B. Funding choices and management issues

Priority for the 2018/2019 financial year are given to the following:

- 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

Municipality is implementing 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
- accommodatio

C. Headline inflation forecasts.

The following table shows the prescribed inflation increase to be implemented on the budget preparation from National Treasury Circular 91.

Fiscal year	2017/18	2018/19	2019/2020	2020/21
	Actual	Estimate	Forecast	Forecast
Real GDP growth	1.0%	1.50%	1.80%	2.10%
CPI Inflation	5.3 %	5.30%	5.40%	5.50%

Source: MFMA Circular 91

D. Approved Tariff increases 2018/2019

The recommended tariffs for approval after community participation:

Electricity:	6.84 %
Property Rates	5.30 %
Sewerage:	5.30 %
Water	5.30 %
Refuse removal:	5.30 %
Other income:	5.30 %

Annual Budget

This annexure contains the A1-10 tables and resolutions approved by Council with supporting schedules, inclusive of the following:

- Executive Summary
- Annual Budget Tables
 - Table A1 : Budget summary
 - Table A2 : Budgeted financial performance by vote
 - Table A3 : Budgeted financial performance by municipal vote
 - Table A4 : Budget financial performance by revenue source and expenditure type
 - Table A5 : Budgeted capital expenditure by vote
 - Table A6 : Budgeted financial position
 - Table A7 : Budgeted cash flows
 - Table A8 : Cash backed reserves / accumulate surplus reconciliation
 - Table A9 : Asset management
 - Table A10 : Basic service delivery measurement

Executive Summary

Consolidated Overview of the 2018/19 MTREF

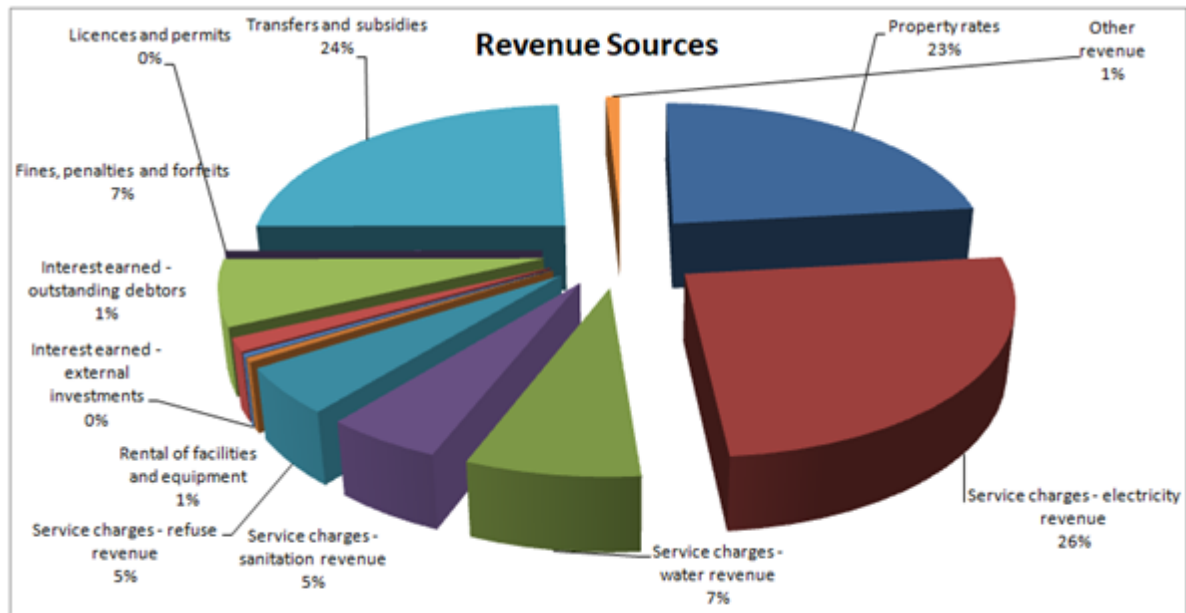
R thousand	Adjustments Budget 2017/18	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Total Operating Revenue	240 807	257 443	271 344	286 268
Total Operating Expenditure	311 328	286 827	302 316	318 943
Surplus)/Deficit for the year	(70 521)	(29 384)	(30 971)	(32 674)
Capital Expenditure	56 259	58 529	61 690	65 083

Total operating revenue has grown to R257 443Million for the 2018/19 financial year when compared to the 2017/18 Adjustments Budget of R240 807Million.Total operating expenditure for the 2018/19 financial year has been appropriated at R286 million due to cost curtailment. The capital budget of R58 529 billion for 2018/19 and majority is grant funding.

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	16 928	29 065	53 460	57 512	56 762	56 762	56 762	59 770	62 998	66 463
Service charges - electricity revenue	2	33 173	44 374	51 596	43 643	60 943	60 943	60 943	65 392	68 923	72 714
Service charges - water revenue	2	13 305	13 151	14 214	17 675	17 902	17 902	17 902	18 851	19 869	20 962
Service charges - sanitation revenue	2	8 136	8 063	10 154	14 113	12 112	12 112	12 112	12 753	13 442	14 181
Service charges - refuse revenue	2	8 662	8 651	10 059	9 370	11 865	11 865	11 865	12 494	13 169	13 893
Service charges - other											
Rental of facilities and equipment		806	953	1 042	4 713	1 100	1 100	1 100	1 151	1 214	1 280
Interest earned - external investments		380	546	643	4 128	760	760	760	830	875	923
Interest earned - outstanding debtors					3 522	560	560	560	3 569	3 762	3 969
Dividends received						-	-	-	-	-	-
Fines, penalties and forfeits		8 874	16 609	9 128	12 713	17 213	17 213	17 213	18 112	19 090	20 140
Licences and permits		6	7	1	6	1	1	1	8	8	9
Agency services		3 172	2 120			-	-	-	-	-	-
Transfers and subsidies		44 855	51 410	63 131	60 632	59 588	59 588	59 588	62 317	65 682	69 295
Other revenue	2	10 995	2 359	22 840	5 391	2 001	2 001	2 001	2 193	2 312	2 439
Gains on disposal of PPE			13 981								
Total Revenue (excluding capital transfers and contributions)		149 293	191 286	236 266	233 420	240 807	240 807	240 807	257 443	271 344	286 268
Expenditure By Type											
Employee related costs	2	61 517	69 180	87 617	100 161	91 454	91 454	91 454	97 841	103 124	108 796
Remuneration of councillors		5 070	5 388	5 560	6 066	6 260	6 260	6 260	6 437	6 784	7 157
Debt impairment	3	(32 364)	72 197	31 189	59 236	59 236	59 236	59 236	24 021	25 318	26 711
Depreciation & asset impairment	2	41 289	45 680	43 412	44 243	44 243	44 243	44 243	48 789	51 423	54 251
Finance charges		4 080	4 882	5 473	3 937	3 937	3 937	3 937	3 937	4 149	4 378
Bulk purchases	2	39 404	38 577	47 337	49 851	49 851	49 851	49 851	52 343	55 170	58 204
Other materials	8	12 301	4 752	3 356	6 754	8 858	8 858	8 858	8 085	8 522	8 990
Contracted services		3 272	4 180	4 096	5 560	5 560	5 560	5 560	6 321	6 663	7 029
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	30 581	32 422	41 484	56 297	41 929	41 929	41 929	39 053	41 162	43 426
Loss on disposal of PPE				1 412							
Total Expenditure		165 149	277 258	270 936	332 104	311 328	311 328	311 328	286 827	302 316	318 943
Surplus/(Deficit)		(15 856)	(85 971)	(34 669)	(98 685)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)

The following table gives a breakdown of the main revenue categories for the 2018/2019 financial year



Major sources of Revenue:

a) Property Rates

It must be noted that Emakhazeni Local Municipality is in the process to develop a new valuation roll. Municipality expects to bill R65 621 396 for the year 2018/2019 on Property Rates, also the municipality will be implementing the new valuation roll effective from 01 July 2019.

b) Service charges

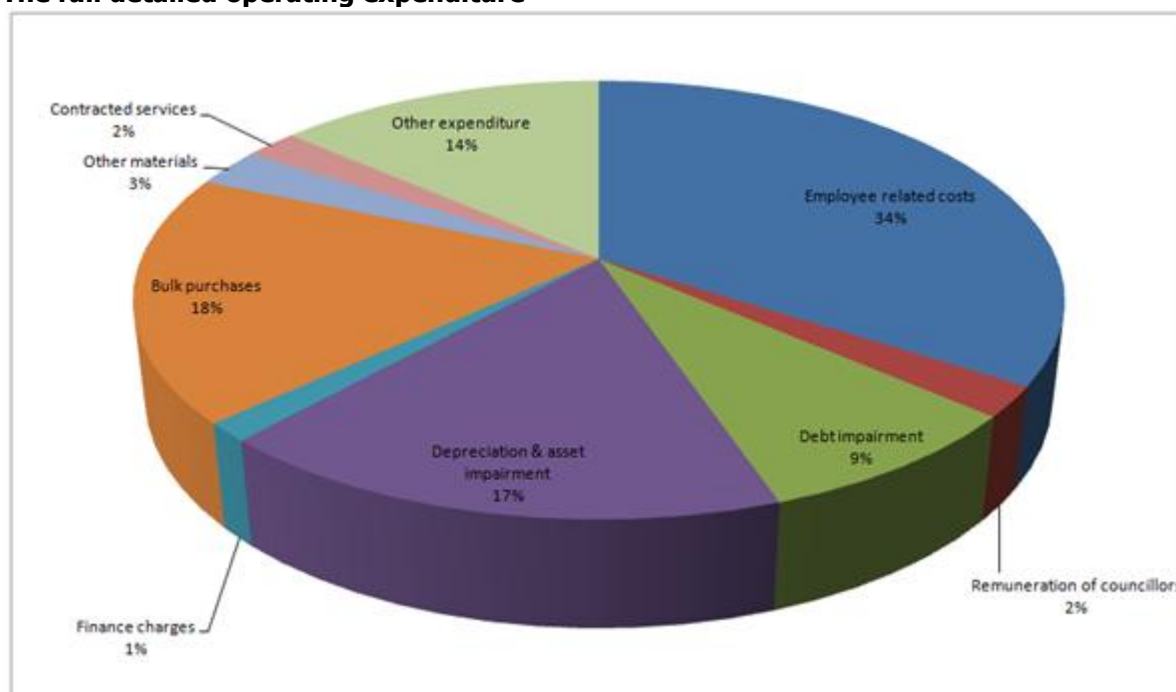
Service charges comprises of the following water, refuse removal, sanitation. All services charges excluding electricity charges will increase by 5.30% as per the projected inflation rate and then electricity will increase by 6.84% as NERSA guidelines. With these increases the services charges for 2018/2019 budget will amount to R 44 098 680 and electricity to R 65 392 258.

c) Operational Transfers and grants

Grants allocation are as per DoRA published by the National Treasury.

MP314 Emakhazeni - Supporting Table SA18 Transfers and grant receipts					
Description	Current Year 2017/18		2018/19 Medium Term Revenue &		
R thousand	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:					
<u>Operating Transfers and Grants</u>					
Local Government Equitable Share	56 146	56 146	58 015	61 148	64 511
Finance Management	1 900	1 900	1 970	2 076	2 191
Municipal Systems Improvement	787	–	–	–	–
EPWP Incentive	1 799	1 290	1 184	1 248	1 317
MIG Operational	–	–	897	946	998
Other grant providers:	–	252	251	265	279
LGSETA	–	252	251	265	279
Total Operating Transfers and Grants	60 632	59 588	62 317	65 682	69 295

The full detailed operating expenditure



a) Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation. Municipal tariff guideline increase, benchmarks and proposed timelines for municipal tariff approval process for the 2018/19 financial year published on the 28 February 2018, made provision for an increase of 7,5% on employee related costs.

Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government 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 annually between December and January by the Department of Cooperative Governance. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

b) Debt Impairment

A provision for debt impairment is made for 2018/2019 to the amount of R 24 020 968. This forms one of the non-cash items and was informed by outstanding debtors amounting R 217 634 762 and the audited performance for 2016/2017.

c) Depreciation

Depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total is R 48 788 579 for the 2018/2019 Budget.

d) 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 2018/2019 which cause the finance charges for the 2018/2019 Budget to be R 3 936 804

e) Contracted Services

Contracted services expenditure totals to R 6 321 432 for the 2018/2019 Budget. This expenditure is primarily for security services.

f) Repair and Maintenance

Repair and Maintenance comprise of amongst other the purchase of materials for maintenance that totals to R8 054 916 for the 2018/2019 Budget.

g) Other expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality and totals to R 39 053 384 for the 2018/2019 Budget.

Table A1 provides a consolidated budget summary of the annual budget. The combined expenditure for the MTREF is as follows:

MP314 Emakhazeni - Table A1 Budget Summary

OFFICER OF FINANCE - Table A1: Budget Summary											
Description		2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance											
Property rates		16 928	29 065	53 460	57 512	56 762	56 762	56 762	59 770	62 998	66 483
Service charges		63 277	74 238	86 022	84 802	102 822	102 822	102 822	109 491	115 403	121 751
Investment revenue		380	546	643	4 128	760	760	760	830	875	923
Transfers recognised - operational		44 855	51 410	63 131	60 632	59 588	59 588	59 588	62 317	65 682	69 295
Other own revenue		23 853	36 028	33 010	26 346	20 875	20 875	20 875	25 034	26 385	27 837
Total Revenue (excluding capital transfers and contributions)		149 293	191 286	236 266	233 420	240 807	240 807	240 807	257 443	271 344	286 268
Employee costs		61 517	69 180	87 617	100 161	91 454	91 454	91 454	97 841	103 124	108 796
Remuneration of councillors		5 070	5 388	5 560	6 066	6 260	6 260	6 260	6 437	6 784	7 157
Depreciation & asset impairment		41 289	45 680	43 412	44 243	44 243	44 243	44 243	48 789	51 423	54 251
Finance charges		4 080	4 882	5 473	3 937	3 937	3 937	3 937	3 937	4 149	4 378
Materials and bulk purchases		51 704	43 329	50 692	56 605	58 709	58 709	58 709	60 428	63 691	67 195
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure		1 489	108 800	78 181	121 092	106 725	106 725	106 725	69 396	73 143	77 166
Total Expenditure		165 149	277 258	270 596	332 104	311 328	311 328	311 328	286 827	302 316	318 943
Surplus/(Deficit)		(15 856)	(85 971)	(34 669)	(98 685)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)
Transfers and subsidies - capital (monetary allocation)		17 232	20 755	25 404	54 560	-	-	-	-	-	-
Contributions recognised - capital & contributed assets		-	37 992	-	22 033	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		1 376	(27 224)	(9 265)	(22 092)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		1 376	(27 224)	(9 265)	(22 092)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)
Capital expenditure & funds sources											
Capital expenditure		22 946	55 420	54 236	81 869	56 259	56 259	56 259	58 529	61 690	65 083
Transfers recognised - capital		22 913	53 734	53 589	76 593	54 560	54 560	54 560	46 065	48 552	51 223
Public contributions & donations		-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-
Internally generated funds		33	1 685	647	5 276	1 699	1 699	1 699	12 464	13 137	13 860
Total sources of capital funds		22 946	55 420	54 236	81 869	56 259	56 259	56 259	58 529	61 690	65 083
Financial position											
Total current assets		97 744	45 142	50 895	176 128	176 128	176 128	176 128	90 188	87 598	92 125
Total non current assets		688 542	986 420	1 000 353	964 438	964 438	964 438	964 438	1 040 248	1 085 887	1 134 845
Total current liabilities		115 728	125 986	144 193	137 139	158 653	149 868	173 995	68 591	61 161	64 516
Total non current liabilities		50 966	37 386	36 317	39 872	39 872	39 872	39 872	40 233	29 676	31 308
Community wealth/Equity		619 592	868 189	870 738	963 554	942 040	950 825	926 698	1 021 612	1 082 648	1 131 145
Cash flows											
Net cash from (used) operating		17 131	28 346	31 425	(44 125)	48 954	48 954	48 954	45 250	55 403	58 451
Net cash from (used) investing		(14 785)	(25 677)	-	(46 389)	(56 259)	(56 259)	(56 259)	(58 527)	(54 310)	(57 297)
Net cash from (used) financing		-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end		6 636	9 306	40 731	(83 877)	766	766	766	3 523	4 617	5 771
Cash backing/surplus reconciliation											
Cash and investments available		6 636	9 306	8 211	57 250	57 250	57 250	57 250	16 096	9 780	10 308
Application of cash and investments		77 501	83 802	106 760	17 907	62 566	53 781	77 908	7 493	114	217
Balance - surplus (shortfall)		(70 864)	(74 495)	(98 549)	39 343	(5 316)	3 469	(20 658)	8 603	9 667	10 091
Asset management											
Asset register summary (WDV)		678 286	991 475	-	661 163	995 349	995 349	-	1 053 878	1 100 255	1 150 043
Depreciation		41 289	45 680	43 412	44 243	44 243	44 243	-	44 243	46 632	49 197
Renewal of Existing Assets		22 946	23 698	16 530	44 163	18 552	18 552	-	31 014	32 689	34 487
Repairs and Maintenance		-	-	-	-	-	-	-	8 085	8 522	8 990
Free services											
Cost of Free Basic Services provided		-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided		870	345	340	451	5 557	5 557	5 851	5 851	6 167	6 506
Households below minimum service level											
Water:		0	0	0	0	0	0	0	0	0	0
Sanitation/sewerage:		1	1	1	1	1	1	1	1	1	1
Sanitation:		2	2	2	2	2	2	2	2	2	2
Refuse:		2	2	2	2	2	2	2	2	2	2

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

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		89 400	103 402	153 381	147 055	120 771	120 771	126 789	133 635	140 985
Executive and council		71 075	71 806	97 360	76 519	59 588	59 588	62 317	65 682	69 295
Finance and administration		18 325	31 595	56 022	70 535	61 183	61 183	64 471	67 953	71 690
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		111	80	509	139	0	0	20 369	21 469	22 650
Community and social services		76	66	494	96	0	0	1 190	1 255	1 324
Sport and recreation		35	14	15	43	-	-	-	-	-
Public safety		-	-	-	-	-	-	19 179	20 214	21 326
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13 400	33 914	13 325	16 615	17 213	17 213	385	406	428
Planning and development		1 343	15 173	1 341	2 693	-	-	385	406	428
Road transport		12 057	18 740	11 984	13 922	17 213	17 213	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		63 615	112 638	94 456	146 204	102 822	102 822	109 900	115 835	122 206
Energy sources		33 488	44 763	60 012	52 765	60 943	60 943	65 752	69 303	73 115
Water management		13 314	13 155	14 217	47 902	17 902	17 902	18 879	19 899	20 993
Waste water management		8 150	46 068	10 168	36 166	12 112	12 112	12 774	13 464	14 204
Waste management		8 662	8 651	10 059	9 370	11 865	11 865	12 494	13 169	13 893
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	166 525	250 034	261 670	310 013	240 807	240 807	257 443	271 344	286 268
Expenditure - Functional										
<i>Governance and administration</i>		58 996	172 695	152 240	189 179	179 427	179 427	103 933	109 545	115 570
Executive and council		31 127	142 610	57 726	137 879	135 764	135 764	26 704	28 146	29 694
Finance and administration		27 869	30 085	94 515	51 300	43 663	43 663	77 229	81 399	85 876
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		7 295	8 896	9 393	11 520	10 020	10 020	23 170	24 421	25 764
Community and social services		1 594	1 676	1 833	2 514	2 149	2 149	3 250	3 426	3 614
Sport and recreation		3 999	4 772	4 898	5 445	4 611	4 611	-	-	-
Public safety		1 421	2 223	2 289	2 677	2 377	2 377	19 920	20 996	22 150
Housing		-	-	-	-	-	-	-	-	-
Health		281	224	373	884	884	884	-	-	-
<i>Economic and environmental services</i>		36 795	31 176	27 413	43 688	36 804	36 804	37 763	39 802	41 991
Planning and development		21 187	13 380	13 146	17 701	16 595	16 595	30 763	32 424	34 207
Road transport		15 608	17 796	14 267	25 987	20 209	20 209	7 000	7 378	7 784
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		61 454	64 135	81 130	82 350	83 518	83 518	121 961	128 547	135 617
Energy sources		43 095	43 005	57 986	56 229	56 578	56 578	70 427	74 230	78 312
Water management		6 582	6 623	8 987	9 858	10 337	10 337	11 490	12 111	12 777
Waste water management		5 351	6 491	6 120	3 761	8 258	8 258	19 449	20 499	21 627
Waste management		6 426	8 016	8 036	12 502	8 345	8 345	20 596	21 708	22 902
<i>Other</i>	4	609	356	760	891	1 559	1 559	-	-	-
Total Expenditure - Functional	3	165 149	277 258	270 936	327 627	311 328	311 328	286 827	302 316	318 943
Surplus/(Deficit) for the year		1 376	(27 224)	(9 265)	(17 614)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)

MP314 Emakhaseni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Revenue - Functional										
<i>Municipal governance and administration</i>		89 400	103 492	153 381	147 855	120 771	120 771	126 789	133 635	140 985
<i>Executive and council</i>		71 075	71 806	97 360	76 519	59 588	59 588	62 317	65 682	69 295
<i>Mayor and Council</i>		30 162	24 376	46 745	21 780			62 317	65 682	69 295
<i>Municipal Manager, Town Secretary and Chief Executive</i>		40 912	47 431	50 615	54 759	59 588	59 588			
<i>Finance and administration</i>		18 325	31 595	56 022	70 535	61 183	61 183	64 471	67 953	71 690
<i>Administrative and Corporate Support</i>		69	71	679	-	-	-	-	-	-
<i>Asset Management</i>										
<i>Budget and Treasury Office</i>		17 498	30 598	55 343	65 876	60 083	60 083	64 471	67 953	71 690
<i>Finance</i>										
<i>Fleet Management</i>										
<i>Human Resources</i>										
<i>Information Technology</i>										
<i>Legal Services</i>										
<i>Marketing, Customer Relations, Publicity and Media Co-</i>										
<i>Property Services</i>		758	926	-	4 659	1 100	1 100	-	-	-
<i>Risk Management</i>										
<i>Security Services</i>										
<i>Supply Chain Management</i>										
<i>Valuation Service</i>										
<i>Internal audit</i>		-	-	-	-	-	-	-	-	-
<i>Governance Function</i>										
Community and public safety		111	80	509	139	0	0	20 369	21 469	22 650
<i>Community and social services</i>		76	66	494	96	0	0	1 190	1 255	1 324
<i>Aged Care</i>										
<i>Agricultural</i>										
<i>Animal Care and Diseases</i>										
<i>Cemeteries, Funeral Parlours and Crematoriums</i>		50	38	33	57	-	-	-	-	-
<i>Child Care Facilities</i>										
<i>Community Halls and Facilities</i>		22	22	43	21	0	0	1 190	1 255	1 324
<i>Consumer Protection</i>										
<i>Cultural Matters</i>										
<i>Disaster Management</i>										
<i>Education</i>										
<i>Indigenous and Customary Law</i>										
<i>Industrial Promotion</i>										
<i>Language Policy</i>										
<i>Libraries and Archives</i>		4	7	418	18					
<i>Literacy Programmes</i>										
<i>Media Services</i>										
<i>Museums and Art Galleries</i>										
<i>Population Development</i>										
<i>Provincial Cultural Matters</i>										
<i>Theatres</i>										
<i>Zoo's</i>										
<i>Sport and recreation</i>		35	14	15	43	-	-	-	-	-
<i>Beaches and Jetties</i>										
<i>Casinos, Racing, Gambling, Wagering</i>										
<i>Community Parks (including Nurseries)</i>		35	14	15	37	-	-	-	-	-
<i>Recreational Facilities</i>										
<i>Sports Grounds and Stadiums</i>					6					
<i>Public safety</i>		-	-	-	-	-	-	19 179	20 214	21 326
<i>Civil Defence</i>										
<i>Cleansing</i>										
<i>Control of Public Nuisances</i>										
<i>Fencing and Fences</i>										
<i>Fire Fighting and Protection</i>								19 179	20 214	21 326
<i>Licensing and Control of Animals</i>										
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>										
<i>Informal Settlements</i>										
<i>Health</i>		-	-	-	-	-	-	-	-	-
<i>Ambulance</i>										
<i>Health Services</i>										
<i>Laboratory Services</i>										
<i>Food Control</i>										
<i>Health Surveillance and Prevention of Communicable</i>										
<i>Vector Control</i>										
<i>Chemical Safety</i>										
Economic and environmental services		13 400	33 914	13 325	16 615	17 213	17 213	385	406	428
<i>Planning and development</i>		1 343	15 173	1 341	2 693	-	-	385	406	428
<i>Billboards</i>										
<i>Corporate Wide Strategic Planning (IDPs, LEDS)</i>										
<i>Central City Improvement District</i>										
<i>Development Facilitation</i>										
<i>Economic Development/Planning</i>		120	25	5	19	-	-	-	-	-
<i>Regional Planning and Development</i>										
<i>Town Planning, Building Regulations and Enforcement, and</i>		1 223	15 148	1 336	2 675	-	-	385	406	428
<i>Project Management Unit</i>										
<i>Provincial Planning</i>										
<i>Support to Local Municipalities</i>										
<i>Road transport</i>		12 057	18 740	11 984	13 922	17 213	17 213	-	-	-
<i>Police Forces, Traffic and Street Parking Control</i>										
<i>Pounds</i>										
<i>Public Transport</i>										
<i>Road and Traffic Regulation</i>										
<i>Roads</i>		12 057	18 740	11 984	13 922	17 213	17 213	-	-	-
<i>Taxi Ranks</i>										
<i>Environmental protection</i>		-	-	-	-	-	-	-	-	-
<i>Biodiversity and Landscape</i>										
<i>Coastal Protection</i>										
<i>Indigenous Forests</i>										
<i>Nature Conservation</i>										
<i>Pollution Control</i>										
<i>Soil Conservation</i>										
Trading services		63 615	112 638	94 456	146 204	102 822	102 822	109 908	115 835	122 206
<i>Energy sources</i>		33 488	44 763	60 012	52 765	60 943	60 943	65 752	69 303	73 115
<i>Electricity</i>		33 488	44 763	60 012	52 765	60 943	60 943	65 752	69 303	73 115
<i>Street Lighting and Signal Systems</i>										
<i>Nonelectric Energy</i>										
<i>Water management</i>		13 314	13 155	14 217	47 902	17 902	17 902	18 879	19 899	20 993
<i>Water Treatment</i>										
<i>Water Distribution</i>		13 314	13 155	14 217	47 902	17 902	17 902	18 879	19 899	20 993
<i>Water Storage</i>										
<i>Waste water management</i>		8 150	46 068	10 168	36 166	12 112	12 112	12 774	13 464	14 204
<i>Public Toilets</i>										
<i>Sewerage</i>		8 150	46 068	10 168	14 133	12 112	12 112	12 774	13 464	14 204
<i>Storm Water Management</i>					22 033					
<i>Waste Water Treatment</i>										
<i>Waste management</i>		8 662	8 651	10 059	9 370	11 865	11 865	12 494	13 169	13 893
<i>Recycling</i>										
<i>Solid Waste Disposal (Landfill Sites)</i>										
<i>Solid Waste Removal</i>		8 662	8 651	10 059	9 370	11 865	11 865	12 494	13 169	13 893
<i>Street Cleaning</i>										
Other		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>										
<i>Air Transport</i>										
<i>Forestry</i>										
<i>Licensing and Regulation</i>										
<i>Markets</i>										
<i>Tourism</i>										
Total Revenue - Functional	2	166 525	250 034	261 670	310 013	240 807	240 807	257 443	271 344	286 268

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

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote										
Vote 1 - EXECUTIVE AND COUNCIL	1	71 075	71 806	97 360	76 519	59 588	59 588	62 317	65 682	69 295
Vote 2 - FINANCE AND ADMIN		18 325	31 543	56 022	70 535	61 183	61 183	64 471	67 953	71 690
Vote 3 - PLANNING AND DEVELOPMENT		1 343	15 173	1 341	2 693	-	-	385	406	428
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		76	66	494	96	-	-	1 190	1 255	1 324
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	19 179	20 214	21 326
Vote 7 - SPORTS AND RECREATION		35	66	15	43	-	-	-	-	-
Vote 8 - WASTE MANAGEMENT		8 662	8 651	10 059	9 370	11 865	11 865	12 494	13 169	13 893
Vote 9 - WASTE WATER MANAGEMENT		8 150	46 068	10 168	36 166	12 112	12 112	12 774	13 464	14 204
Vote 10 - ROAD TRANSPORT		12 057	18 740	11 984	13 922	17 213	17 213	-	-	-
Vote 11 - WATER		13 314	13 155	14 217	47 902	17 902	17 902	18 879	19 899	20 993
Vote 12 - ELECTRICITY		33 488	44 763	60 012	52 765	60 943	60 943	65 752	69 303	73 115
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	166 525	250 034	261 670	310 013	240 807	240 807	257 443	271 344	286 268
Expenditure by Vote to be appropriated										
Vote 1 - EXECUTIVE AND COUNCIL	1	31 127	142 610	57 726	137 879	135 764	135 764	26 704	28 146	29 694
Vote 2 - FINANCE AND ADMIN		27 869	30 085	94 515	51 300	43 663	43 663	77 229	81 399	85 876
Vote 3 - PLANNING AND DEVELOPMENT		21 187	13 380	13 146	17 701	16 595	16 595	30 763	32 424	34 207
Vote 4 - HEALTH		281	224	373	884	884	884	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		1 594	1 676	1 833	2 514	2 149	2 149	3 250	3 426	3 614
Vote 6 - PUBLIC SAFETY		1 421	2 223	2 289	2 677	2 377	2 377	19 920	20 996	22 150
Vote 7 - SPORTS AND RECREATION		3 999	4 772	4 898	5 445	4 611	4 611	-	-	-
Vote 8 - WASTE MANAGEMENT		6 426	8 016	8 036	12 502	8 345	8 345	20 596	21 708	22 902
Vote 9 - WASTE WATER MANAGEMENT		5 351	6 491	6 120	8 239	8 258	8 258	19 449	20 499	21 627
Vote 10 - ROAD TRANSPORT		15 608	17 796	14 267	25 987	20 209	20 209	7 000	7 378	7 784
Vote 11 - WATER		6 582	6 623	8 987	9 858	10 337	10 337	11 490	12 111	12 777
Vote 12 - ELECTRICITY		43 095	43 005	57 986	56 229	56 578	56 578	70 427	74 230	78 312
Vote 13 - OTHER		609	356	760	891	1 559	1 559	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	165 149	277 258	270 936	332 104	311 328	311 328	286 827	302 316	318 943
Surplus/(Deficit) for the year	2	1 376	(27 224)	(9 265)	(22 092)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)

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

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source												
Property rates	2		16 928	29 065	53 460	57 512	56 762	56 762	56 762	59 770	62 998	66 463
Service charges - electricity revenue	2		33 173	44 374	51 596	43 643	60 943	60 943	60 943	65 392	68 923	72 714
Service charges - water revenue	2		13 305	13 151	14 214	17 675	17 902	17 902	17 902	18 851	19 869	20 962
Service charges - sanitation revenue	2		8 136	8 063	10 154	14 113	12 112	12 112	12 112	12 753	13 442	14 181
Service charges - refuse revenue	2		8 662	8 651	10 059	9 370	11 865	11 865	11 865	12 494	13 169	13 893
Service charges - other												
Rental of facilities and equipment			806	953	1 042	4 713	1 100	1 100	1 100	1 151	1 214	1 280
Interest earned - external investments			380	546	643	4 128	760	760	760	830	875	923
Interest earned - outstanding debtors						3 522	560	560	560	3 569	3 762	3 969
Dividends received							-	-	-	-	-	-
Fines, penalties and forfeits			8 874	16 609	9 128	12 713	17 213	17 213	17 213	18 112	19 090	20 140
Licences and permits			6	7	1	6	1	1	1	8	8	9
Agency services			3 172	2 120			-	-	-	-	-	-
Transfers and subsidies			44 855	51 410	63 131	60 632	59 588	59 588	59 588	62 317	65 682	69 295
Other revenue	2		10 995	2 359	22 840	5 391	2 001	2 001	2 001	2 193	2 312	2 439
Gains on disposal of PPE				13 981								
Total Revenue (excluding capital transfers and contributions)			149 293	191 286	236 266	233 420	240 807	240 807	240 807	257 443	271 344	286 268
Expenditure By Type												
Employee related costs	2		61 517	69 180	87 617	100 161	91 454	91 454	91 454	97 841	103 124	108 796
Remuneration of councillors			5 070	5 388	5 560	6 066	6 260	6 260	6 260	6 437	6 784	7 157
Debt impairment	3		(32 364)	72 197	31 189	59 236	59 236	59 236	59 236	24 021	25 318	26 711
Depreciation & asset impairment	2		41 289	45 680	43 412	44 243	44 243	44 243	44 243	48 789	51 423	54 251
Finance charges			4 080	4 882	5 473	3 937	3 937	3 937	3 937	3 937	4 149	4 378
Bulk purchases	2		39 404	38 577	47 337	49 851	49 851	49 851	49 851	52 343	55 170	58 204
Other materials	8		12 301	4 752	3 356	6 754	8 858	8 858	8 858	8 085	8 522	8 990
Contracted services			3 272	4 180	4 096	5 560	5 560	5 560	5 560	6 321	6 663	7 029
Transfers and subsidies			-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5		30 581	32 422	41 484	56 297	41 929	41 929	41 929	39 053	41 162	43 426
Loss on disposal of PPE					1 412							
Total Expenditure			165 149	277 258	270 936	332 104	311 328	311 328	311 328	286 827	302 316	318 943
Surplus/(Deficit)			(15 856)	(85 971)	(34 669)	(98 685)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			17 232	20 755	25 404	54 560	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher			-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)			-	37 992	-	22 033						
Surplus/(Deficit) after capital transfers & contributions			1 376	(27 224)	(9 265)	(22 092)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)
Taxation												
Surplus/(Deficit) after taxation			1 376	(27 224)	(9 265)	(22 092)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)
Attributable to minorities												
Surplus/(Deficit) attributable to municipality			1 376	(27 224)	(9 265)	(22 092)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)
Share of surplus/ (deficit) of associate												
Surplus/(Deficit) for the year			1 376	(27 224)	(9 265)	(22 092)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)

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

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMIN		-	-	-	-	-	-	-	-	-	-
Vote 3 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-
Vote 7 - SPORTS AND 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]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		22 374	53 734	53 321	18 560	-	-	-	800	843	889
Vote 2 - FINANCE AND ADMIN		12	1 283	243	775	-	-	-	500	527	555
Vote 3 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	4 300	4 532	4 781
Vote 4 - HEALTH		6	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	119	-	-	-	7 000	7 378	7 784
Vote 6 - PUBLIC SAFETY		543	-	-	30	-	-	-	1 000	1 054	1 111
Vote 7 - SPORTS AND RECREATION		-	-	-	196	-	-	-	-	-	-
Vote 8 - WASTE MANAGEMENT		-	-	-	-	3 000	3 000	3 000	5 551	5 850	6 172
Vote 9 - WASTE WATER MANAGEMENT		-	-	-	22 233	6 786	6 786	6 786	2 000	2 108	2 224
Vote 10 - ROAD TRANSPORT		11	-	34	1 106	4 126	4 126	4 126	164	173	204
Vote 11 - WATER		-	47	227	30 200	33 648	33 648	33 648	25 200	26 561	28 022
Vote 12 - ELECTRICITY		-	355	411	7 450	7 000	7 000	7 000	9 014	9 501	10 023
Vote 13 - OTHER		-	-	-	1 200	1 699	1 699	1 699	3 000	3 162	3 317
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		22 946	55 420	54 236	81 869	56 259	56 259	56 259	58 529	61 690	65 083
Total Capital Expenditure - Vote		22 946	55 420	54 236	81 869	56 259	56 259	56 259	58 529	61 690	65 083
Capital Expenditure - Functional											
Governance and administration		22 386	55 018	53 565	19 335	-	-	-	-	-	-
Executive and council		22 374	53 734	53 321	18 560	-	-	-	-	-	-
Finance and administration		12	1 283	243	775	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		549	-	-	345	-	-	-	-	-	-
Community and social services		-	-	-	119	-	-	-	-	-	-
Sport and recreation		-	-	-	196	-	-	-	-	-	-
Public safety		543	-	-	30	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		6	-	-	-	-	-	-	-	-	-
Economic and environmental services		11	-	34	1 106	4 126	4 126	4 126	4 300	4 532	4 781
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		11	-	34	1 106	4 126	4 126	4 126	4 300	4 532	4 781
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	402	637	59 883	50 434	50 434	50 434	41 765	44 020	46 441
Energy sources		-	355	411	7 450	7 000	7 000	7 000	9 014	9 501	10 023
Water management		-	47	227	30 200	33 648	33 648	33 648	25 200	26 561	28 022
Waste water management		-	-	-	22 233	6 786	6 786	6 786	2 000	2 108	2 224
Waste management		-	-	-	-	3 000	3 000	3 000	5 551	5 850	6 172
Other		-	-	-	1 200	1 699	1 699	1 699	12 464	13 137	13 860
Total Capital Expenditure - Functional	3	22 946	55 420	54 236	81 869	56 259	56 259	56 259	58 529	61 690	65 083
Funded by:											
National Government		14 752	20 755	24 402	54 560	54 560	54 560	54 560	46 065	48 552	51 223
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		8 161	32 979	29 188	22 033	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	22 913	53 734	53 589	76 593	54 560	54 560	54 560	46 065	48 552	51 223
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		33	1 685	647	5 276	1 699	1 699	1 699	12 464	13 137	13 860
Total Capital Funding	7	22 946	55 420	54 236	81 869	56 259	56 259	56 259	58 529	61 690	65 083

MP314 Emakhazeni - Table A6 Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash		917	490	8 070	193	193	193	193	7 000	193	193
Call investment deposits	1	5 720	8 817	140	57 057	57 057	57 057	57 057	9 096	9 587	10 115
Consumer debtors	1	78 795	20 173	23 527	113 786	113 786	113 786	113 786	69 000	72 726	76 726
Other debtors		2 989	12 921	16 743	2 214	2 214	2 214	2 214	2 214	2 214	2 214
Current portion of long-term receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	9 324	2 741	2 414	2 878	2 878	2 878	2 878	2 878	2 878	2 878
Total current assets		97 744	45 142	50 895	176 128	176 128	176 128	176 128	90 188	87 598	92 125
Non current assets											
Long-term receivables											
Investments											
Investment property		76 281	195 036	195 036	195 036	195 036	195 036	195 036	195 036	195 036	195 036
Investment in Associate											
Property, plant and equipment	3	611 807	790 558	804 636	768 722	768 722	768 722	768 722	844 532	890 137	939 095
Agricultural											
Biological											
Intangible		454	826	681	680	680	680	680	680	714	714
Other non-current assets											
Total non current assets		688 542	986 420	1 000 353	964 438	964 438	964 438	964 438	1 040 248	1 085 887	1 134 845
TOTAL ASSETS		786 286	1 031 562	1 051 248	1 140 565	1 140 565	1 140 565	1 140 565	1 130 436	1 173 485	1 226 970
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	—	—	—	—	—	—	—	—	—	—
Consumer deposits		1 647	1 647	1 759	1 759	1 759	1 759	1 759	1 877	1 847	1 939
Trade and other payables	4	113 003	123 940	139 470	134 961	156 895	148 110	172 236	63 750	59 315	62 577
Provisions		1 078	399	2 964	419	—	—	—	2 964	—	—
Total current liabilities		115 728	125 986	144 193	137 139	158 653	149 868	173 995	68 591	61 161	64 516
Non current liabilities											
Borrowing		—	—	—	—	—	—	—	—	—	—
Provisions		50 966	37 386	36 317	39 872	39 872	39 872	39 872	40 233	29 676	31 308
Total non current liabilities		50 966	37 386	36 317	39 872	39 872	39 872	39 872	40 233	29 676	31 308
TOTAL LIABILITIES		166 694	163 373	180 510	177 011	198 525	189 740	213 867	108 824	90 838	95 825
NET ASSETS	5	619 592	868 189	870 738	963 554	942 040	950 825	926 698	1 021 612	1 082 648	1 131 145
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		619 592	868 189	870 738	963 554	942 040	950 825	926 698	1 021 612	1 082 648	1 131 145
Reserves	4	—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	5	619 592	868 189	870 738	963 554	942 040	950 825	926 698	1 021 612	1 082 648	1 131 145

MP314 Emakhazeni - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		16 928	29 065	46 260	57 512	43 139	43 139	43 139	46 621	49 138	51 841
Service charges		62 405	74 238	82 772	84 802	78 145	78 145	78 145	85 403	90 015	94 965
Other revenue		30 684	35 685	11 078	22 823	20 051	20 051	20 051	21 465	22 624	23 868
Government - operating	1	44 855	51 410	63 131	60 632	59 588	59 588	59 588	62 317	65 682	69 295
Government - capital	1	17 232	20 755	25 404	54 560	54 560	54 560	54 560	46 063	48 550	51 220
Interest		380	546	643	7 651	1 320	1 320	1 320	4 399	4 637	4 892
Dividends									-	-	-
Payments											
Suppliers and employees		(151 273)	(178 471)	(192 390)	(267 309)	(203 912)	(203 912)	(203 912)	(217 081)	(221 093)	(233 254)
Finance charges		(4 080)	(4 882)	(5 473)	(59 236)	(3 937)	(3 937)	(3 937)	(3 937)	(4 149)	(4 378)
Transfers and Grants	1				(5 560)	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		17 131	28 346	31 425	(44 125)	48 954	48 954	48 954	45 250	55 403	58 451
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	14 281	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(14 785)	(39 958)	-	(46 389)	(56 259)	(56 259)	(56 259)	(58 527)	(54 310)	(57 297)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(14 785)	(25 677)	-	(46 389)	(56 259)	(56 259)	(56 259)	(58 527)	(54 310)	(57 297)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing									-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		2 346	2 670	31 425	(90 514)	(7 305)	(7 305)	(7 305)	(13 277)	1 094	1 154
Cash/cash equivalents at the year begin:	2	4 290	6 636	9 306	6 636	8 070	8 070	8 070	16 800	3 523	4 617
Cash/cash equivalents at the year end:	2	6 636	9 306	40 731	(83 877)	766	766	766	3 523	4 617	5 771

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

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available												
Cash/cash equivalents at the year end		1	6 636	9 306	40 731	(83 877)	766	766	766	3 523	4 617	5 771
Other current investments > 90 days			-	-	(32 520)	141 127	56 484	56 484	56 484	12 573	5 163	4 537
Non current assets - Investments		1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:			6 636	9 306	8 211	57 250	57 250	57 250	57 250	16 096	9 780	10 308
Application of cash and investments												
Unspent conditional transfers			1 463	966	-	-	-	-	-	-	-	-
Unspent borrowing			-	-	-	-	-	-	-	-	-	-
Statutory requirements		2	4 489									
Other working capital requirements		3	20 583	82 836	106 760	17 907	62 566	53 781	77 908	7 493	114	217
Other provisions			50 966									
Long term investments committed		4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5										
Total Application of cash and investments:			77 501	83 802	106 760	17 907	62 566	53 781	77 908	7 493	114	217
Surplus(shortfall)			(70 864)	(74 495)	(98 549)	39 343	(5 316)	3 469	(20 658)	8 603	9 667	10 091

MP314 Emakhaseni - Table A9 Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	-	31 722	37 706	37 706	37 706	37 706	27 515	29 001	30 595 966
Roads Infrastructure		-	4 604	12 032	12 032	12 032	12 032	4 300	4 532	4 781 471
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	4 073	194	194	194	194	-	-	-
Water Supply Infrastructure		-	5 038	5 663	5 663	5 663	5 663	5 200	5 481	5 782 244
Sanitation Infrastructure		-	4 721	6 256	6 256	6 256	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	5 551	5 850	6 172 212
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	18 435	24 146	24 146	24 146	24 146	15 051	15 863	16 735 927
Community Facilities		-	12 724	12 724	12 724	12 724	12 724	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	12 724	12 724	12 724	12 724	12 724	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	12 464	13 137	13 860 039
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	12 464	13 137	13 860 039
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	154	154	154	154	-	-	-
Furniture and Office Equipment		-	20	130	130	130	130	-	-	-
Machinery and Equipment		-	-	402	402	402	402	-	-	-
Transport Assets		-	543	151	151	151	151	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	22 946	23 698	16 530	44 163	18 552	18 552	31 014	32 689	34 487
Roads Infrastructure		-	4 604	12 032	12 032	12 032	12 032	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	4 073	194	194	194	194	9 014	9 501	10 023
Water Supply Infrastructure		-	5 038	5 663	5 663	5 663	5 663	20 000	21 080	22 239
Sanitation Infrastructure		-	4 721	6 256	6 256	6 256	6 256	2 000	2 108	2 224
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	18 435	24 146	24 146	24 146	24 146	31 014	32 689	34 487
Community Facilities		-	12 724	12 724	12 724	12 724	12 724	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	12 724	12 724	12 724	12 724	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	4 699	(21 177)	6 456	(19 154)	(19 154)	-	-	-
Intangible Assets		22 946	4 699	(21 177)	6 456	(19 154)	(19 154)	-	-	-
Computer Equipment		-	-	154	154	154	154	-	-	-
Furniture and Office Equipment		-	20	130	130	130	130	-	-	-
Machinery and Equipment		-	-	402	402	402	402	-	-	-
Transport Assets		-	543	151	151	151	151	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	9 207	24 064	24 064	24 064	24 064	4 300	4 532	4 781 471
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	8 146	388	388	388	388	9 014	9 501	10 023
Water Supply Infrastructure		-	10 075	11 327	11 327	11 327	11 327	25 200	26 581	5 804 483
Sanitation Infrastructure		-	9 441	12 513	12 513	12 513	12 513	2 000	2 108	2 224
Solid Waste Infrastructure		-	-	-	-	-	-	5 551	5 850	6 172 212
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	36 869	48 291	48 291	48 291	48 291	46 065	48 552	16 770 414
Community Facilities		-	12 724	25 448	25 448	25 448	25 448	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	12 724	25 448	25 448	25 448	25 448	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	12 464	13 137	13 860 039
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	12 464	13 137	13 860 039
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	4 699	(21 177)	6 456	(19 154)	(19 154)	-	-	-
Intangible Assets		22 946	4 699	(21 177)	6 456	(19 154)	(19 154)	-	-	-
Computer Equipment		-	-	308	308	308	308	-	-	-

PART 2

SUPPORTING

DOCUMENTS

Overview of the budget process

1. Overview of the budget process

The budget process is an effective process to ensure good governance and accountability. The budget process involves National & Provincial, Treasury, District municipality, communities, Councilors, administration and other stakeholders. The budget preparation process is guided by the following legislative requirements:

- Municipal Finance Management Act
- Municipal Systems Act and
- Municipal Structures Act

The budget processes started ten months before the start financial year. In compliance with this requirement the IDP and budget time schedule was tabled before council. The main aim of the timetable is to ensure integration between the Integrated Development Plan, the budget and allied process towards tabling a credible budget

Council adopted the draft budget in March 2018 for consultation. All community inputs were considered before the approval of the final budget. To ensure credible budget a Revenue Strategy is in place.

The municipality's revenue strategy is based on the following key components:

- Current account be paid in full (current means 01 July 2017 to date);

- The budget is based on a collection rate of 78% from property rates, electricity, refuse removal, sanitation and water.
- Installation of prepaid meters
- Effective implementation of the Credit Control and Debt collection by-law
- The accounting officer will immediately inform the National Treasury of any payments due by an organ of state to the municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

2. Overview of budget-related policies

The purpose of budget-related and financial policies is to provide a sound environment to manage the financial affairs of the municipality. The following are key budget relating policies which municipality has approved and where the policy doesn't exist the process of development will be looked at:

- **Tariff Policy** – the policy prescribes the procedures for calculating tariffs.
- **Rates Policy** – a policy required by the Municipal Property Rates Act, Act 6 of 2004. This policy provides the framework for the determining of rates.
- **Free Basic services policy**- this policy aims to enhance the delivery of Free Basic Services to poor households, and assist municipality in developing innovative, reliable and integrated billing systems that would allow for improved delivery of services and an effective and efficient billing system for the debtors/consumers of the municipality.
- **Indigent Support Policy** – to provide access to and regulate free basic services to all indigent households. The policy is submitted with the budget for review and be approved for public participation.
- **Credit Control and Debt Collection Policy** – to provide for credit and debt collection procedures and mechanisms to ensure that all consumers pay for the services that are supplied.
- **Budget Policy** – this policy set out the principles which must be followed in preparing a medium term revenue and expenditure framework budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.

- **Cash management and Investment Policy** – this policy was compiled in accordance with the Municipal Investment Regulation R308 and ensures that cash resources are managed in the most efficient and effective manner possible.
- **Asset Management Policy** – the objective of the policy is to prescribe the accounting and administrative procedures relating to property, plant and equipment (assets). The asset management policy it has incorporate the asset disposal processes.

- **Supply Chain Management Policy** – this policy is developed in terms of Section 111 of the Municipal Finance Management Act, Act 56 of 2003. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost-effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of municipal services.

Approved Budget Related Policies are on the Municipal Website

These policies are available on the official website www.emakhazeni.gov.za

SA TABLES

MP314 Emakhazeni - Supporting Table SA1 Supportting detail to 'Budgeted Financial Performance'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	17 798	29 410	53 800	57 963	62 319	62 319	62 319	65 621	69 165	72 969
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		870	345	340	451	5 557	5 557	5 557	5 851	6 167	6 506
Net Property Rates		16 928	29 065	53 460	57 512	56 762	56 762	56 762	59 770	62 998	66 463
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	33 173	44 374	51 596	43 643	60 943	60 943	60 943	65 392	68 923	72 714
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		33 173	44 374	51 596	43 643	60 943	60 943	60 943	65 392	68 923	72 714
Service charges - water revenue											
Total Service charges - water revenue	6	13 305	13 151	14 214	17 675	17 902	17 902	17 902	18 851	19 869	20 962
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		13 305	13 151	14 214	17 675	17 902	17 902	17 902	18 851	19 869	20 962
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		8 136	8 063	10 154	14 113	12 112	12 112	12 112	12 753	13 442	14 181
less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		8 136	8 063	10 154	14 113	12 112	12 112	12 112	12 753	13 442	14 181
Service charges - refuse revenue											
Total refuse removal revenue	6	8 662	8 651	10 059	9 370	11 865	11 865	11 865	12 494	13 169	13 893
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		8 662	8 651	10 059	9 370	11 865	11 865	11 865	12 494	13 169	13 893
Other Revenue by source											
Fuel Levy		10 995	2 359	22 840	5 391	2 001	2 001	2 001	2 193	2 312	2 439
Other Revenue		-	-	-	-	-	-	-	-	-	-
Total 'Other' Revenue	3	10 995	2 359	22 840	5 391	2 001	2 001	2 001	2 193	2 312	2 439

EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	38 825	43 600	61 362	56 457	48 976	48 976	48 976	59 550	62 766	66 218
Pension and UIF Contributions		7 740	8 312	8 689	11 602	12 995	12 995	12 995	9 675	10 197	10 758
Medical Aid Contributions		2 466	2 835	3 038	3 815	4 558	4 558	4 558	3 822	4 028	4 250
Overtime		2 277	3 382	3 694	4 561	4 471	4 471	4 471	4 138	4 361	4 601
Performance Bonus		2 716	2 881	3 055	7 506	7 214	7 214	7 214	4 671	4 924	5 195
Motor Vehicle Allowance		4 624	4 710	5 038	5 381	5 406	5 406	5 406	5 264	5 548	5 854
Cellphone Allowance		3	4	–	469	406	406	406	429	452	476
Housing Allowances		48	658	697	702	752	752	752	1 296	1 366	1 441
Other benefits and allowances		2 168	2 287	2 044	3 258	3 265	3 265	3 265	2 508	2 643	2 788
Payments in lieu of leave											
Long service awards		650	510	–	769	769	769	769	717	755	797
Post-retirement benefit obligations					5 640	2 640	2 640	2 640	5 773	6 084	6 419
sub-total	4	61 517	69 180	87 617	100 161	91 454	91 454	91 454	97 841	103 124	108 796
Less: Employees costs capitalised to PPE											
Total Employee related costs											
	1	61 517	69 180	87 617	100 161	91 454	91 454	91 454	97 841	103 124	108 796
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital											
		–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		41 289	45 680	43 412	44 243	44 243	44 243	44 243	48 789	51 423	54 251
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	41 289	45 680	43 412	44 243	44 243	44 243	44 243	48 789	51 423	54 251
Bulk purchases											
Electricity Bulk Purchases		39 404	38 577	47 337	49 851	49 851	49 851	49 851	52 343	55 170	58 204
Water Bulk Purchases											
Total bulk purchases	1	39 404	38 577	47 337	49 851	49 851	49 851	49 851	52 343	55 170	58 204
Transfers and grants											
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	–	–	–	–	–	–	–	–	–	–
Contracted services											
SECURITY BANKING		408	464	477	321	321	321	321	321	339	357
SECURITY		2 864	3 716	3 619	5 238	5 238	5 238	5 238	6 000	6 324	6 672
sub-total	1	3 272	4 180	4 096	5 560	5 560	5 560	5 560	6 321	6 663	7 029
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		3 272	4 180	4 096	5 560	5 560	5 560	5 560	6 321	6 663	7 029
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions											
Consultant fees											
Audit fees		2 692	3 642	4 780	4 921	4 100	4 100	4 100	4 300	4 532	4 781
General expenses	3	17 724	18 038	18 482	30 829	23 502	23 502	23 502	28 993	30 559	32 240
List Other Expenditure by Type											
Rental Offices		355	446	187	506	–	–	–	–	–	–
Insurance Annual Renewals		658	748	406	740	740	740	740	370	390	412
Books and Ordinances		21	46	57	68	68	68	68	35	37	39
Chemicals		291	151	195	2 795	2 795	2 795	2 795	1 286	1 355	1 430
Advertising Costs		199	54	78	199	199	199	199	90	95	100
Printing and stationery		892	912	1 202	1 064	864	864	864	532	561	592
Fuel and oil		2 255	1 832	12 858	3 557	3 557	3 557	3 557	1 778	1 874	1 977
Telephone		898	943	965	1 087	1 087	1 087	1 087	544	573	605
TMT expenses		4 448	5 159	1 916	9 768	4 100	4 100	4 100	1 000	1 054	1 112
Training		49	236	357	426	776	776	776	125	132	139
Rental vehicles		98	214	–	336	140	140	140	–	–	–
Total 'Other' Expenditure	1	30 581	32 422	41 484	56 297	41 929	41 929	41 929	39 053	41 162	43 426
by Expenditure Item											
Employee related costs	8										
Other materials						8 858	8 858	8 858	8 085	8 522	8 990
Contracted Services											
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	–	–	–	–	8 858	8 858	8 858	8 085	8 522	8 990

MP314 Emakhazeni - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - FINANCE AND ADMIN	Vote 3 - PLANNING AND DEVELOPMENT	Vote 4 - HEALTH	Vote 5 - COMMUNITY AND SOCIAL SERVICES	Vote 6 - PUBLIC SAFETY	Vote 7 - SPORTS AND 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]	Total
R thousand	1																
Revenue By Source																	
Property rates			59 770														59 770
Service charges - electricity revenue													65 392				65 392
Service charges - water revenue												18 851					18 851
Service charges - sanitation revenue																	12 753
Service charges - refuse revenue									12 494	12 753							12 494
Service charges - other																	-
Rental of facilities and equipment						1 151											1 151
Interest earned - external investments			830														830
Interest earned - outstanding debtors			3 569														3 569
Dividends received																	-
Fines, penalties and forfeits							18 112										18 112
Licences and permits							8										8
Agency services																	-
Other revenue																	-
Transfers and subsidies			302	385		39	1 059			21		28	360				2 193
Gains on disposal of PPE		62 317															62 317
Total Revenue (excluding capital transfers and contributions)		62 317	64 471	385	-	1 190	19 179	-	12 494	12 774	-	18 879	65 752	-	-	-	257 443
Expenditure By Type																	
Employee related costs		6 169	26 205	28 998		2 107	11 675		8 190	7 253		2 705	4 539				97 841
Remuneration of councillors		6 437															6 437
Debt Impairment			24 021														24 021
Depreciation & asset impairment		2 200	2 947						10 000	10 742	7 000	5 000	11 000				46 709
Finance charges			3 937														3 937
Bulk purchases													52 343				52 343
Other materials		275	86	1 765		14	748		1 339	920		1 130	1 807				8 085
Contracted services							6 321										6 321
Transfers and subsidies																	-
Other expenditure		11 623	20 132			1 129	1 176		1 066	534		2 655	737				39 053
Loss on disposal of PPE																	-
Total Expenditure		26 704	77 229	30 763	-	3 250	19 920	-	20 596	19 449	7 000	11 490	70 427	-	-	-	286 827
Surplus/(Deficit)		35 613	(12 757)	(30 378)	-	(2 060)	(741)	-	(8 101)	(6 675)	(7 000)	7 389	(4 674)	-	-	-	(20 384)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)																	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																	-
Transfers and subsidies - capital (in-kind - all)																	-
Surplus/(Deficit) after capital transfers & contributions		35 613	(12 757)	(30 378)	-	(2 060)	(741)	-	(8 101)	(6 675)	(7 000)	7 389	(4 674)	-	-	-	(29 384)

MP314 Emakhazeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Call investment deposits											
Call deposits		5 720	8 817	140	57 057	57 057	57 057	57 057	9 096	9 587	10 115
Other current investments											
Total Call investment deposits	2	5 720	8 817	140	57 057	57 057	57 057	57 057	9 096	9 587	10 115
Consumer debtors											
Consumer debtors		136 843	99 157	23 527	207 532	207 532	207 532	207 532	217 635	229 387	242 003
Less: Provision for debt impairment		(58 048)	(78 984)		(93 746)	(93 746)	(93 746)	(93 746)	(148 635)	(156 661)	(165 277)
Total Consumer debtors	2	78 795	20 173	23 527	113 786	113 786	113 786	113 786	69 000	72 726	76 726
Debt impairment provision											
Balance at the beginning of the year		90 457	58 048		87 824	87 824	87 824	87 824	159 653	92 566	97 657
Contributions to the provision		(32 408)	72 197		32 422	32 422	32 422	32 422	24 021	34 173	36 052
Bad debts written off					(26 500)	(26 500)	(26 500)	(26 500)	(17 000)	(27 931)	(29 467)
Balance at end of year		58 048	130 246	-	93 746	93 746	93 746	93 746	166 674	98 808	104 242
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		1 369 764	1 478 594	804 636	1 557 892	1 557 892	1 557 892	1 557 892	1 633 703	1 721 923	1 816 628
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		757 957	688 036		789 170	789 170	789 170	789 170	789 170	831 786	877 534
Total Property, plant and equipment (PPE)	2	611 807	790 558	804 636	768 722	768 722	768 722	768 722	844 532	890 137	939 095
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities									-		
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		107 051	119 531	139 470	131 484	153 417	144 632	168 759	63 750	59 315	62 577
Unspent conditional transfers		1 463	966		-	-	-	-	-	-	-
VAT		4 489	3 443		3 478	3 478	3 478	3 478	-	-	-
Total Trade and other payables	2	113 003	123 940	139 470	134 961	156 895	148 110	172 236	63 750	59 315	62 577
Non current liabilities - Borrowing											
Borrowing	4										
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits		8 948	-		11 716	11 716	11 716	11 716	12 416	-	-
List other major provision items											
Refuse landfill site rehabilitation		38 643	37 386	36 317	24 240	24 240	24 240	24 240	23 901	25 549	26 954
Other		3 375			3 916	3 916	3 916	3 916	3 916	4 127	4 354
Total Provisions - non-current		50 966	37 386	36 317	39 872	39 872	39 872	39 872	40 233	29 676	31 308
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		618 217	897 061	870 738	1 045 466	1 045 466	1 045 466	1 045 466	1 050 967	1 117 467	1 167 880
GRAP adjustments											
Restated balance		618 217	897 061	870 738	1 045 466	1 045 466	1 045 466	1 045 466	1 050 967	1 117 467	1 167 880
Surplus/(Deficit)		1 376	(27 224)	(9 265)	(22 092)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	619 592	869 837	861 473	1 023 374	974 945	974 945	974 945	1 021 582	1 086 496	1 135 206
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	619 592	869 837	861 473	1 023 374	974 945	974 945	974 945	1 021 582	1 086 496	1 135 206

MP314 Emakhazeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
KPA 1:	Service Delivery and Infrastructure Development			77 125	146 632	108 289	162 958	120 036	120 036	130 654	137 709	145 283
KPA 2:	Local Economic Development											
KPA 3:	Financial Viability			18 325	31 595	56 022	70 535	61 183	61 183	64 471	67 953	71 690
KPA 4:	Public Participation and Good Governance			71 075	71 806	97 360	76 519	59 588	59 588	62 317	65 682	69 295
KPA 5:	Institutional Development and Transformation											
IDP												
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	166 525	250 034	261 670	310 013	240 807	240 807	257 443	271 344	286 268

MP314 Emakhazeni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand													
KPA 1:	Service Delivery and Infrastructure Development			105 544	104 206	117 935	137 557	130 342	130 342	182 894	192 770	203 373	
KPA 2:	Local Economic Development												
KPA 3:	Financial Viability			27 869	30 085	94 515	51 300	43 663	43 663	77 229	81 399	85 876	
KPA 4:	Public Participation and Good Governance			31 736	142 966	58 485	138 770	137 323	137 323	26 704	28 146	29 694	
KPA 5:	Institutional Development and Transformation												
IDP													
Allocations to other priorities													
Total Expenditure				1	165 149	277 258	270 936	327 627	311 328	311 328	286 827	302 316	318 943

MP314 Emakhazeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
KPA 1:	Service Delivery and Infrastructure Development	A		11	402	672	60 989	54 560	54 560	41 929	44 193	46 645
		B										
		C										
KPA 2:	Local Economic Development	D		–	–	–	119	–	–	7 000	7 378	7 784
		E										
		F										
KPA 3:	Financial Viability	G		12	1 283	243	775	–	–	500	527	555
		H										
		I										
KPA 4:	Public Participation and Good Governance	J										
		K										
		L										
KPA 5:	Institutional Development and Transformation	M		22 923	53 734	53 321	19 790	1 699	1 699	9 100	9 591	10 099
		N										
IDP		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	22 946	55 420	54 236	81 673	56 259	56 259	58 529	61 690	65 089

MP314 Emakhazeni - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.5%	1.8%	2.0%	1.2%	1.3%	1.3%	1.3%	1.4%	1.4%	1.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.9%	3.5%	3.2%	2.3%	2.2%	2.2%	2.2%	2.0%	2.0%	2.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.8	0.4	0.4	1.3	1.1	1.2	1.0	1.3	1.4	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.8	0.4	0.4	1.3	1.1	1.2	1.0	1.3	1.4	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.1	0.1	0.4	0.4	0.4	0.3	0.2	0.2	0.2
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		98.9%	100.0%	92.5%	100.0%	76.0%	76.0%	76.0%	78.0%	78.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		98.9%	100.0%	92.5%	100.0%	76.0%	76.0%	76.0%	78.0%	78.0%	78.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	54.8%	17.3%	17.0%	49.7%	48.2%	48.2%	48.2%	27.7%	27.6%	27.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))										
Creditors to Cash and Investments		1613.1%	1284.4%	342.4%	-156.8%	20041.2%	18893.6%	22045.3%	1809.4%	1284.7%	1084.3%
<u>Other Indicators</u>											
Electricity Distribution Losses (Z)	Total Volume Losses (kWh)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (Z)	Total Volume Losses (kl)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	41.2%	36.2%	37.1%	42.9%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	33.7%	29.1%	39.0%	38.3%	38.3%		40.5%	42.3%	42.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		3.1%	3.1%	3.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	30.4%	26.4%	20.7%	20.6%	20.0%	20.0%	20.0%	20.5%	20.5%	20.5%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	191.3	217.6	22.6	130.9	130.9	130.9	41.2	42.1	42.0	44.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	101.0%	31.7%	28.7%	78.9%	72.2%	72.2%	72.2%	41.8%	41.7%	41.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.8	0.5	2.5	(4.0)	0.0	0.0	0.0	0.2	0.3	0.3

Description of economic indicator		Basis of calculation	2001 Census	2007 Survey	2011 Census	2014/15	2015/16	2016/17	Current Year 2017/18	2019/19 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics	Ref.											
Population			43	43	47	47	47	47	47	47	47	47
Females aged 5 - 14			5	5	4	4	4	4	4	4	4	4
Males aged 5 - 14			4	4	4	4	4	4	4	4	4	4
Females aged 15 - 34			8	8	8	8	8	8	8	8	8	8
Males aged 15 - 34			8	8	9	9	9	9	9	9	9	9
Unemployment			5	5	10	10	10	10	10	10	10	10
Monthly household income (no. of households)	1, 12											
No income						18 390	18 390	18 390	18 390	18 390	18 390	18 390
R1 - R1 600			243	243	255	13 154	13 154	13 154	13 154	13 154	13 154	13 154
R1 601 - R3 200			788	788	788	3 666	3 666	3 666	3 666	3 666	3 666	3 666
R3 201 - R8 400			282	282	282	2 225	2 225	2 225	2 225	2 225	2 225	2 225
R8 401 - R12 800						1 772	1 772	1 772	1 772	1 772	1 772	1 772
R12 801 - R25 600						852	852	852	852	852	852	852
R25 601 - R51 200						331	331	331	331	331	331	331
R52 201 - R102 400						75	75	75	75	75	75	75
R102 401 - R204 800						45	45	45	45	45	45	45
R204 801 - R409 600						20	20	20	20	20	20	20
R409 601 - R819 200						-	-	-	-	-	-	-
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			43 008	32 840	47 217	47	47	47	47	47		
Number of poor people in municipal area						1	1	1	1	1		
Number of households in municipal area			9 723	12 127	13 722	14	14	14	14	14		
Number of poor households in municipal area						13 722						
Definition of poor household (R per month)			500	500	801	883	883	883	883	883		
Housing statistics	3											
Formal					12 184	12 184	12 184	12 184	12 184	12 184		
Informal					1 538	1 538	1 538	1 538	1 538	1 538		
Total number of households			-	-	13 722	13 722	13 722	13 722	13 722	13 722	-	
Dwellings provided by municipality	4											
Dwellings provided by provincials												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											

Total municipal services		Ref.		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
			Household service targets (000)									
			Water:									
			Piped water inside dwelling	6 830	6 830	6 830	6 830	6 830	6 830	6 830	6 830	
			Piped water inside yard (but not in dwelling)	5 417	5 417	5 417	5 417	5 417	5 417	5 417	5 417	
	8		Using public tap (at least min.service level)	308	308	308	308	308	308	308	308	
			Other water supply (at least min.service level)	1 930	1 930	1 930	1 930	1 930	1 930	1 930	1 930	
			<i>Minimum Service Level and Above sub-total</i>	14 485	14 485	14 485	14 485	14 485	14 485	14 485	14 485	
	9		Using public tap (< min.service level)	-	-	-	-	-	-	-	-	
	10		Other water supply (< min.service level)	-	-	-	-	-	-	-	-	
			No water supply	148	148	148	148	148	148	148	148	
			<i>Below Minimum Service Level sub-total</i>	148	148	148	148	148	148	148	148	
			Total number of households	14 633	14 633	14 633	14 633	14 633	14 633	14 633	14 633	
			Sanitation/sewage:									
			Flush toilet (connected to sewerage)	11 010	11 010	11 010	11 010	11 010	11 010	11 010	11 010	
			Flush toilet (with septic tank)	860	860	860	860	860	860	860	860	
			Chemical toilet	191	191	191	191	191	191	191	191	
			Pit toilet (ventilated)	1 398	1 398	1 398	1 398	1 398	1 398	1 398	1 398	
			Other toilet provisions (> min.service level)	14	14	14	14	14	14	14	14	
			<i>Minimum Service Level and Above sub-total</i>	13 473	13 473	13 473	13 473	13 473	13 473	13 473	13 473	
			Bucket toilet	39	39	39	39	39	39	39	39	
			Other toilet provisions (< min.service level)	366	366	366	366	366	366	366	366	
			No toilet provisions	756	756	756	756	756	756	756	756	
			<i>Below Minimum Service Level sub-total</i>	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	
			Total number of households	14 634	14 634	14 634	14 634	14 634	14 634	14 634	14 634	
			Energy:									
			Electricity (at least min.service level)	12 707	12 707	12 707	12 707	12 707	12 707	12 707	12 707	
			Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	
			<i>Minimum Service Level and Above sub-total</i>	12 707	12 707	12 707	12 707	12 707	12 707	12 707	12 707	
			Electricity (< min.service level)	-	-	-	-	-	-	-	-	
			Electricity - prepaid (< min.service level)	-	-	-	-	-	-	-	-	
			Other energy sources	1 926	1 926	1 926	1 926	1 926	1 926	1 926	1 926	
			<i>Below Minimum Service Level sub-total</i>	1 926	1 926	1 926	1 926	1 926	1 926	1 926	1 926	
			Total number of households	14 633	14 633	14 633	14 633	14 633	14 633	14 633	14 633	
			Refuse:									
			Removed at least once a week	-	10 774	12 404	12 404	12 404	12 404	12 404	12 404	
			<i>Minimum Service Level and Above sub-total</i>	-	10 774	12 404	12 404	12 404	12 404	12 404	12 404	
			Removed less frequently than once a week	-	-	-	-	-	-	-	-	
			Using communal refuse dump	-	-	-	-	-	-	-	-	
			Using own refuse dump	-	-	-	-	-	-	-	-	
			Other rubbish disposal	-	-	-	-	-	-	-	-	
			No rubbish disposal	2 229	2 229	2 2						

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)(b)	1	6 636	9 306	40 731	(83 877)	766	766	766	3 523	4 617	5 771
Cash + investments at the yr end less applications - R'000	18(1)(b)	2	(70 864)	(74 495)	(98 549)	39 343	(5 316)	3 469	(20 658)	8 603	9 667	10 091
Cash year end/monthly employee/supplier payments	18(1)(b)	3	0.8	0.5	2.5	(4.0)	0.0	0.0	0.0	0.2	0.3	0.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	1 376	(27 224)	(9 265)	(22 092)	(70 521)	(70 521)	(70 521)	(29 384)	(30 971)	(32 674)
Service charge rev % change - macro CPIX target exclusive	18(1)(a)(2)	5	N.A.	22.8%	29.0%	(4.0%)	6.1%	(6.0%)	(6.0%)	0.1%	(0.6%)	(0.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)(a)(2)	6	105.7%	110.9%	81.2%	97.9%	78.3%	78.3%	78.3%	79.0%	79.0%	79.0%
Debt impairment expense as a % of total billable revenue	18(1)(a)(2)	7	(40.4%)	69.9%	22.4%	41.6%	37.1%	37.1%	37.1%	14.2%	14.2%	14.2%
Capital payments % of capital expenditure	18(1)(c)-19	8	64.4%	72.1%	0.0%	56.7%	100.0%	100.0%	100.0%	88.0%	88.0%	88.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)(c)-9	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)(a)	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)(a)	11	N.A.	(59.5%)	21.7%	188.1%	0.0%	0.0%	0.0%	(38.6%)	5.2%	5.3%
Long term receivables % change - incr(decr)	18(1)(a)	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(v)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	1.0%	1.0%	1.0%
Asset renewal % of capital budget	20(1)(v)	14	100.0%	42.8%	30.5%	53.9%	33.0%	33.0%	0.0%	53.0%	53.0%	53.0%

MP314 Emakhazeni - Supporting Table SA11 Property rates summary

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Valuation:	1									
Date of valuation:										
Financial year valuation used		YES	YES	YES	YES					
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes					
Municipal/assistant valuer appointed? (Y/N)		No	No							
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3	1	1	1	1			1	1	1
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)		No	No							
Implementation time of new valuation roll (mths)										
No. of properties	5	13 996	13 996	13 996	13 996	13 996	13 996	13 996	13 996	13 996
No. of sectional title values	5	4	4	4	4	4	4	4	4	4
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations		1	1	1	1	1	1	1	1	1
No. of valuation roll amendments										
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5	6	6	6	6	6	6	6	6	6
Municipality owned property value (Rm)		56	56	56	56	60	60	60	60	60
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)			4							
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)		386	447							
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)		0	0							
Total valuation reductions:		387	452	-	-	-	-	-	-	-
Total value used for rating (Rm)	5	1 033	1 049	1 049	118	118	118	118	118	118
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5	1 354	1 440	1 440	1 630	1 630	1 630	1 630	1 630	1 630
Rating:										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Special rating area used? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)		1	1	1	1			1		
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)	6				62 157	62 157	62 157	60 321	63 941	67 777
Rate revenue expected to collect (R'000)	6				62 157	62 157	62 157	60 321	63 941	67 777
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)					490	340	340	346	353	360
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	490	340	340	346	353	360

Current Year 2017/18

MP314 Emakhazeni - Supporting Table SA12b Property rates by category (budget year)

Municipalities - Supporting Table SMT2 - Property Rates by Category (Budget year)																	
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(b) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
Budget Year 2018/19																	
Valuation:																	
No. of properties		8 723	36		2 522	128	633	261	462							11	3
No. of sectional title property values		109		30													
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		4	4	4	4	4	4	4	4							4	
Supplementary valuation (R/m)																	
No. of valuation roll amendments		6		5													
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalized																	
No. of successful objections																	
No. of successful objections > 10%	5																
Estimated no. of properties not valued	5																
Years since last valuation (select)					4	<1	<1	<1	1							4	3
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)		Market Land & impr.	Market Land & impr.	Market Land & impr.	Market Land & impr.	Market Land & impr.	Market Land & impr.	Market Land & impr.	Market Land & impr.							Market Land & impr.	Market Land & impr.
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes							Yes	Yes
Flat rate used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes							Yes	Yes
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable							Variable	Variable
Valuation reductions:																	
Valuation reductions-public infrastructure (R/m)																	
Valuation reductions-nature reserves/park (R/m)																	
Valuation reductions-mineral rights (R/m)																	
Valuation reductions-R15,000 threshold (R/m)																	
Valuation reductions-public worship (R/m)																	
Valuation reductions-other (R/m)	2																
Total valuation reductions:																	
Total value used for rating (R/m)	6																
Total land value (R/m)	6																
Total value of improvements (R/m)	6																
Total market value (R/m)	6																
Rating:																	
Average rate	3																
Rate revenue budget (R '000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates,exemptns,eductns,discs (R'000)																	

MP314 Emakhazeni - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
							Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Property rates (rate in the Rand)	1								
Residential properties			0.0063	0.0072	0.0077	0.0082	0.0086	0.0091	0.0096
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used			0.0016	0.0018	0.0019	0.0020	0.0021	0.0022	0.0023
Farm properties - not used									
Industrial properties							0.0284	0.0299	0.0316
Business and commercial properties			0.0900	0.0102	0.0246	0.0261	0.0275	0.0290	0.0306
Communal land - residential									
Communal land - small holdings									
Communal land - farm property			0.0039	0.0041	0.0077	0.0020	0.0021	0.0022	0.0023
Communal land - business and commercial			0.0220	0.0233	0.0091	0.0020	0.0021	0.0022	0.0023
Communal land - other									
State-owned properties			0.0400	0.0440	0.0246	0.0261	0.0275	0.0290	0.0306
Municipal properties									
Public service infrastructure			0.1630	0.0187	0.0019	0.0019	0.0020	0.0021	0.0022
Privately owned towns serviced by the owner			0.0042	0.0048	0.0059	0.0063	0.0066	0.0070	0.0073
State trust land			0.0046	0.0048	0.0059	0.0063	0.0066	0.0070	0.0073
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions									
Water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)			64	68					
Service point - vacant land (Rands/month)			58	6					
Water usage - flat rate tariff (c/k)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/k)		6KL FREE							
Water usage - Block 2 (c/k)		7-20KL	5	3.16	4		4	4	5
Water usage - Block 3 (c/k)		21-30KL	8	5.02	6		7	7	8
Water usage - Block 4 (c/k)		31-40KL	9	6.46	8		9	9	10
Other	2	41KL and above			11		11	12	13
Waste water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)				68					
Service point - vacant land (Rands/month)				6					
Waste water - flat rate tariff (c/k)				-					
Volumetric charge - Block 1 (c/k)		0-20KL	4	3	5	7	8	8	9
Volumetric charge - Block 2 (c/k)		21-30KL	5	3.16	8	9	10	11	11
Volumetric charge - Block 3 (c/k)		31-40KL	8	5.02	11	11	12	12	13
Volumetric charge - Block 4 (c/k)		41-50KL	9	6.46	13	13	14	15	16
Other	2	51-KL			14	14	15	16	17

MP314 Emakhazeni - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
							Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Exemptions, reductions and rebates (Rands)									
<i>[Insert lines as applicable]</i>									
Water tariffs									
<i>Residential</i>		(fill in thresholds)							
<i>Water usage - flat rate tariff (c/kL)</i>					44	43	45	48	51
<i>Water usage - Block 1 (c/kL)</i>		7-20KL		4	4	4	4	4	5
<i>Water usage - Block 2 (c/kL)</i>		20-30KL		6	6	6	7	7	8
<i>Water usage - Block 3 (c/kL)</i>		30-40KL		7	8	8	9	9	10
<i>Water usage - Block 4 (c/kL)</i>		50-KL		10	10	11	11	12	13
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
Waste water tariffs									
<i>[Insert blocks as applicable]</i>									
		0-20KL		4	4	7	8	8	9
		21-30KL		7	7	9	10	11	11
		31-40KL		9	9	11	12	12	13
		41-50KL		12	11	13	14	15	16
		51-KL		12	12	14	15	16	17
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
Electricity tariffs									
<i>Meter - IBT Block 1 (c/kwh)</i>		0-50KWH		1	1	1	90	91	93
<i>Meter - IBT Block 2 (c/kwh)</i>		51-350KWH		1	1	107	109	111	113
<i>Meter - IBT Block 3 (c/kwh)</i>		351-600KWH		1	1	2	155	158	168
<i>Meter - IBT Block 4 (c/kwh)</i>		600-KWH		2	2	2	182	186	189
<i>Prepaid - IBT Block 1 (c/kwh)</i>		0-50KWH			1	1	90	91	93
<i>Prepaid - IBT Block 2 (c/kwh)</i>		51-350KWH			1	1	109	111	113
<i>Prepaid - IBT Block 3 (c/kwh)</i>		351-600KWH			1	2	155	158	168
<i>Prepaid - IBT Block 4 (c/kwh)</i>		600-KWH			2	2	182	186	189
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							

MP314 Emakhazeni - Supporting Table SA14 Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease											
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption		33.20	36.34	39.98	44.84	44.84	44.84	8.0%	48.43	52.30	56.48
Water: Basic levy											
Water: Consumption		18.94	21.05	22.31	23.16	23.16	23.16	6.5%	24.66	26.27	28.00
Sanitation											
Refuse removal											
Other											
sub-total		52.14	57.39	62.29	68.00	68.00	68.00	7.5%	73.09	78.57	84.48
VAT on Services											
Total small household bill:		52.14	57.39	62.29	68.00	68.00	68.00	7.5%	73.09	78.57	84.48
% increase/-decrease			10.1%	8.5%	9.2%	-	-	7.5%	7.5%	7.5%	7.5%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-	-	-	-	-

MP314 Emakhazeni - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		5 720	8 817	140	57 057	57 057	57 057	9 096	9 587	10 115
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	5 720	8 817	140	57 057	57 057	57 057	9 096	9 587	10 115
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		5 720	8 817	140	57 057	57 057	57 057	9 096	9 587	10 115

MP314 Emakhazeni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		44 786	50 328	–	60 632	59 336	59 336	62 066	65 418	69 016
Local Government Equitable Share		42 280	48 486	–	56 146	56 146	56 146	58 015	61 148	64 511
Finance Management		545	1 346	–	1 900	1 900	1 900	1 970	2 076	2 191
Municipal Systems Improvement		853	496	–	787	–	–	–	–	–
EPWP Incentive		1 109	–	–	1 799	1 290	1 290	1 184	1 248	1 317
MIG Operational		–	–	–	–	–	–	897	946	998
Provincial Government:		–	–	–	–	–	–	–	–	–
MIG Operational										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		69	71	–	–	252	252	251	265	279
LGSETA		69	71	–	–	252	252	251	265	279
Total Operating Transfers and Grants	5	44 855	50 399	–	60 632	59 588	59 588	62 317	65 682	69 295
<u>Capital Transfers and Grants</u>										
National Government:		17 232	20 755	–	54 560	54 560	54 560	46 063	48 550	51 220
Municipal Infrastructure Grant (MIG)		17 232	20 755	–	17 560	17 560	17 560	17 049	17 969	18 958
Regional Bulk Infrastructure					30 000	30 000	30 000	20 000	21 080	22 239
INEP GRANT		–	–	–	7 000	7 000	7 000	9 014	9 501	10 023
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
LGSETA										
Total Capital Transfers and Grants	5	17 232	20 755	–	54 560	54 560	54 560	46 063	48 550	51 220
TOTAL RECEIPTS OF TRANSFERS & GRANTS		62 087	71 154	–	115 192	114 148	114 148	108 380	114 233	120 515

MP314 Emakhazeni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		44 786	50 328	–	60 632	59 336	59 336	62 066	65 418	69 016
Local Government Equitable Share		42 280	48 486	–	56 146	56 146	56 146	58 015	61 148	64 511
Finance Management		545	1 346	–	1 900	1 900	1 900	1 970	2 076	2 191
Municipal Systems Improvement		853	496	–	787	–	–	–	–	–
EPWP Incentive		1 109	–	–	1 799	1 290	1 290	1 184	1 248	1 317
MIG Operational		–	–	–	–	–	–	897	946	998
Provincial Government:		–	–	–	–	–	–	–	–	–
MIG Operational										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		69	71	–	–	252	252	251	265	279
LGSETA		69	71	–	–	252	252	251	265	279
Total operating expenditure of Transfers and Grants:		44 855	50 399	–	60 632	59 588	59 588	62 317	65 682	69 295
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		17 232	20 755	–	54 560	54 560	54 560	46 063	48 550	51 220
Municipal Infrastructure Grant (MIG)		17 232	20 755	–	17 560	17 560	17 560	17 049	17 969	18 958
Regional Bulk Infrastructure					30 000	30 000	30 000	20 000	21 080	22 239
INEP GRANT		–	–	–	7 000	7 000	7 000	9 014	9 501	10 023
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
LGSETA										
Total capital expenditure of Transfers and Grants		17 232	20 755	–	54 560	54 560	54 560	46 063	48 550	51 220
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		62 087	71 154	–	115 192	114 148	114 148	108 380	114 233	120 515

MP314 Emakhazeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

[illegible]

MP314 Emakhazeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages			5 388	5 560	3 502	3 502	3 502	3 795	4 000	4 220
Pension and UIF Contributions					525	525	525	569	600	633
Medical Aid Contributions					308	308	308	60	63	67
Motor Vehicle Allowance					954	954	954	1 488	1 568	1 655
Cellphone Allowance					389	389	389	446	470	496
Housing Allowances					39	39	39	40	42	44
Other benefits and allowances					25	25	25	39	41	44
Sub Total - Councillors		-	5 388	5 560	5 743	5 743	5 743	6 437	6 784	7 157
% increase	4		-	3.2%	3.3%	-	-	12.1%	5.4%	5.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages			4 225	4 605	2 885	2 885	2 885	2 326	2 468	2 604
Pension and UIF Contributions					736	736	736	563	593	626
Medical Aid Contributions					184	184	184	98	103	109
Overtime										
Performance Bonus					631	631	631	195	206	217
Motor Vehicle Allowance	3				811	811	811	557	587	620
Cellphone Allowance	3				76	76	76	50	53	56
Housing Allowances	3				9	9	9	10	11	11
Other benefits and allowances	3				1	1	1	0	0	0
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		-	4 225	4 605	5 332	5 332	5 332	3 800	4 022	4 243
% increase	4		-	9.0%	15.8%	-	-	(28.7%)	5.8%	5.5%
Other Municipal Staff										
Basic Salaries and Wages			35 175	37 432	46 242	47 525	47 525	61 404	69 636	73 466
Pension and UIF Contributions			8 484	9 026	9 705	9 705	9 705	11 306	11 917	12 572
Medical Aid Contributions			2 732	2 906	3 125	3 125	3 125	3 776	3 980	4 199
Overtime			3 172	3 375	3 629	3 629	3 629	4 138	4 361	4 601
Performance Bonus			3 187	3 391	3 646	3 646	3 646	4 476	4 718	4 978
Motor Vehicle Allowance	3		4 001	4 257	4 577	4 667	4 667	4 823	5 083	5 363
Cellphone Allowance	3		285	304	326	326	326	391	412	434
Housing Allowances	3		605	643	692	692	692	1 286	1 355	1 430
Other benefits and allowances	3		4 086	4 347	4 674	4 575	4 575	2 442	2 574	2 715
Payments in lieu of leave			-	-	-	-	-	-	-	-
Long service awards			626	666	717	717	717	-	-	-
Post-retirement benefit obligations	6		2 200	2 340	2 517	2 517	2 517	-	-	-
Sub Total - Other Municipal Staff		-	64 555	68 686	79 850	81 124	81 124	94 041	104 036	109 758
% increase	4		-	6.4%	16.3%	1.6%	-	15.9%	10.6%	5.5%
Total Parent Municipality		-	74 168	78 851	90 925	92 199	92 199	104 277	114 842	121 158
			-	6.3%	15.3%	1.4%	-	13.1%	10.1%	5.5%

Board Members of Entities

Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Board Fees									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-

Senior Managers of Entities

Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-

Other Staff of Entities

Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-

Total Municipal Entities		-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		-	74 168	78 851	90 925	92 199	92 199	104 277	114 842
% increase	4		-	6.3%	15.3%	1.4%	-	13.1%	10.1%
TOTAL MANAGERS AND STAFF	5,7	-	68 780	73 291	85 182	86 456	86 456	97 841	108 058

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		398 425	86 395	194 597			679 418
Chief Whip								-
Executive Mayor			492 330	73 849	276 110			842 290
Deputy Executive Mayor								-
Executive Committee			1 156 782	206 773	552 449			1 916 005
Total for all other councillors			1 747 274	262 092	989 430			2 998 796
Total Councillors	8	-	3 794 811	629 110	2 012 587			6 436 509
Senior Managers of the Municipality	5							
Municipal Manager (MM)			741 209	160 176	203 319	54 225		1 158 930
Chief Finance Officer			546 285	206 168	100 109	39 965		892 526
			-	-	-	-		-
Infrastructure, Planning and Social Development			527 214	122 757	175 583	38 570		864 123
Corporate Services			527 214	183 895	138 831	34 212		884 152
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	2 341 921	672 997	617 842	166 972		3 799 731
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	6 136 732	1 302 106	2 630 429	166 972		10 236 240

MP314 Emakhazeni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)		15	4	11	15	4	11	14	4	9	
Board Members of municipal entities	4										
Municipal employees											
Municipal Manager and Senior Managers	5										
Other Managers	3	6		5	6		6	6		5	
Professionals	7	16	12	2	16	12	2	16	10	2	
		14	10	5	12	8	3	12	8	3	
Finance		2	2	–	2	2	–	2	2	–	
Spatial/town planning		2	2	2	–	–	–	–	–	–	
Information Technology		6	5	2	6	5	2	6	5	2	
Roads											
Electricity											
Water											
Sanitation		1	–		1			1			
Refuse		3	1	1	3	1	1	3	1	1	
Other											
Technicians		5	3	2	5	3	2	5	3	2	
Finance											
Spatial/town planning											
Information Technology		4	2	2	4	2	2	4	2	2	
Roads		1	1	–	1	1	–	1	1	–	
Electricity											
Water											
Sanitation											
Refuse											
Other											
Clerks (Clerical and administrative)		93	77	–	93	77	–	93	77	–	
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators		32	29	–	32	29	–	32	27	–	
Elementary Occupations											
TOTAL PERSONNEL NUMBERS		9	181	135	25	179	133	24	178	21	
% increase					(1.1%)	(1.5%)	(4.0%)	(0.6%)	(3.0%)	(12.5%)	
Total municipal employees headcount		6, 10									
Finance personnel headcount		8, 10									
Human Resources personnel headcount		8, 10									

MP314 Emakhazeni - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue By Source																
Property rates		4 981	4 981	4 981	4 981	4 981	4 981	4 981	4 981	4 981	4 981	4 981	4 981	59 770	62 998	66 463
Service charges - electricity revenue		5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	65 362	68 923	72 714
Service charges - water revenue		1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	18 851	19 869	20 962
Service charges - sanitation revenue		1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	12 753	13 442	14 181
Service charges - refuse revenue		1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	12 494	13 169	13 893
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		96	96	96	96	96	96	96	96	96	96	96	96	1 151	1 214	1 280
Interest earned - external investments		69	69	69	69	69	69	69	69	69	69	69	69	830	875	923
Interest earned - outstanding debtors		297	297	297	297	297	297	297	297	297	297	297	297	3 569	3 762	3 969
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1 181	1 181	1 181	1 181	1 181	2 800	1 181	1 181	3 500	1 181	1 181	1 181	18 112	19 090	20 140
Licences and permits		1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		28 043				21 811				12 483				62 317	65 682	69 295
Other revenue		183	183	183	183	183	183	183	183	183	183	183	183	2 193	2 312	2 439
Gains on disposal of PPE														–	–	–
Total Revenue (excluding capital transfers and contributions)		43 975	15 932	15 932	15 932	37 743	17 551	15 932	15 932	30 715	15 932	15 932	15 932	257 443	271 344	286 268
Expenditure By Type																
Employee related costs		8 153	8 153	8 153	8 153	8 153	8 153	8 153	8 153	8 153	8 153	8 153	8 153	97 841	103 124	108 796
Remuneration of councillors		506	506	506	506	506	506	506	506	506	506	506	506	6 437	6 784	7 157
Debt impairment		2 002	2 002	2 002	2 002	2 002	2 002	2 002	2 002	2 002	2 002	2 002	2 002	24 021	25 318	26 711
Depreciation & asset impairment		4 066	3 696	3 696	3 696	3 696	3 696	3 696	3 696	3 696	3 696	3 696	3 696	7 782	48 799	51 423
Finance charges		328	328	328	328	328	328	328	328	328	328	328	328	3 937	4 149	4 378
Bulk purchases		4 362	4 362	4 362	4 362	4 362	4 362	4 362	4 362	4 362	4 362	4 362	4 362	52 343	55 170	58 204
Other materials		674	671	671	671	671	671	671	671	671	671	671	671	8 085	8 522	8 990
Contracted services		527	527	527	527	527	527	527	527	527	527	527	527	6 321	6 663	7 029
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		3 254	2 674	2 674	2 674	2 674	2 674	2 674	2 674	2 674	2 674	2 674	2 674	39 053	41 162	43 426
Loss on disposal of PPE														–	–	–
Total Expenditure		23 871	22 919	22 919	22 919	22 919	22 919	22 919	22 919	22 919	22 919	22 919	22 919	33 767	286 827	302 316
Surplus/(Deficit)		20 104	(6 987)	(6 987)	(6 987)	14 824	(5 368)	(6 987)	(6 987)	7 796	(6 987)	(6 987)	(17 834)	(29 384)	(30 971)	(32 674)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)														–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)														–	–	–
Transfers and subsidies - capital (in-kind - all)														–	–	–
Surplus/(Deficit) after capital transfers & contributions		20 104	(6 987)	(6 987)	(6 987)	14 824	(5 368)	(6 987)	(6 987)	7 796	(6 987)	(6 987)	(17 834)	(29 384)	(30 971)	(32 674)
Taxation														–	–	–
Attributable to minorities														–	–	–
Share of surplus/ (deficit) of associate														–	–	–
Surplus/(Deficit)	1	20 104	(6 987)	(6 987)	(6 987)	14 824	(5 368)	(6 987)	(6 987)	7 796	(6 987)	(6 987)	(17 834)	(29 384)	(30 971)	(32 674)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote																
Vote 1 - EXECUTIVE AND COUNCIL		5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	62 317	65 682	69 295
Vote 2 - FINANCE AND ADMIN		6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	(2 788)	64 471	67 593	71 690
Vote 3 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	385	385	406	428
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	1 190	1 190	1 255	1 324
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-	19 179	19 179	20 214	21 326
Vote 7 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - WASTE MANAGEMENT		1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	12 944	13 169	13 893
Vote 9 - WASTE WATER MANAGEMENT		1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 083	12 774	13 464	14 204
Vote 10 - ROAD TRANSPORT		1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	(16 602)	-	-	-
Vote 11 - WATER		1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 599	18 879	19 899	20 993
Vote 12 - ELECTRICITY		5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 810	65 752	69 303	73 115
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		21 941	21 941	21 941	21 941	21 941	21 941	21 941	21 941	21 941	21 941	21 941	16 890	257 443	271 344	286 268
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		9 710	9 710	9 710	9 710	9 710	9 710	9 710	9 710	9 710	9 710	9 710	(80 107)	26 704	28 146	29 694
Vote 2 - FINANCE AND ADMIN		6 096	6 096	6 096	6 096	6 096	6 096	6 096	6 096	6 096	6 096	6 096	10 176	77 229	81 399	85 876
Vote 3 - PLANNING AND DEVELOPMENT		735	735	735	735	735	735	735	735	735	735	735	22 680	30 763	32 424	34 207
Vote 4 - HEALTH		57	57	57	57	57	57	57	57	57	57	57	(632)	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		144	144	144	144	144	144	144	144	144	144	144	1 981	3 250	3 426	3 614
Vote 6 - PUBLIC SAFETY		184	184	184	184	184	184	184	184	184	184	184	17 900	20 996	22 150	23 466
Vote 7 - SPORTS AND RECREATION		693	693	693	693	693	693	693	693	693	693	693	(7 628)	-	-	-
Vote 8 - WASTE MANAGEMENT		490	490	490	490	490	490	490	490	490	490	490	15 206	20 596	21 708	22 902
Vote 9 - WASTE WATER MANAGEMENT		545	545													

Description		Ref	Budget Year 2018/19										Medium Term Revenue and Expenditure Framework				
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional																	
<i>Governance and administration</i>			11 308	11 308	11 308	11 308	11 308	11 308	11 308	11 308	11 308	11 308	11 308	2 405	126 789	133 635	140 985
Executive and council			5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	62 317	65 682	69 295
Finance and administration			6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	6 114	(2 738)	64 471	67 953	71 690
Internal audit			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>			-	-	-	-	-	-	-	-	-	-	-	20 369	20 369	21 469	22 650
Community and social services			-	-	-	-	-	-	-	-	-	-	-	1 190	1 190	1 255	1 324
Sport and recreation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety			-	-	-	-	-	-	-	-	-	-	-	19 179	19 179	20 214	21 326
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>			1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	(16 218)	385	406	428
Planning and development			-	-	-	-	-	-	-	-	-	-	-	-	385	385	406
Road transport			1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	1 509	(16 802)	-	-	-
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>			9 124	9 124	9 124	9 124	9 124	9 124	9 124	9 124	9 124	9 124	9 124	9 533	109 900	115 835	122 206
Energy sources			5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 449	5 810	65 752	69 300	73 115
Water management			1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 571	1 599	18 879	19 899	20 993
Waste water management			1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 063	1 083	12 774	13 454	14 204
Waste management			1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	1 041	12 484	13 189	13 893
Other																	
Total Revenue - Functional			21 941	21 941	21 941	21 941	21 941	21 941	21 941	21 941	21 941	21 941	21 941	16 090	257 443	271 344	286 268
Expenditure - Functional																	
<i>Governance and administration</i>			15 806	15 806	15 806	15 806	15 806	15 806	15 806	15 806	15 806	15 806	15 806	(69 301)	193 833	199 545	115 570
Executive and council			9 710	9 710	9 710	9 710	9 710	9 710	9 710	9 710	9 710	9 710	9 710	(80 107)	28 704	28 146	29 694
Finance and administration			6 096	6 096	6 096	6 096	6 096	6 096	6 096	6 096	6 096	6 096	6 096	10 176	77 229	81 399	85 876
Internal audit			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>			1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	11 301	23 170	24 421	25 764
Community and social services			144	144	144	144											

MP314 Emakhazeni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand																	
Multi-year expenditure to be appropriated	1																
Vote 1 - EXECUTIVE AND COUNCIL														-	-	-	
Vote 2 - FINANCE AND ADMIN														-	-	-	
Vote 3 - PLANNING AND DEVELOPMENT														-	-	-	
Vote 4 - HEALTH														-	-	-	
Vote 5 - COMMUNITY AND SOCIAL SERVICES														-	-	-	
Vote 6 - PUBLIC SAFETY														-	-	-	
Vote 7 - SPORTS AND 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]														-	-	-	
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Single-year expenditure to be appropriated																	
Vote 1 - EXECUTIVE AND COUNCIL		67	67	67	67	67	67	67	67	67	67	67	67	67	800	843	889
Vote 2 - FINANCE AND ADMIN		42	42	42	42	42	42	42	42	42	42	42	42	42	500	527	555
Vote 3 - PLANNING AND DEVELOPMENT		358	358	358	358	358	358	358	358	358	358	358	358	358	4 300	4 532	4 781
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		583	583	583	583	583	583	583	583	583	583	583	583	583	7 000	7 378	7 784
Vote 6 - PUBLIC SAFETY		83	83	83	83	83	83	83	83	83	83	83	83	83	1 000	1 054	1 111
Vote 7 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - WASTE MANAGEMENT		463	463	463	463	463	463	463	463	463	463	463	463	463	5 551	5 850	6 172
Vote 9 - WASTE WATER MANAGEMENT		167	167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 108	2 224
Vote 10 - ROAD TRANSPORT		14	14	14	14	14	14	14	14	14	14	14	14	14	164	173	204
Vote 11 - WATER		1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	4 117	25 200	26 561	28 022
Vote 12 - ELECTRICITY		751	751	751	751	751	751	751	751	751	751	751	751	751	9 014	9 501	10 023
Vote 13 - OTHER		250	250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 162	3 317
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	4 694	4 694	4 694	4 694	4 694	4 694	4 694	4 694	4 694	4 694	4 694	4 694	6 894	58 529	61 690	65 083
Total Capital Expenditure	2	4 694	4 694	4 694	4 694	4 694	4 694	4 694	4 694	4 694	4 694	4 694	4 694	6 894	58 529	61 690	65 083

MP314 Emakhazeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand																	
Capital Expenditure - Functional	1																
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Executive and council														-	-	-	
Finance and administration														-	-	-	
Internal audit														-	-	-	
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community and social services														-	-	-	
Sport and recreation														-	-	-	
Public safety														-	-	-	
Housing														-	-	-	
Health														-	-	-	
Economic and environmental services		358	358	358	358	358	358	358	358	358	358	358	358	358	4 300	4 532	4 781
Planning and development														-	-	-	
Road transport		358	358	358	358	358	358	358	358	358	358	358	358	358	4 300	4 532	4 781
Environmental protection														-	-	-	
Trading services		3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	3 047	8 247	41 765	44 020	46 441
Energy sources		751	751	751	751	751	751	751	751	751	751	751	751	751	9 014	9 501	10 023
Water management		1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	1 667	6 867	25 200	26 561	28 022
Waste water management		167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 108	2 224	
Waste management		463	463	463	463	463	463	463	463	463	463	463	463	5 551	5 850	6 172	
Other		455	455	455	455	455	455	455	455	455	455	455	455	7 455	12 464	13 137	13 860
Total Capital Expenditure - Functional	2	3 861	3 861	3 861	3 861	3 861	3 861	3 861	3 861	3 861	3 861	3 861	3 861	16 061	58 529	61 690	65 083
Funded by:																	
National Government		20 728	-	-	-	16 122	-	-	-	9 213	-	-	2	46 065	48 552	51 223	
Provincial Government														-	-	-	
District Municipality														-	-	-	
Other transfers and grants														-	-	-	
Transfers recognised - capital		20 728	-	-	-	16 122	-	-	-	9 213	-	-	2	46 065	48 552	51 223	
Public contributions & donations														-	-	-	
Borrowing														-	-	-	
Internally generated funds		455	455	455	455	455	455	455	455	455	455	455	455	7 455	12 464	13 137	13 860
Total Capital Funding		21 184	455	455	455	16 577	455	455	455	9 668	455	455	7 457	58 529	61 690	65 083	

MP314 Emakhazeni - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand															
Cash Receipts By Source															
Property rates	2 635	2 635	2 635	15 000	2 635	2 635	2 635	2 635	2 635	2 635	2 635	5 270	46 621	49 138	51 841
Service charges - electricity revenue	5 701	5 701	2 800	2 800	2 800	2 800	2 800	2 800	5 701	5 701	5 701	5 701	51 006	53 760	56 717
Service charges - water revenue	1 225	1 225	1 225	1 225	1 225	1 225	1 225	1 225	1 225	1 225	1 225	1 225	14 704	15 498	16 350
Service charges - sanitation revenue	829	829	829	829	829	829	829	829	829	829	829	829	9 948	10 485	11 062
Service charges - refuse revenue	812	812	812	812	812	812	812	812	812	812	812	812	9 746	10 272	10 837
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	96	96	96	96	96	96	96	96	96	96	96	96	1 151	1 214	1 280
Interest earned - external investments	69	69	69	69	69	69	69	69	69	69	69	69	830	875	923
Interest earned - outstanding debtors	297	297	297	297	297	297	297	297	297	297	297	297	3 569	3 762	3 969
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 181	1 181	1 181	1 181	1 181	2 800	1 181	1 181	3 500	1 181	1 181	1 181	18 112	19 090	20 140
Licences and permits	1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	28 043	-	-	-	21 811	-	-	-	12 463	-	-	-	62 317	65 682	69 295
Other revenue	182	182	182	182	182	182	182	182	182	182	182	182	2 193	2 312	2 439
Cash Receipts by Source	41 071	13 029	10 128	22 493	31 939	11 747	10 128	10 128	27 811	13 029	13 029	15 676	220 205	232 096	244 861
Other Cash Flows by Source															
Transfer receipts - capital	20 728	-	-	-	16 122	-	-	-	9 213	-	-	-	46 063	48 550	51 220
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	61 800	13 029	10 128	22 493	48 061	11 747	10 128	10 128	37 024	13 029	13 029	15 676	266 268	280 646	296 082
Cash Payments by Type															
Employee related costs	8 440	8 440	8 440	8 440	8 440	12 000	8 440	8 440	8 440	8 440	8 440	8 440	104 641	108 058	114 001
Remuneration of councillors	536	536	536	536	536	536	536	536	536	536	536	536	6 437	6 784	7 157
Finance charges	328	328	328	328	328	328	328	328	328	328	328	328	3 937	4 149	4 378
Bulk purchases - Electricity	4 362	4 362	4 362	4 362	4 362	4 362	4 362	4 362	4 362	4 362	4 362	4 362	52 343	55 170	58 204
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	671	671	671	671	671	671	671	671	671	671	671	701	8 085	8 490	8 957
Contracted services	527	527	527	527	527	527	527	527	527	527	527	527	6 321	6 771	7 253
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	2 674	2 674	2 674	2 674	2 674	2 674	2 674	2 674	2 674	2 674	2 674	9 639	39 053	33 821	35 681
Cash Payments by Type	17 539	17 539	17 539	17 539	17 539	21 098	17 539	17 539	17 539	17 539	17 539	24 534	221 017	225 243	237 631
Other Cash Flows/Payments by Type															
Capital assets	4 294	4 294	4 294	4 294	4 294	4 294	4 294	4 294	4 294	4 294	4 294	11 294	58 527	54 310	57 297
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	21 832	21 832	21 832	21 832	21 832	25 392	21 832	21 832	21 832	21 832	21 832	35 827	279 544	279 552	294 928
NET INCREASE/(DECREASE) IN CASH HELD	39 967	(8 804)	(11 705)	660	26 228	(13 646)	(11 705)	(11 705)	15 191	(8 804)	(8 804)	(20 152)	(13 277)	1 094	1 154
Cash/cash equivalents at the month/year begin:	16 800	56 767	47 963	36 259	36 919	63 147	49 501	37 797	26 092	41 283	32 479	23 675	16 800	3 523	4 617
Cash/cash equivalents at the month/year end:	56 767	47 963	36 259	36 919	63 147	49 501	37 797	26 092	41 283	32 479	23 675	3 523	3 523	4 617	5 771

MP314 Emakhazeni - Supporting Table SA34a Capital expenditure on new assets by asset class

[illegible]

Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment		-	-	154	154	154	154	-	-	-
Computer Equipment				154	154	154	154			
Furniture and Office Equipment		-	20	130	130	130	130	-	-	-
Furniture and Office Equipment			20	130	130	130	130			
Machinery and Equipment		-	-	402	402	402	402	-	-	-
Machinery and Equipment				402	402	402	402			
Transport Assets		-	543	151	151	151	151	-	-	-
Transport Assets			543	151	151	151	151			
Libraries		-	-	-	-	-	-	-	-	-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	-	31 722	37 706	37 706	37 706	37 706	27 515	29 001	30 595 966

MP314 Emakhazeni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

[illegible]

Community Assets	-	-	12 724	12 724	12 724	12 724	-	-	-
Community Facilities	-	-	12 724	12 724	12 724	12 724	-	-	-
Halls			5 397	5 397	5 397	5 397			
Centres			7 327	7 327	7 327	7 327			
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities									
Capital Spares									
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices									
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing									
Capital Spares									
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
Intangible Assets	22 946	4 699	(21 177)	6 456	(19 154)	(19 154)	-	-	-
Servitudes									
Licences and Rights	22 946	4 699	(21 177)	6 456	(19 154)	(19 154)	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified	22 946	4 699	(21 177)	6 456	(19 154)	(19 154)	-		
Computer Equipment	-	-	154	154	154	154	-	-	-
Computer Equipment			154	154	154	154			

<u>Furniture and Office Equipment</u>		-	20	130	130	130	130	-	-	-
Furniture and Office Equipment			20	130	130	130	130			
<u>Machinery and Equipment</u>		-	-	402	402	402	402	-	-	-
Machinery and Equipment				402	402	402	402			
<u>Transport Assets</u>		-	543	151	151	151	151	-	-	-
Transport Assets			543	151	151	151	151			
<u>Libraries</u>		-	-	-	-	-	-	-	-	-
Libraries										
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing asset	1	22 946	23 698	16 530	44 163	18 552	18 552	31 014	32 689	34 487
<i>Renewal of Existing Assets as % of total capex</i>		<i>0.0%</i>	<i>42.8%</i>	<i>30.5%</i>	<i>53.9%</i>	<i>33.0%</i>	<i>33.0%</i>	<i>53.0%</i>	<i>53.0%</i>	<i>0.1%</i>
<i>Renewal of Existing Assets as % of deprecn*</i>		<i>55.6%</i>	<i>51.9%</i>	<i>38.1%</i>	<i>99.6%</i>	<i>41.9%</i>	<i>41.9%</i>	<i>70.1%</i>	<i>70.1%</i>	<i>70.1%</i>

MP314 Emakhazeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			9 400	3 352	1 956	5 352	7 352	7 352	3 962	4 176	4 406
Roads Infrastructure			2 650	1 650	452	1 650	1 650	1 650	1 020	1 075	1 134
Roads			2 650	1 650	452	1 650	1 650	1 650	1 020	1 075	1 134
Road Structures											
Road Furniture											
Capital Spares											
Storm water Infrastructure			–	–	–	–	–	–	150	158	167
Drainage Collection											
Storm water Conveyance									150	158	167
Attenuation											
Electrical Infrastructure			–	–	–	–	–	–	497	523	552
Power Plants											
HV Substations											
HV Switching Station											
HV Transmission Conductors									125	132	139
MV Substations									175	184	195
MV Switching Stations										–	–
MV Networks										–	–
LV Networks										–	–
Capital Spares									197	207	219
Water Supply Infrastructure			650	500	500	500	2 500	2 500	345	364	384
Dams and Weirs											
Boreholes											
Reservoirs											
Pump Stations											
Water Treatment Works			650	500	500	500	2 500	2 500	145	153	161
Bulk Mains											
Distribution											
Distribution Points											
PRV Stations											
Capital Spares									200	211	222
Sanitation Infrastructure			2 600	500	500	2 500	2 500	2 500	1 001	1 055	1 113
Pump Station											
Reticulation			2 600	500	500	2 500	2 500	2 500	1 000	1 054	1 112
Waste Water Treatment Works											
Outfall Sewers											
Toilet Facilities											
Capital Spares									1	1	1
Solid Waste Infrastructure			3 500	702	503	702	702	702	950	1 001	1 056
Landfill Sites			3 500	702	503	702	702	702	950	1 001	1 056
Waste Transfer Stations											
Waste Processing Facilities											
Waste Drop-off Points											
Waste Separation Facilities											
Electricity Generation Facilities											
Capital Spares											
Rail Infrastructure			–	–	–	–	–	–	–	–	–
Rail Lines											
Rail Structures											
Rail Furniture											
Drainage Collection											
Storm water Conveyance											
Attenuation											
MV Substations											
LV Networks											
Capital Spares											
Coastal Infrastructure			–	–	–	–	–	–	–	–	–
Sand Pumps											
Piers											
Revetments											
Promenades											
Capital Spares											
Information and Communication Infrastructure			–	–	–	–	–	–	–	–	–
Data Centres											
Core Layers											
Distribution Layers											
Capital Spares											

Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
Machinery and Equipment		900	400	400	400	506	506	1 197	1 262	1 331
Machinery and Equipment		900	400	400	400	506	506	1 197	1 262	1 331
Transport Assets		351	350	350	352	350	350	1 894	1 997	2 106
Transport Assets		351	350	350	352	350	350	1 894	1 997	2 106
Libraries		-	-	-	-	-	-	-	-	-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	12 301	4 752	3 356	6 754	8 858	8 858	8 085	8 522	8 990
R&M as a % of PPE		2.0%	0.6%	0.4%	0.9%	1.2%	1.2%	1.1%	1.0%	1.0%
R&M as % Operating Expenditure		7.4%	1.7%	1.2%	2.0%	2.8%	2.8%	2.6%	3.0%	3.0%

MP314 Emakhazeni - Supporting Table SA34d Depreciation by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		39 000	43 000	41 000	41 500	41 500	41 500	43 742	46 104	48 639
Roads Infrastructure		6 500	7 500	7 500	7 500	7 500	7 500	7 000	7 378	7 784
Roads		6 500	7 500	7 500	7 500	7 500	7 500	7 000	7 378	7 784
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		7 000	8 000	8 000	8 000	8 000	8 000	11 000	11 594	12 232
Power Plants										
HV Substations		7 000	8 000	8 000	8 000	8 000	8 000	11 000	11 594	12 232
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		10 000	10 000	9 000	8 500	8 500	8 500	5 000	5 270	5 560
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		10 000	10 000	9 000	8 500	8 500	8 500	5 000	5 270	5 560
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		6 500	7 500	6 500	7 500	7 500	7 500	10 742	11 322	11 944
Pump Station										
Reticulation		6 500	7 500	6 500	7 500	7 500	7 500	10 742	11 322	11 944
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		9 000	10 000	10 000	10 000	10 000	10 000	10 000	10 540	11 120
Landfill Sites		9 000	10 000	10 000	10 000	10 000	10 000	10 000	10 540	11 120
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

Community Assets	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-
Halls								
Centres								
Crèches								
Clinics/Care Centres								
Fire/Ambulance Stations								
Testing Stations								
Museums								
Galleries								
Theatres								
Libraries								
Cemeteries/Crematoria								
Police								
Parks								
Public Open Space								
Nature Reserves								
Public Ablution Facilities								
Markets								
Stalls								
Abattoirs								
Airports								
Taxi Ranks/Bus Terminals								
Capital Spares								
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
Indoor Facilities								
Outdoor Facilities								
Capital Spares								
Heritage assets	-	-	-	-	-	-	-	-
Monuments								
Historic Buildings								
Works of Art								
Conservation Areas								
Other Heritage								
Investment properties	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Improved Property								
Unimproved Property								
Non-revenue Generating	-	-	-	-	-	-	-	-
Improved Property								
Unimproved Property								
Other assets	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-
Municipal Offices							-	-
Pay/Enquiry Points								
Building Plan Offices								
Workshops								
Yards								
Stores								
Laboratories								
Training Centres								
Manufacturing Plant								
Depots								
Capital Spares								
Housing	-	-	-	-	-	-	-	-
Staff Housing								
Social Housing								
Capital Spares								
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Biological or Cultivated Assets								
Intangible Assets	-	-	-	-	-	-	-	-
Servitudes								
Licences and Rights	-	-	-	-	-	-	-	-
Water Rights								
Effluent Licenses								
Solid Waste Licenses								
Computer Software and Applications							-	-
Load Settlement Software Applications								
Unspecified								
Computer Equipment	-	-	-	-	-	-	-	-
Computer Equipment								

Furniture and Office Equipment		2 289	2 680	2 412	2 743	2 743	2 743	502	529	558
Furniture and Office Equipment		2 289	2 680	2 412	2 743	2 743	2 743	502	529	558
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets										
Libraries		-	-	-	-	-	-	-	-	-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	41 289	45 680	43 412	44 243	44 243	44 243	44 243	46 632	49 197

MP314 Emakhazeni - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
R thousand								
Capital expenditure	1							
Vote 1 - EXECUTIVE AND COUNCIL		800	843	889				
Vote 2 - FINANCE AND ADMIN		500	527	555				
Vote 3 - PLANNING AND DEVELOPMENT		4 300	4 532	4 781				
Vote 4 - HEALTH		-	-	-				
Vote 5 - COMMUNITY AND SOCIAL SERVICES		7 000	7 378	7 784				
Vote 6 - PUBLIC SAFETY		1 000	1 054	1 111				
Vote 7 - SPORTS AND RECREATION		-	-	-				
Vote 8 - WASTE MANAGEMENT		5 551	5 850	6 172				
Vote 9 - WASTE WATER MANAGEMENT		2 000	2 108	2 224				
Vote 10 - ROAD TRANSPORT		164	173	204				
Vote 11 - WATER		25 200	26 561	28 022				
Vote 12 - ELECTRICITY		9 014	9 501	10 023				
Vote 13 - OTHER		3 000	3 162	3 317				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		58 529	61 690	65 083	-	-	-	-
Future operational costs by vote	2							
Vote 1 - EXECUTIVE AND COUNCIL								
Vote 2 - FINANCE AND ADMIN								
Vote 3 - PLANNING AND DEVELOPMENT								
Vote 4 - HEALTH								
Vote 5 - COMMUNITY AND SOCIAL SERVICES								
Vote 6 - PUBLIC SAFETY								
Vote 7 - SPORTS AND 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]								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		58 529	61 690	65 083	-	-	-	-

MP314 Emakhaseni - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
R thousand	4				6	3	3	5								
Parent municipality																
List all capital projects grouped by Municipal Vote																
019 305004		constructed: Rural Farms	SNT 2	Yes		Water Supply Infrastructure	Dams and Weirs		26 791	987	2 236	1 800	1 807	2 002	Ward 9	New
019 305004		in Matlala	WT 4	Yes		Sanitation Infrastructure	Drainage Collection		54 224	43 569	2 036	2 000	2 108	2 224	Ward 7	New
019 305004		Sakubwhe Est 2 Phase 5	SNT 4	Yes		Sanitation Infrastructure	Waste Transfer Stations		4 200	--	4 995	3 400	3 584	3 781	Ward 3	New
019 305004		Emakhaseni Local Municipality	WDS 1	Yes		Roads Infrastructure	Roads		17 153	476	--	4 300	4 532	4 781	Ward 1,2,3 and 8	New
019 305004		Emakhaseni: Ground and Layer works	ET	Yes		Solid Waste Infrastructure	Landfill Sites		6 057	--	--	5 551	5 850	6 172	Ward 1,2,3 and 4	New
019 305004		Replacement of AC pipes in Waterval	WDS 3	Yes		Water Supply Infrastructure	Water Treatment Works		20 206	--	--	3 000	3 162	3 306	Ward 4	Renewal
019 305004		Phase 2	WDS 3	Yes		Water Supply Infrastructure	Water Treatment Works		13 433	--	--	17 000	17 918	18 903	Ward 5 and 6	Renewal
019 305004		new 13211kv 20 MVA substation and		Yes		Electrical Infrastructure	MV Substations					9 014	9 501	10 023		New
019 305004		Internal capital		Yes								12 464	13 127	13 800		New
Parent Capital expenditure	1											58 529	61 690	65 083		

APPROVED RATES TARIFFS

ASSESSMENT RATES						
TARIFF 2017/2018						
Cents per R 1.00						
CATEGORY	Tariff Code	2016/2017	2017/2018	2018/2019	Tariff Increase/ Decrease 2018/19	% Increase 2018/19
Residential ** / *** (For properties above R100,000 with exemption of first R15 000 of assessed market value)	1001	0.0077	0.0082	0.0086	0.0004	5.30%
Residential ** / *** (For properties less than R 100,000.00 market value a flat rate will be charged)	1016	Flat rate per Year R654.50	R 696.39	R 733.30	R 36.91	5.30%
		Flat rate per Month R54.50	R 57.99	R 61.06	R 3.07	5.30%
Informal Settlement (Rebate of 100% as per Property Rates policy will be granted)	11663	0.0077	0.0082	0.0086	0.0004	5.30%
Commercial ***	200124	0.0246	0.0261	0.0275	0.0014	5.30%
Industrial	200125	0.0253	0.0269	0.0284	0.0014	5.30%
Public service infrastructure	1006	0.0019	0.0019	0.0020	0.0001	5.30%
Agriculture ***	1008	0.0019	0.0020	0.0021	0.0001	5.30%
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	0.0021	0.0001	5.30%
Agri Business: (Farms including agricultural small holdings used for business/commercial/ industrial purposes)	1023	0.0091	0.0020	0.0021	0.0001	5.30%
Vacant property	1024	0.0230	0.0245	0.0258	0.0013	5.30%
Privately Open Space	1013	0.0077	0.0082	0.0086	0.0004	5.30%
Municipal property (Rebate of 100% as per Property Rates policy)	1009	0.0019	0.0020	0.0021	0.0001	5.30%
Public Open Space (Rebate of 100% as per Property Rates policy will be granted)		0.0019	0.0020	0.0021	0.0001	5.30%
Mining	1014	0.1965	0.2091	0.0721	0.0760	
Public benefits organisations*	1012	0.0019	0.0020	0.0021	0.0001	5.30%
Place of worship (Rebate of 100% as per Property Rates policy will be granted)	200122	0.0019	0.0020	0.0021	0.0001	5.30%
Privately owned towns	1012	0.0059	0.0063	0.0066	0.0003	5.30%
State owned/Institutional	1003	0.0246	0.0261	0.0275	0.0014	5.30%

SEWERAGE TARIFFS (all prices rounded to nearest 10c)		TARIFF CODE	EMGWENYA	EMTHONJENI	SAKHELWE	SIYATHUTHUKA	BELFAST	DULLSTROOM	MACHADODORP	WATERVAL BOVEN	INCREASE 2018/19	TARIFF 2018/19 VAT EXCL ALL TOWNS	TARIFF 2018/19 VAT INCL ALL TOWNS
RESIDENTIAL													
SEWERAGE	P/TOILET	601					R85.98	R85.98	R85.98	R85.98	R 4.56	R 90.54	R 104.12
SEWERAGE	P/TOILET	610	R46.68	R46.68	R46.68	R46.68					R 2.47	R 49.15	R 56.52
RESIDENTIAL (UNDEVELOPED)(VACANT STAND)													
SEWERAGE	P/STAND P/MONTH	608	R90.76	R90.76	R90.76	R90.76	R90.76	R90.76	R90.76	R90.76	R 4.81	R 95.57	R 109.90
COMMERCIAL													
SEWERAGE	P/TOILET	303	R156.11	R156.11	R156.11	R156.11	R156.11	R156.11	R156.11	R156.11	R 8.27	R 164.38	R 189.04
COMMERCIAL (UNDEVELOPED)(VACANT STAND)													
SEWERAGE	P/STAND P/MONTH	304	R181.52	R181.52	R181.52	R181.52	R181.52	R181.52	R181.52	R181.52	R 9.62	R 191.14	R 219.81
INDUSTRIAL													
SEWERAGE	P/TOILET P/STAND P/MONTH	602	R234.15	R234.15	R234.15	R234.15	R234.15	R234.15	R234.15	R234.15	R 12.41	R 246.56	R 283.55
INDUSTRIAL (UNDEVELOPED)(VACANT STAND)													
SEWERAGE	P/STAND P/MONTH	305	R272.28	R272.28	R272.28	R272.28	R272.28	R272.28	R272.28	R272.28	R 14.43	R 286.71	R 329.71
INSTITUTIONAL													
SEWERAGE CHARGE (STATE OWNED) #	P/TOILET P/STAND P/MONTH	302	R249.77	R249.77	R249.77	R249.77	R249.77	R249.77	R249.77	R249.77	R 13.24	R 263.01	R 302.46
SEWERAGE CHARGE (OTHER)	P/TOILET P/STAND P/MONTH	605	R19.51	R19.51	R19.51	R19.51	R19.51	R19.51	R19.51	R19.51	R 1.03	R 20.55	R 23.63
INSTITUTIONAL (UNDEVELOPED)													
SEWERAGE CHARGE (STATE OWNED)	P/TOILET P/STAND P/MONTH	606	R 267.60	R 267.60	R 267.60	R 267.60	R 267.60	R 267.60	R 267.60	R 284.73	R 15.09	R 299.82	R 344.79
SEWERAGE CHARGE (OTHER)	P/TOILET P/STAND P/MONTH	607	R22.24	R22.24	R22.24	R22.24	R22.24	R22.24	R22.24	R 20.90	R 22.17		R 26.93

REFUSE TARIFFS (all prices rounded to nearest 10c)		TARIFF CODE	EMGWENYA	EMTHONJENI	SAKHELWE	SIYATHUTHUKA	BELFAST	DULLSTROOM	MACHADODORP	WATERVAL BOVEN	INCREASE 2018/19	TARIFF 2018/19 VAT EXCL ALL TOWNS	TARIFF 2018/19 VAT INCL ALL TOWNS
RESIDENTIAL													
CHARGES#	P/MONTH *	801					104.33	104.33	104.33	104.33	R 5.53	R 109.85	R 126.33
CHARGES#	P/MONTH	805	74.69	74.69	74.69	74.69					R 3.96	R 78.65	R 90.45
INSTITUTIONS													
CHARGE (STATE OWNED)#	P/REFUSE BIN, P/MONTH*	803	303.06	303.06	303.06	303.06	303.06	303.06	303.06	303.06	R 16.06	R 319.12	R 366.99
CHARGE (OTHER)#	P/REFUSE BIN, P/MONTH*	806	23.68	23.68	23.68	23.68	23.68	23.68	23.68	23.68	R 1.26	R 24.94	R 28.68
INDUSTRIAL													
CHARGES#	P/REFUSE BIN, P/MONTH*	807	284.12	284.12	284.12	284.12	284.12	284.12	284.12	284.12	R 15.06	R 299.18	R 344.06
COMMERCIAL													
CHARGES#	P/REFUSE BIN, P/MONTH*	802	206.84	206.84	206.84	206.84	206.84	206.84	206.84	206.84	R 10.96	R 217.80	R 250.47

WATER TARIFFS prices rounded to nearest 10c)		(all	TARIFF CODE	EMGWENYA	EMTHONJENI	SAKHELWE	SIYATHUTHUKA	BELFAST	DULLSTROOM	MACHADODORP	WATERVAL BOVEN	INCREASE 2018/19	TARIFF 2018/19 VAT EXCL ALL TOWNS	TARIFF 2018/19 VAT INCL ALL TOWNS
RESIDENTIAL														
BASIC CHARGE	P/MONTH	401						86.89	86.89	86.89	86.89	R 4.60	R 91.49	R 105.21
BASIC CHARGE	P/MONTH	407	45.45	45.45	45.45	45.45						R 2.41	R 47.86	R 55.04
FLAT RATE DUE NON CONNECTION	P/MONTH	704	50.40	50.40	50.40							R 0.00	R 53.07	R 61.03
CONSUMPTION (CONNETION)	6 KL FREE		0	0	0	0	0	0	0	0	0	0	R 0.00	R 0.00
	7-20KL	701	4.22	4.22	4.22	4.22	4.22	4.22	4.22	4.22	4.22	R 0.00	R 4.45	R 5.12
	21-30KL	701	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	R 0.00	R 7.10	R 8.17
	31-40KL	701	8.66	8.66	8.66	8.66	8.66	8.66	8.66	8.66	8.66	R 0.00	R 9.12	R 10.49
	41KL and Above	701	11.19	11.19	11.19	11.19	11.19	11.19	11.19	11.19	11.19	R 0.00	R 11.79	R 13.55
RESIDENTIAL (UNDEVELOPED)														
BASIC CHARGE	P/STAND P/MONTH	409	91.72	91.72	91.72	91.72	91.72	91.72	91.72	91.72	91.72	R 0.00	R 96.58	R 111.06
COMMERCIAL														
BASIC CHARGE	P/STAND P/MONTH	403	157.75	157.75	157.75	157.75	157.75	157.75	157.75	157.75	157.75	R 55.54	R 166.11	R 191.03
CONSUMPTION	0-20kl	702	7.68	7.68	7.68	7.68	7.68	7.68	7.68	7.68	7.68	R 2.75	R 8.09	R 9.30
	21-30kl	702	9.97	9.97	9.97	9.97	9.97	9.97	9.97	9.97	9.97	R 2.52	R 10.50	R 12.07
	31-40kl	702	11.70	11.70	11.70	11.70	11.70	11.70	11.70	11.70	11.70	R 1.62	R 12.32	R 14.17
	41-50kl	702	13.73	13.73	13.73	13.73	13.73	13.73	13.73	13.73	13.73	R 1.94	R 14.45	R 16.62
	51KL and Above	702	15.19	15.19	15.19	15.19	15.19	15.19	15.19	15.19	15.19	R 1.91	R 16.00	R 18.40
COMMERCIAL (UNDEVELOPED)														
BASIC CHARGE	P/STAND P/MONTH	413	194.41	194.41	194.41	194.41	194.41	194.41	194.41	194.41	194.41	R 10.30	R 204.72	R 235.43
INDUSTRIAL														
BASIC CHARGE	P/STAND P/MONTH	414	236.63	236.63	236.63	236.63	236.63	236.63	236.63	236.63	236.63	R 12.54	R 249.18	R 286.55
CONSUMPTION	0-20kl	707	11.54	11.54	11.54	11.54	11.54	11.54	11.54	11.54	11.54	R 0.61	R 12.16	R 13.98
	21-30kl		13.82	13.82	13.82	13.82	13.82	13.82	13.82	13.82	13.82	R 0.73	R 14.55	R 16.74
	31-40kl		15.56	15.56	15.56	15.56	15.56	15.56	15.56	15.56	15.56	R 0.82	R 16.38	R 18.84
	41-50kl		17.84	17.84	17.84	17.84	17.84	17.84	17.84	17.84	17.84	R 0.95	R 18.79	R 21.61
	51KL and Above		19.31	19.31	19.31	19.31	19.31	19.31	19.31	19.31	19.31	19.31	R 1.02	R 20.34
INDUSTRIAL (UNDEVELOPED)														
BASIC CHARGE	P/STAND P/MONTH	415	250.88	250.88	250.88	250.88	250.88	250.88	250.88	250.88	250.88	R 0.00	R 250.88	R 303.80

WATER TARIFFS (all prices rounded to nearest 10c)		TARIFF CODE	EMGWENYA	EMTHONJENI	SAKHELWE	STYATHUTHUKA	BELFAST	DULLSTROOM	MACHADODORP	WATERVAL BOVEN	INCREASE 2018/19	TARIFF 2018/19 VAT EXCL ALL TOWNS	TARIFF 2018/19 VAT INCL ALL TOWNS
INSTITUTIONAL													
BASIC CHARGE (STATE OWNED)	P/STAND P/MONTH	416	R 100.14	R 100.14	R 100.14	R 100.14	R 100.14	R 100.14	R 100.14	R 100.14	R 12.06	112.20	R 129.03
CONSUMPTION / STATE OWNED	0-20kl	708	R 11.56	R 11.56	R 11.56	R 11.56	R 11.56	R 11.56	R 11.56	R 11.56	R 1.39	12.95	R 14.89
	21-30kl		R 13.71	R 13.71	R 13.71	R 13.71	R 13.71	R 13.71	R 13.71	R 13.71	R 1.65	15.36	R 17.66
	31-40kl		R 15.34	R 15.34	R 15.34	R 15.34	R 15.34	R 15.34	R 15.34	R 15.34	R 1.85	17.19	R 19.76
	41-50kl		R 17.49	R 17.49	R 17.49	R 17.49	R 17.49	R 17.49	R 17.49	R 17.49	R 2.11	19.60	R 22.54
	51KL and Above		R 18.87	R 18.87	R 18.87	R 18.87	R 18.87	R 18.87	R 18.87	R 18.87	R 2.27	21.14	R 24.31
BASIC CHARGE (OTHER) Churches / NGO	P/STAND P/MONTH	417	R 18.53	R 18.53	R 18.53	R 18.53	R 18.53	R 18.53	R 18.53	R 18.53	R 2.23	20.76	R 23.87
CONSUMPTION (OTHER) Churches / NGO	6 KL FREE	714	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0.00	R 0.00
	7-20KL		R 3.90	R 3.90	R 3.90	R 3.90	R 3.90	R 3.90	R 3.90	R 3.90	R 0.47	4.37	R 5.02
	21-30KL		R 6.20	R 6.20	R 6.20	R 6.20	R 6.20	R 6.20	R 6.20	R 6.20	R 0.75	6.95	R 7.99
	31-40KL		R 7.99	R 7.99	R 7.99	R 7.99	R 7.99	R 7.99	R 7.99	R 7.99	R 0.96	8.95	R 10.29
	41KL and Above		R 10.32	R 10.32	R 10.32	R 10.32	R 10.32	R 10.32	R 10.32	R 10.32	R 1.24	11.56	R 13.30
INSTITUTIONAL (UNDEVELOPED)													
BASIC CHARGE (All institutional)	P/STAND P/MONTH	418	R 235.74	R 235.74	R 235.74	R 235.74	R 235.74	R 235.74	R 235.74	R 235.74	R 28.38	264.12	R 303.74

SUNDRY TARIFFS				
1				
			VAT EXCLUSIVE	VAT INCLUSIVE
			2018/2019	2018/2019
GENERAL				
Cellphone mast installation		per installation	1802.19	2072.52
Sales : soil		per load	430.81	495.43
Abnormal load		per occasion	57.27	65.86
Spluma Certificate	Certificate Fee	per certificate	0.00	103.35
	Admin Fee	per quotation	0.00	117.66
Clearance certificate	Certificate Fee	per certificate	90.04	103.55
	Admin Fee	per quotation	102.51	117.88
Second dwelling			1146.97	1319.02
Special consent			1104.89	1270.62
Valuation certificate		per certificate	72.03	82.84
Zoning certificate		per certificate	173.15	199.13
Tender documents		per document	0.00	0.00
Advertisements	Posters/ Banners	per poster/banner	60.50	69.58
	Billboards	per billboard per month	600.21	690.24
Fax: received		per page	18.03	20.74
Fax: send (1st page)		per page	17.37	19.98
Fax: send (2nd page and more)		2nd page and more	9.70	11.15
Grazing fee		per head	8.31	9.56
Information	Access to information	per enquiry	37.40	43.01
Proof of residence		per document	0.00	0.00
Photocopy: A3		per copy	5.54	6.37
Photocopy: A4		per copy	2.77	3.19
R/D Cheques	Bank cost	per cheque	350.46	403.03
	Admin Fee		102.51	117.88
Refund Charges	Bank cost (payout)	per refund	27.70	31.86
	Admin Fee	per refund	102.51	117.88
	Bank cost (deposit)	per R100.00	1.39	1.59
BUILDING PLANS			0.00	0.00
Application fee		per application	565.18	649.95
Inspection : building & sewerage		per inspection	505.61	581.45
Fee :		per square metre	5.54	6.37
Fee : structural steelwork & timber/Reinforced concrete		per square metre	2.77	3.19
MUNICIPAL BUILDINGS			0.00	0.00
Deposit: Town hall		per occasion	530.72	610.32
Rental: Town hall ** (Residence and Non Residence)		per occasion	477.65	549.30
Rental: Town hall *** (Government departments/Cultural/Religious organisation, Funeral Services, Youth activities)		per day	308.20	354.43
Rental: Chair	Hiring of chair	per chair	8.16	9.38
Rental: Table	Hiring of table	per table	54.38	62.54
Rental: Sportfield/Grounds	Sportfield and Clubhouse	per day	318.43	366.19
	Only sport clubhouse	per day	159.21	183.10

** That all rentable Council facilities be made available when deposit and rental fee is paid. In the event of any breakages the deposit will not be refundable and the lessee will be charged for all damages cause above the deposit amount.

*** That all rentable Council facilities be made available to Government departments, Cultural or Religious organisations/ Funeral Services Youth activities and political parties and be exempted from paying the deposit, provided:

- That they be charged for all damage caused;
- That they be charged normal fees should they use it for commercial use (fee charged at the entrance);
- That they make use of local service providers; and
- That the kitchen is booked simultaneously with the hall and not separately

SUNDRY TARIFFS				
2				
			VAT EXCLUSIVE	VAT INCLUSIVE
			2018/2019	2018/2019
LIBRARY				
Fines	Late submissions	per book / per week	10.61	12.21
	Lost / damaged books	Reference books	244.13	280.75
		Non-fiction	159.21	183.10
		Junior non-fiction	159.21	183.10
		Fiction	122.06	140.37
		Learner fiction	143.29	164.79
		Kids / junior fiction	84.91	97.65
		Kids / non fiction	95.53	109.86
Membership fee: Adult		per member	51.28	58.97
Membership fee: Child		per member	13.12	15.09
Membership fee: Family		per family members	76.33	87.78
PARKS & RECREATION			0.00	0.00
Camping : entrance park	per person	per night	37.40	43.01
Camping : with electricity	1-6 person	per site/per night	166.23	191.16
Camping : without electricity	1-6 person	per site/per night	120.52	138.59
Day visitors	All parks	per person/per day	49.87	57.35
Fishing	All parks	per person/per day	31.86	36.64
Permit (12 months)	All parks	Emakhazeni resident	447.43	514.55
	All parks	Emakhazeni non-resident	655.22	753.50
Lapa : use for functions	All parks	per function	376.78	433.30
Rowing / bate boat	All parks	per person	88.66	101.95
Rental Chalets per person	All parks	per night	207.79	238.95
TESTING GROUND			0.00	0.00
Light and heavy motor		Per Month	346.31	398.25
Extra heavy motor		Per Month	692.62	796.51
Non association			0.00	0.00
Local residents		Per session	69.26	79.65
Person outside municipality			207.79	238.95
Driving School outside the municipality must work through Driving School Association for ELM			0.00	0.00
Renting : Ground next to Gholf Club to Driving School Association (Old Tennis Court)		per month	692.62	796.51
CLEANSING			0.00	0.00
Usage of landfill site	Building refuse	per load	531.93	611.72
	Garden Refuse	per load (1 ton)	354.62	407.81
	Domesic/general waste	per load (1 ton)	0.00	0.00
Additional refuse removal request	Mass container	per collection/occacion	1683.85	1936.43
SEWERAGE			0.00	0.00
Blockage: after hours		per hour	432.19	497.02
Blockage: office hours		per hour	324.14	372.77
Connection	new occupant	per connection	380.94	438.08
Dumping of waste		basic charge per month	127.44	146.56
Dumping of waste		per kiloliter	18.01	20.71
Outside town		basic charge	127.44	146.56
Outside town		per kiloliter	18.01	20.71
Outside town		tollgate fee	0.00	0.00
Outside town		transport per km	22.16	25.49
Compost		per bag	11.08	12.74
Compost		per bakkie load	109.43	125.85
Clearing of Septic Tank		per collection/occacion	115.41	132.72
ELECTRICITY			0.00	0.00
Deposit : businesses	new account	per account	8060.68	9269.78
Deposit : residential	new account	per account	4029.65	4634.10
Disconnection		per disconnection	141.29	152.97
Electricity tampering		1st tampering	14888.68	16 118.80
Electricity tampering		2nd tampering	29777.36	32 237.60
Connection	new occupant	per re-connection	166.23	191.16
Re-connection	Due to non payment	per re-connection	500.07	541.39
Special reading		per reading	329.69	379.14
Testing of meter		testing per meter	667.68	767.84

* property use for purposes other than defined by the valuation roll

SUNDRY TARIFFS									
4									
			VAT EXCLUSIVE			VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE
			2014/2015	2015/2016	2016/2017	2016/2017	2017/2018	2017/2018	2018/2019
			R	R	R	R			
WATER									
Connection	new occupant	per connection	68.90	74.41	80.36	91.60	85.51	97.50	89.87
Bulk supply business		per kiloliter	8.48	9.16	9.89	11.30	10.52	12.00	11.06
Bulk supply residential		per kiloliter	9.54	10.30	11.13	12.70	11.84	13.50	12.44
Deposit	new account	per account	557.56	602.16	650.34	741.40	691.96	788.80	727.25
New connection : 20 mm		per metre	Cost + 32%	Cost + 32%	Cost + 32%	Cost + 32%	Cost + 32%	Cost + 32%	Cost + 32%
New connection : 40 mm		per metre	Cost + 32%	Cost + 32%	Cost + 32%	Cost + 32%	Cost + 32%	Cost + 32%	Cost + 32%
Re-connection	non-payment	per re-connection	68.90	74.41	80.36	91.60	85.51	97.50	89.87
Special reading		per reading	68.90	74.41	80.36	91.60	85.51	97.50	89.87
Testing of meter		testing per meter	167.48	180.88	195.35	222.70	207.85	237.00	218.45
Water tampering			Cost + 32%	-	-	-	-	-	0.00
CEMETRY									
Booking fee		per grave	244.86	264.45	285.60	325.60	303.88	346.40	319.38
Grave : 6 feet	Emthonjeni, Sakhelwe, Siyathuthuka, Emgwenya	per grave	72.08	77.85	84.07	95.80	89.45	102.00	94.02
Grave : 8 feet	Emthonjeni, Sakhelwe, Siyathuthuka, Emgwenya	per grave	-	-	-	191.60	-	203.90	0.00
Grave : 6 feet	Belfast, Machadodorp, Dullstroom and Waterval Boven	per grave	151.58	163.71	176.80	201.60	188.12	228.20	197.71
Grave : 8 feet	Belfast, Machadodorp, Dullstroom and Waterval Boven	per grave	-	-	-	403.20	-	-	0.00
Grave : 6 feet	All towns	non-residents	445.20	480.82	519.28	592.00	552.52	629.90	580.69
Grave : 8 feet	All towns	non-residents	-	-	-	1 184.00	-	1 259.80	0.00
Plans : grave stone		per application	121.90	131.65	142.18	162.10	151.28	172.50	159.00
RENT : EQUIPMENT									
Backactor		per hour	737.76	796.78	860.52	981.00	915.60	1 043.80	962.29
Bomac		per hour	181.26	195.76	211.42	241.00	224.95	256.50	236.43
Bulldozer		per hour	1 475.52	1 593.56	1 721.05	1 962.00	1 831.19	2 087.60	1 924.58
Compressor		per hour	362.52	391.52	422.84	482.00	449.91	512.90	472.85
Grader		per hour	1 033.5	1 116.18	1 205.47	1 374.20	1 282.62	1 462.20	1 348.04
Mixer		per day	428.24	462.50	499.50	569.40	531.47	605.90	558.57
Plate fibrator		per hour	131.44	141.96	153.31	174.80	163.12	186.00	171.44
Tipper		per hour	442.02	477.38	515.57	587.80	548.57	625.40	576.35
Tractor / loader		per hour	590.42	637.65	688.67	785.10	732.74	835.30	770.11
Water truck		per hour	329.66	356.03	384.52	438.40	409.12	466.40	429.99
TRADE LICENCES									
Business licence Application	new application	per application	249.10	269.03	290.55	331.20	309.15	352.40	324.91
Re-newal of business license			-	-	-	-	-	-	0.00
LIQUOR LICENCES									
Liquor licence application	new application	per application	-	-	-	-	-	-	0.00
Re-newal of business license			-	-	-	-	-	-	0.00

FIRE & RESCUE SERVICES								
(all prices are VAT incl)								
(all prices rounded to nearest 10c)								
DESCRIPTION	TARIFFS							
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019+	
1. Fixed charges for services rendered regarding hazardous substances as promulgated in SABS 0228 inside and outside the municipal area	plus hourly tariff of service + hour tariff of personnel+ kilometers	R 1 832.00	R 1 941.92	2 058.40	2 223.10	2 365.40	R2 486.03	
2. Turn-outs within the municipal area								
The following accumulative fees								
2.1 Fixed charges per call-out		R 244.00	R 258.64	274.20	296.10	315.10	R331.18	
2.2 First hour or part thereof per incident		R 488.00	R 517.28	548.30	592.20	630.10	R662.24	
2.3 For each subsequent hour or part thereof per incident.		R 244.00	R 258.64	274.20	296.10	314.20	R330.22	
2.4 Cost for replacement of material, damaged equipment or consumable items	Cost plus 20% handling charge +VAT							
2.5 Cost of water used	Fixed rate of Council/kl +VAT							
2.6 Equipment used		R 183.00	R 193.98	205.60	222.10	236.30	R248.35	
2.7 Jaws of life		R 488.00	R 517.28	548.30	592.20	630.10	R662.24	
2.8 Kilometers of fire vehicles		R 26.00	R 27.56	29.20	31.50	33.50	R35.20	
3. Special services								
3.1 Pumping of water	Fixed charges + hourly tariff of service + hourly tariff of personnel + kilometers +VAT							
3.2 Other	Fixed charges + hourly tariff of service + hourly tariff of personnel + kilometers +VAT							
3.3 Opening of buildings	Normal turnout tariff + VAT							
3.4 Removal of animals	Normal turnout tariff + VAT							
4. Turn-outs outside of the municipal area								
The following accumulative fees								
4.1 Fixed charges per call-out		R 611.00	R 647.66	686.50	741.40	788.90	R829.13	
4.2 First hour or part thereof per incident		R 1 221.00	R 1 294.26	1 371.90	1 481.70	1 576.50	R1 656.90	
4.3 For each subsequent hour or part thereof per incident		R 611.00	R 647.66	686.50	741.40	788.90	R829.13	
4.4 Cost for replacement of material, damaged equipment or consumable items	Cost plus 20% handling charge +VAT							
4.5 Equipment used		183	193.98	205.60	222.10	236.30	R248.35	
4.6 Jaws of life		R 488.00	517.28	548.30	592.20	630.10	R0.00	
4.7 Light motor vehicles < 3500kg		R 977.00	1035.62	1 097.80	1 185.60	1 261.50	R662.24	
4.7 Heavy motor vehicles >3500kg		R 159.00	168.54	178.70	193.00	205.40	R1 325.84	
4.7 Personnel per member per hour or part thereof							R215.88	
4.8 Kilometers of fire vehicles		R 26.00	27.56	29.20	31.50	33.50	R35.20	
4.9 Cost of water used	Cost plus 20% handling charge +VAT							
5. Station facilities								
5.1 Lectures rooms (private use)		R 342.00	362.52	384.30	415.10	441.70	R464.23	
5.2 Training grounds (private use)		R 342.00	362.52	384.30	415.10	441.70	R464.23	

Tariffs relating to inspections on petroleum products

In accordance with the by-laws relating to the storage, use and handling of flammable liquids and substances Administrator's Notice 230 of 16 February 1983 the tariff of charges of R58.00 for flammable liquids and R116.00 for spray booths and stores be replaced by the following formula:

1. Flammable liquids

Salary + Distance + Time + VAT

Salary

The hourly tariff of the inspection officer as provided by the salary office, based on level 9 of the municipality tariff per hour or part thereof.

Remark

responsibilities linked with certain qualification.

Distance

Average distance between furthest and nearest point within the boundaries of the local authority multiplied by the kilometers tariff of that Council.

Time

Average time calculated from departure from the office including the inspection and time back at the office. The time is connected to flammable capacities excluding gasses:

0	- 23 000 liter installations	:	30 minutes
23 000	- 83 000 liter installations	:	40 minutes
83 000	- 200 000 liter installations	:	60 minutes
200 000	- liter installations	:	120 minutes

2. Spray booths, spray cubicles, dip tanks, mixing rooms, flammable liquids stores, carbide stores and relevant installations

Salary + Time + Distance + VAT

Salary and distance as above

Time

60 minutes per installation which travelling time

3. Gas

0	- 48 kg installation	:	20 minutes
48	- 960 kg installation	:	30 minutes
960 kg and above		:	60 minutes

After 60 minutes, calculated the time spent at the installation per hour or part thereof which exceed 60 minutes.

Remark

Manifolds are including above. This is in accordance with a maximum of 20 cylinders per manifold (SABS 087).

For a gas filling facility calculated the size of the supply tank in the formula.

For gas pipelines it is recommended that the maximum cylinder capacity of 960 kg be used in the formula. The time of the inspection will then affect the amount.

4. Transport permit

Salary + Certificate Cost +VAT

The cost is additional to the normal road worthy certificate tariffs

Admin cost must be absorbed by the time in the formula and distance is provided for in the formula.

After six months the annual tariff must be divided in half of all the above items.

5. Fire equipment serviceman

R 343, 00 per year (1 January – 31 December) of each year +VAT

6. Fireworks – selling and distribution

Salary + Distance + Time + VAT

Electricity tariffs**Indigent Tariff**

Tariff Blocks	Current Tariff	Proposed Increase
Block 1 (0-50kWh)	85.25	0.91
Block 2 (51-350kWh)	109.39	1.16
Block 3 (351-600kWh)	154.62	1.64
Block 4 (>600kWh)	182.04	1.94

Prepaid (Single Phase)

Tariff Blocks	Current Tariff	Proposed Increase
Block 1 (0-50kWh)	0.90	0.96
Block 2 (51-350kWh)	1.09	1.16
Block 3 (351-600kWh)	1.55	1.65
Block 4 (>600kWh)	1.82	1.94

Basic Charge (R/month)	131.57	141.17
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Conventional

Tariff Blocks	Current Tariff	Proposed Increase
Block 1 (0-50kWh)	0.90	0.96
Block 2 (51-350kWh)	1.09	1.16
Block 3 (351-600kWh)	1.55	1.65
Block 4 (>600kWh)	1.82	1.94

Basic Charge (R/month)	263.13	281.13
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Domestic Three Phase

Tariff Blocks	Current Tariff	Proposed Increase
Block 1 (0-50kWh)	1.03	1.10
Block 2 (51-350kWh)	1.24	1.32
Block 3 (351-600kWh)	1.77	1.89
Block 4 (>600kWh)	2.08	2.22

Basic Charge (R/month)	263.13	281.13
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Institutions/Commercial Prepaid(Single Phase :1-60A)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	274.85	293.65
Energy charge (c/kWh)	1.71	1.83

Institutions/Commercial Prepaid (Single Phase :61-80A)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	527.83	563.93
Energy charge (c/kWh)	1.71	1.83

Institutions/Commercial Prepaid (Single Phase :80-100A)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	942.81	1007.30
Energy charge (c/kWh)	1.71	1.83

Institutions/Commercial Prepaid (Single Phase :40A,25kVA)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	1014.84	1084.25
Energy charge (c/kWh)	1.71	1.83

Institutions/Commercial Prepaid (Single Phase :80A-,50kVA)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	1535.27	1640.28
Energy charge (c/kWh)	1.71	1.83

Commercial Tariffs (Single Phase: Conventional)

Institutions/Commercial Conventional (Single Phase :1-60A)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	274.85	293.65
Energy charge (c/kWh)	1.56	1.67

Institutions/Commercial Conventional (Single Phase :61-80A)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	527.83	563.93
Energy charge (c/kWh)	1.56	1.67

Institutions/Commercial Conventional (Single Phase :80-100A)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	942.81	1007.30
Energy charge (c/kWh)	1.56	1.67

Institutions/Commercial Conventional (Single Phase :40A,25kVA)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R	1014.84	1084.25

/month)		
Energy charge (c/kWh)	1.56	1.67

Institutions/Commercial Conventional (Single Phase :80A,50kVA)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	1535.27	1640.28
Energy charge (c/kWh)	1.56	1.67

Commercial Conventional Three Phase

Institutions/Commercial Conventional (Three Phase : 1-60A)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	295.85	316.09
Energy charge (c/kWh)	1.58	1.69

Institutions/Commercial Conventional (Three Phase : 61-80A)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	568.16	607.02
Energy charge (c/kWh)	1.58	1.69

Institutions/Commercial Conventional (Three Phase : 81-100A)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	1014.84	1084.26
Energy charge (c/kWh)	1.58	1.69

Institutions/Commercial Conventional (Three Phase :40A,25kVA)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	1092.38	1167.10
Energy charge (c/kWh)	1.58	1.69

Institutions/Commercial Conventional (Three Phase :80A,50kVA)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	1092.38	1167.10
Energy charge (c/kWh)	1.58	1.69

Institutions/Commercial Conventional (Three Phase :150A,100kVA)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	1778.81	1900.48
Energy charge (c/kWh)	1.58	1.69

Commercial Three- Phase Pre - paid

Institutions /Commercial Three - Phase Pre - paid: (Three Phase :40A,25kVA)		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	1092.38	1167.10
Energy charge (c/kWh)	1.58	1.69

Industrial Tariffs

Industrial Tariffs		
Tariff Blocks	Current Tariff	Proposed Increase
Basic charge (R /month)	5720.76	6112.06
Energy charge (c/kWh)	0.92	0.98
Demand Charge (R/month)	218.23	233.16

PART 3

BUDGET RELATED POLICIES

EMAKHAZENI LOCAL MUNICIPALITY



TARIFFS POLICY

APPROVED BY COUNCIL ON: 31/05/2018

IMPLEMENTATION DATE 1/07/2018

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Introduction

Vision and value 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

The Values of the Council are:

- Consultation
- Service Standards
- Access
- Courtesy
- Information
- Transparency
- Redress
- Value for money
- Responsiveness

Vision

A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities

Mission

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

Definitions

“chief financial officer” means a person designated in terms of section 80(2)(a) of the Municipal Finance Management Act

“the municipality” means Emakhazeni Local Municipality

“municipal accounts” means a postulated current account based on median bills for water, electricity, sanitation, solid waste services and rates. Sundry charges and interest on debt are excluded.

“provision for free basic services” means a budget provision, funded from National Government transfers and municipal rates to subsidize basic services.

“rates and general account” means a budget provision used to fund other municipal services excluding water, electricity, sanitation, solid waste tariff funded services.

“sundry tariff” means a tariff set as a fixed rand amount.

“consumption based tariff” means a tariff set as rand amount per measurable unit of service.

“CPI” means the consumer price index, excluding mortgage costs, as measured by Statistics South Africa.

Categories

The tariff structure of Emakhazeni Local Municipality makes provision for the following categories of consumers as per Section 74(3) Municipal Systems Act.

- ◆ Residential
- ◆ Business
- ◆ Commercial
- ◆ Industrial
- ◆ Agricultural
- ◆ Government

Purpose of the policy

The purpose and objectives of this policy are to:

ensure that the tariffs approved by council during the budget process are consistent with this policy;

ensure that, where a service connection is made, a sundry tariff is used, and where a metered amount of a service is consumed, a consumption-based tariff is used;

ensure that, where a service is primarily provided for the benefit of the community and an individual's use cannot be accurately measured, the cost of providing the service is recovered by means of rates;

ensure that poor people have access to free basic services in line with national government policy, taking into account the affordability constraints of the municipality; and

4.5 guide the annual setting or revision of tariffs. The policy does not make specific tariff proposals, nor does it deal with any detail with the implementation of specific tariff proposals.

Scope of Application

The Policy applies to all tariffs charged within the defined boundaries of Emakhazeni Municipality.

Legislative Framework

The policy is required by section 74 of the Municipal System Act and section 62(1)(f)(i) of the Municipal Finance Management Act

Principles

- 7.1 Service tariffs imposed by the Municipality shall be viewed as usage charges and shall not be viewed as taxes, and therefore the ability of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigency relief measures approved by the municipality from time to time).
- 7.2 The Municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.
- 7.3 Tariffs for the four major services rendered by the municipality, namely:
 - ◆ electricity
 - ◆ water
 - ◆ sewerage (waste water)
 - ◆ refuse removal (solid waste),shall as far as possible recover the expenses associated with the rendering of each service concerned. The tariff which a particular consumer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.
- 7.4 The Municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the foregoing services further generate an operating surplus each financial year of 10% or such lesser percentage as the council of the Municipality may determine at the time that the annual operating budget is approved. Such surpluses shall be applied in relief of property rates and for the partial financing of general services or for the future capital expansion of the service concerned, or both. The modesty of such surplus shall prevent the service tariffs concerned from being viewed as concealed taxes.
- 7.5 The Municipality shall develop, approve and at least annually review an indigent support programme for the municipal area. This programme shall set out clearly the municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.
- 7.6 In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the Municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies. Such differentiation shall, however, at all times be reasonable, and shall be fully disclosed in each annual budget.

- 7.7 The Municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of consumers or users shall be evident to all consumers or users of the service in question.
- 7.8 The Municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all consumers and users affected by the tariff policy concerned.
- 7.9 The Municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.
- 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.
- 7.11 In addition, the Municipality shall levy monthly availability charges for the services concerned, and these charges shall be fixed for each type of property as determined in accordance with the detailed policies set out below. Generally, consumers of water and electricity shall therefore pay two charges: one, relatively minor, which is unrelated to the volume of consumption and is levied because of the availability of the service concerned; and another directly related to the consumption of the service in question.
- 7.12 In considering the costing of its water, electricity and sewerage services, the Municipality shall take due cognisance of the high capital cost of establishing and expanding such services, and of the resultant high fixed costs, as opposed to variable costs of operating these services. The Municipality therefore undertakes to plan the management and expansion of the services carefully in order to ensure that both current and reasonably expected future demands are adequately catered for, and that demand levels which fluctuate significantly over shorter periods are also met. This may mean that the services operate at less than full capacity at various periods, and the costs of such surplus capacity must also be covered in the tariffs which are annually levied.
- 7.13 In adopting what is fundamentally a two-part tariff structure, namely a fixed availability charge coupled with a charge based on consumption, the Municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.
- 7.14 It is therefore accepted that part of the Municipality's tariff policy for electricity services will be to ensure that those consumers who are mainly responsible for peak demand, and therefore for the incurring by the municipality of the associated demand charges from Eskom, will have to bear the costs associated with these charges. To this end the municipality shall therefore install demand meters to measure the maximum demand of such consumers during certain periods. Such consumers shall therefore pay the relevant demand charge as well as a service charge directly related to their actual consumption of electricity during the relevant metering period.

Tariff Policy Guidelines

Calculation of tariffs for major services

In order to determine the tariffs which must be charged for the supply of the four major services, the Municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:

- a) Cost of bulk purchases in the case of water and electricity.
- b) Distribution costs.
- c) Distribution losses in the case of electricity and water.
- d) Depreciation expenses.
- e) Maintenance of infrastructure and other fixed assets.
- f) Administration and service costs, including:
 - ♦ service charges levied by other departments such as finance, human resources and legal services;
 - ♦ reasonable general overheads, such as the costs associated with the office of the accounting officer;
 - ♦ adequate contributions to the provisions for bad debts and obsolescence of stock;
 - ♦ all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area (note: the costs of the democratic process in the municipality – that is, all expenses associated with the political structures of the municipality – shall form part of the expenses to be financed from property rates and general revenues, and shall not be included in the costing of the major services of the municipality).
- g) The intended surplus to be generated for the financial year, such surplus to be applied:
 - ♦ as an appropriation to capital reserves; and/or
 - ♦ generally in relief of rates and general services.
- h) The cost of approved indigency relief measures.

Consumers, who have registered as indigents in terms of the Municipality's indigency relief programme, shall be provided with the first 50kWh of electricity and the first 6 kl of water, including the basic amount, per month free of charge. The Municipality shall further consider relief in respect of the tariffs for sewerage and refuse removal for such registered indigents to the extent that the council deems such relief affordable in terms of each annual budget, but on the understanding that such relief shall not be less than the basic amount on the monthly amount billed for the service concerned.

Because water is a scarce national resource, and the municipality is committed to the prudent conservation of such resources, the tariff levied for domestic consumption of water shall escalate according to the volume of water consumed. The tariff for domestic consumption shall be based on monthly consumption of up to 6 kl, more than 6 kl but not more than 14 kl, more than 14 kl but not more than 24 kl, more than 24 kl but not more than 34 kl, and more than 34 kl. Tariffs for non-domestic consumption shall be based on monthly consumption of 0 kl up to 20 kl, more than 20 kl but not more than 30 kl, more

than 30 kl but not more than 40 kl, more than 40 kl but not more than 50 kl, and more than 50 kl.

Tariffs for pre-paid meters shall be the same as the ordinary consumption tariffs levied on the category of consumer concerned, but no availability charge shall be levied on properties where pre-paid meters have been installed. This distinction is made in recognition of the financial advantages which pre-paid metering entails for the services in question.

Electricity

General

The various categories of electricity consumers, as set out below, shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year or as soon as possible thereafter.

Categories of consumption and charges shall be as follows:

- a) With the single exception of registered indigents, all electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- b) All domestic electricity consumers of the municipality who are registered as indigents with the municipality shall receive free the first 50kWh (fifty) of electricity consumed per month.
- c) All domestic electricity consumers other than registered indigents and consumers using prepaid meters per month shall additionally be billed a basic charge per meter installed.
- d) All commercial, industrial and other non-domestic properties shall additionally be billed a monthly basic charge per meter installed and, where applicable, a demand charge appropriate to their respective levels of consumption.
- e) The local municipality's departmental electricity consumption shall be charged at cost.
- f) A basic charge per electricity meter, as determined by the council from time to time, shall be charged on all electricity consumers, except registered indigents.

New electricity installations

Per written authorisation of the Technical Services Manager, a new electricity installation shall be installed, or permitted to be installed, in any premises within the area of supply and connected to the Council's supply mains.

Application for such authority shall be lodged with the Technical Service Department, via an application form obtainable from the Cashiers at the Municipality's offices.

The Council shall not be liable for any loss or damage, direct or consequential, due to or arising from any interruption, diminution or discontinuance of the supply of electricity or any temporary increase or surge therein, occasioned by a strike, blackout, war, Act of God, legislative action or embargo or any other cause beyond the Council's control or by any fault occurring in the machinery, supply or service mains or other apparatus of the Council or by the rectification of any such fault.

The consumer is deemed to hold the Council indemnified against any action, claim, expense or demand arising from or in connection with any of the matters aforesaid.

The Technical Service Department may without notice, interrupt the supply of electricity to any premises for the purpose of carrying out emergency repairs to the supply or service mains.

Termination of supply

Unless an application for the continuance of the supply to such premises has been lodged with the Chief Financial Officer, the Engineer shall be entitled to disconnect the supply to the premises.

A consumer who has given notice of termination of supply may claim a refund of the amount deposited by him, or the residual amount after the deduction of any amount owing by him for electricity supplied or services rendered.

The Chief Financial Officer shall make payment of the amount due within 30 days from the date of the receipt of any such claim.

The deposit shall be forfeited to the Council where no claim for a refund of the amount deposited is made:

- ◆ Within 30 days of the date of the termination of the supply, and no interest shall accrue after the expiration of such period; or
- ◆ If a claim is made after the expiration of 30 days from the date of termination of supply, the Chief Financial Officer may in his absolute discretion, refund such amount.

Meter readings

Meters shall be read, as far as practical, at intervals as determined by the policy.

Electricity consumed between meter readings will be deemed to be consumed evenly between such meter reading dates.

Final readings: No reduction of or addition to the prescribed monthly fixed or minimum charges will be made, unless the date of reading is at least five days before or after a full period of one month or a multiple thereof, from the previous reading.

Where a meter is read less than or more than one month after the commencement of an account, or where an account is terminated less than or more than one month or a multiple thereof after the preceding reading of the meter, the monthly fixed or minimum charge will be proportioned accordingly. For the purpose of assessing fixed or minimum charges 'one month' shall be regarded as 30 days.

Months in which Meter is not Read

An account for a provisional sum for electricity shall be rendered. The provisional sum shall be assessed with due regard, wherever possible, to the average monthly value of fixed or minimum

charges and electricity consumed upon the premises served by the meter and to any tariff changes that may have occurred.

Where there has been no previous consumption, the Chief Financial Officer may determine the amount of the said provisional sum by reference to such consumption on other similar premises as he considers would constitute a reasonable guide.

Failure of a meter

During the period from identification of a meter having ceased reading, to when it is replaced and a reading can be taken, an estimated consumption will be applied.

Should a consumer have been billed a zero consumption for any period of time and it is subsequently found to have been due to a ceased meter and the property was not vacant at the time or the usage pattern had not changed, the municipality shall bill retrospectively from the time that the meter had ceased until the time it has been replaced. Should the property have been vacant or where the usage pattern had changed, a signed and sworn affidavit needs to be provided for consideration.

Rendering Accounts

As far as practical, monthly accounts that are to be paid within 10 working days from the date of the account, shall be rendered.

Where a consumer fails to pay the account within the specified period, the Engineer or the Chief Financial Officer may cut off the supply according to the Credit Control Policy

A consumer whose supply of electricity has been disconnected in terms of this section shall not be entitled to be reconnected to the Council's supply mains until the conditions as stipulated in the Credit Control Policy have been achieved.

Electricity supplies are disconnected when a consumer's account is in arrears. Thereafter, a final demand is issued. Failure to respond will result in debt collection procedures being followed according to the Credit Control Policy.

Validity of meter reading

The record given by any meter installed on any premises by the Council shall be conclusive proof of the quantity of electricity consumed, subject to following:

Where a meter is tested and found to be more than 2,5% inaccurate, the Chief Financial Officer shall correct the consumer's account to conform to the results of the test and shall refund the consumer any amount paid by him in excess of the amount due. However no such adjustment shall be made in respect of any period prior to the last metered period for which an account is rendered to the consumer, unless the consumer is able to establish to the satisfaction of the Technical Service Department, that the meter was inaccurate during such prior period.

Request to Test Accuracy of Meter

Per the request of any consumer and upon the payment of the fee prescribed, the Technical Service Department shall test the accuracy of any meter installed by the Council.

Where any such test is carried out at the request of the consumer, the fee paid by him shall be refunded if the meter is found to be more than 2.5% inaccurate.

Water

General

The categories of water consumers as set out below shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year.

Categories of consumption and charges shall be:

- a) All consumers shall receive free the first 6 kl (six) of water consumed per month while consumers registered as indigents with the municipality shall receive free the first 6 kl (six) of water, including the basic amount.
- b) All domestic consumers shall be charged for actual water consumption at a stepped tariff per kl as determined by the council from time to time.
- c) The tariff applicable to domestic consumption of water shall not exceed 75% per kl of the tariff applicable to other consumers. All other consumers, including businesses, industries and institutional consumers, shall pay the stepped tariff per kl as determined by the council from time to time.
- d) A basic charge per water meter, as determined by the council from time to time, shall be charged on all water consumers, except registered.
- e) The local municipality's departmental water consumption shall be charged at cost.

Application for a Supply of Water

An application for the supply of water must be made to the Council on a prescribed form together with a copy of the applicant's identity document. Until the application has been granted, no persons shall have access to water from the water supply system.

The prescribed form mentioned above may contain such conditions as the Council deems fit.

An application granted by the Council shall constitute an agreement between the Council and the applicant. Such agreement shall take effect on the date referred to or stipulated therein.

A consumer shall be liable for all the conditions prescribed in the application form, in respect of the supply of water granted to him until the agreement has been terminated.

Special Agreement for Supply of Water

The Council may enter into a special agreement for the supply of water to:

- a) An applicant in its area of jurisdiction;
 - b) The supply necessitates the imposition of conditions not contained in the prescribed form;
- or

- c) An applicant outside its area of jurisdiction.

Termination of Agreement for Supply of Water

A consumer may terminate the agreement by giving the Council, not less than 5 working days notice in writing, of his intention to do so.

The Chief Financial Officer may by notice in writing of not less than 5 working days, advise a consumer of the Council's intention to terminate his agreement for the supply of water, if:

- a) He has not consumed any water in the preceding 6 months and has not made satisfactory arrangements with the Council, for the continuation of his agreement;
- b) He has committed a breach of the bylaws of the Council and has failed to rectify such a breach;
- c) The Council cannot continue to supply him with water; and
- d) In terms of an arrangement with another local water supplier, such authority shall supply water to the consumer.

The Council may without notice, terminate an agreement for supply if a consumer has vacated the premises to which such agreement relates.

Payment of Deposit

The Chief Financial Officer may require an applicant to deposit with him a sum of money for water. Alternatively the Chief Financial Officer may on written application by a consumer, accept from him a guarantee to his satisfaction in lieu of the sum of money.

The deposit paid or the guarantee provided by the consumer shall not be regarded as payment of a current account due for the supply of water.

Upon termination of an agreement, if there is any amount outstanding in respect of supply to the consumer, the Chief Financial Officer may:

- a) Apply the deposit in payment or part payment of the amount and refund any balance to the consumer; or
- b) Recover the amount in terms of the guarantee.

An agreement referred to above may contain a condition that upon termination of the agreement, a deposit will be forfeited to the Council if it is not claimed within 30 days of the termination.

Provisions of Communication / Connection Pipe

Once an application for a supply of water in respect of a premise has been granted and no communication pipe exists in respect of the premises, the owner shall make an application on the prescribed form and pay the prescribed charge, for the installation of the abovementioned pipe.

If an application is made for a supply of water to premises, which necessitates the extension of the water supply system, the Chief Financial Officer may agree to the extension subject to conditions as he may impose.

Cutting-off or Restricting of Supply

The Council may cut off (business consumers) or restrict (residential consumers) the supply of water, if a consumer has:

- a) Failed to pay a sum due to it in terms of its bylaws subject to the requirements of the Credit Control and Debt Collection Policy;
- b) Committed a breach of its bylaws and has failed to rectify such breach within the period specified in a written notice served on him, requiring him to do so; and
- c) By written notice, inform him of its intention to cut off or restrict his supply on a specified date and it may on or after that date so cut off or restrict such supply.

The consumer shall pay:

- a) The prescribed charge for the cutting off or restricting of his water supply; and
- b) The prescribed charge for restoration of the water supply.

Provided that, in the case of a cutting off or restriction, the prescribed charges required, as mentioned above, must be paid prior to the restoration of the water supply or alternate arrangements have been agreed upon as per the Credit Control Policy conditions.

The Chief Financial Officer may at the written request of a consumer:

- a) Turn off the supply of water to his premises; and
- b) Reinstate the supply on the dates requested by him. The consumer shall prior to the reinstatement of his water supply; pay the prescribed charge for the turning-off of his water supply and for its reinstatement.

The Technical Service Manager may disconnect a water installation from the communication pipe and remove it if:

- a) The agreement for supply has been terminated, and no further application has been received within a period of 90 days of such termination; or
- b) The building on the premises concerned has been demolished.

Metering of Water Supplied to a Consumer

A meter may not be used in the case of:

- a) An automatic sprinkler installation;
- b) A fire installation in respect of which steps have been taken to detect unauthorised draw-off of water for purposes other than fire fighting; and
- c) A special circumstance at the Chief Financial Officer's discretion.

The meter mentioned above shall be provided and installed by the Council. It shall remain the property of the Council and may be changed by it when deemed necessary.

Quantity of Water Supplied to a Consumer

For the purpose of assessing the quantity of water supplied through a meter to a consumer over a specified period, it shall be deemed, unless the contrary can be proved, that:

- a) Such quantity is represented by the difference between readings of the meter taken at the beginning and end of a period;
- b) The meter was registered correctly during the period; and
- c) The entries in the records of the Council were correctly processed.

Provided that if water is supplied to or taken by, a consumer without passing through a meter, the estimate by the Chief Financial Officer of the quantity of such water, shall be deemed to be correct.

Payment of Water Supplied

All water supplied by the Council shall be paid for by the consumer at the prescribed charge for that particular category of use for which the supply was granted.

A consumer shall pay for all water supplied to him from the date of agreement, until the date of termination thereof.

The Chief Financial Officer may estimate a quantity of water supplied in respect of a period or periods within the interval between actual successive readings of the meter, and may render an account to a consumer for the quantity of water so estimated, to have been supplied to him during each period.

The amount of an account rendered for water supplied to a consumer, shall become due and payable on the due date stipulated in the account.

If a consumer is dissatisfied with an account rendered for water supplied to him by the Council, he may prior to the date stipulated therein, object in writing to the account detailing his reasons for such dissatisfaction.

However the lodging of an objection shall not entitle a consumer to defer payment, except with the written consent of the Chief Financial Officer.

Should a consumer use water for uses other than which it was being supplied for, he shall be liable for the amount due to the Council in respect of:

- a) Quantity of water which in its opinion he has consumed and for which he has not been charged; and
- b) The difference between the cost of the water used by him at the rate at which he has been charged, and the cost of the water at the rate at which he should have been charged.

If amendments to the prescribed charges for water supplied become operative on a date between meter readings it shall be deemed, for the purpose of rendering an account in respect of the charges that the same quantity of water was supplied in each period of 24 hours during the interval between the meter readings.

A consumer shall not under any circumstances be entitled to a reduction of the amount payable for water supplied to him except for leaks arising from faulty connection to water supply.

Defective Meters

A consumer must make an application on the prescribed form, against payment of the prescribed charge for the meter to be tested if found defective.

The prescribed charge may be refunded if the meter is found to be defective.

The account of a consumer, who has been charged for water supplied through a defective meter, shall be adjusted over the period determined by the Chief Financial Officer.

Recovery of Account

The Municipality:

- a) Shall collect all monies that are due and payable to it, subject to the Local Government Municipal Systems Act and any other applicable legislation; and
- b) For this purpose, shall adopt, maintain and implement a credit control and debt collection policy, which is consistent with its Rates and Tariff Policies and complies with the provisions of the Local Government Municipal Systems Act, 2000.

Refuse removal

The categories of refuse removal users as set out below shall be charged at the applicable tariffs, as approved by the council in each annual budget.

Tariff adjustments shall be effective from 1 July each year.

A separate fixed monthly refuse removal charge shall apply to each of the following categories of users, based on the costs of the service concerned:

- a) Domestic and other users
- b) Business and other users

Registered indigents shall receive a 100% discount on the basic charge and if the service is more than the basic amount, the full amount exceeding the basic amount, is payable.

A fixed monthly charge shall be charged to the local municipality's departments equal to the lowest (domestic) tariff.

Sewerage

The categories of sewerage users as set out below shall be charged per month at the applicable tariff as approved by the council in each annual budget.

Tariff adjustments will be effective from 1 July each year.

Categories of usage and charges shall be:

- a) A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.
- b) A fixed monthly charge based on the costs of the service shall be charged for domestic users. Registered indigents shall receive a 100% discount on the basic charge and if the service is more than the basic amount, the full amount exceeding the basic amount, is payable.
- c) A fixed monthly charge based on the costs of the service per sewer point/toilet shall be charged to all businesses, industries and institutional users.

- d) A fixed monthly charge per sewer point/toilet shall be charged to the local municipality's departments equal to the lowest (domestic) tariff.
- e) A rebate will be applied to institutions i.e. Schools , Public Benefit Organisations on the basis of application annually to the municipality wherein the institution has 10 or more toilets whereby the following rebate will apply:
 - 20 % rebate, on the strength of physical verification on the property.

Minor tariffs

All minor tariffs shall be standardised within the municipal region.

All minor tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

All minor tariffs over which the municipality has full control, and which are not directly related to the cost of a particular service, shall annually be adjusted at least in line with the prevailing consumer price index, unless there are compelling reasons why such adjustment should not be effected.

The following services shall be considered as subsidised services, and the tariffs levied shall cover 50% or as near as possible to 50% of the annual operating expenses budgeted for the service concerned:

- ♦ burials and cemeteries
- ♦ rentals for the use of municipal sports facilities

The following services shall be considered as community services, and no tariffs shall be levied for their use:

- ♦ municipal museum and art gallery
- ♦ disposal of garden refuse at the municipal tip site for residents
- ♦ municipal parks and open spaces.

The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned:

- ♦ municipal botanical garden
- ♦ disposal of all refuse at the municipal tip site for non-residents
- ♦ municipal lending library
- ♦ municipal reference library
- ♦ municipal swimming pool
- ♦ maintenance of graves and garden of remembrance (cremations)
- ♦ housing rentals

- ◆ rentals for the use of municipal halls and other premises (subject to the proviso set out below)
- ◆ building plan fees
- ◆ cleaning of stands
- ◆ electricity, water, sewerage: new connection fees
- ◆ sales of plants
- ◆ photostat copies, faxes and printouts
- ◆ clearance certificates.

The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:

- ◆ fines for lost or overdue library books
- ◆ advertising sign fees
- ◆ pound fees
- ◆ electricity, water: disconnection and reconnection fees
- ◆ penalty and other charges imposed in terms of the approved policy on credit control and debt collection

Market-related rentals shall be levied for the lease of municipal properties.

In the case of rentals for the use of municipal halls and premises, if the accounting officer is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the accounting officer may waive 50% of the applicable rental.

The accounting officer shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields, and in so determining shall be guided by the likelihood of the municipality's sustaining damages as a result of the use of the facilities concerned.

Roles and Responsibilities

The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and implements a tariff policy referred to in section 74 of the Municipal Systems Act.

A municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of the Municipal Systems Act and with any other applicable legislation.

Monitoring, Evaluation and Reporting

When an annual budget is tabled in terms of section 16(2) of the Municipal Finance Management Act, it must be accompanied by the draft resolutions imposing any municipal tax and setting any municipal tariffs as may be required for the budget year.

Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

Implementation

The Tariff Policy will be adopted and implemented at the start of the financial year after Council approval.

Approved on: 31/05/2018

Council Resolution nr: 38/05/2018

EMAKHAZENI LOCAL MUNICIPALITY



BUDGET POLICY

APPROVED BY COUNCIL ON: 31/05/2018

IMPLEMENTATION DATE: 01/07/2018

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1 INTRODUCTION

1.1 *Vision and value 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.

The Values of the Council are:

Consultation
Service Standards
Access
Courtesy
Information
Transparency
Redress
Value for money
Responsiveness

1.2 *Vision*

A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities

1.3 *Mission*

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

2 DEFINITIONS

“Accounting Officer” means the Municipal Manager appointed in terms of Section 60 of the Act

“Chief Financial Officer” means a person designated in terms of section 80(2) (a) of the Municipal Finance Management Act

“The Municipality” means Emakhazeni Local Municipality

“MFMA” **Municipal Finance Management Act no 56 of 2003.**

“Budget” means a Medium Term Revenue and Expenditure Framework (MTREF) covering at least 7 years. Three years of audited history, the current being implemented, the budget year and two outer year forecasts.

“Adjustment Budget” means the mechanism to amend an approved budget under certain specified conditions.

“Budget Virement” means the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Head of department, CFO and Municipal Manager, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2)(d) MFMA)

3 OBJECTIVES OF THE POLICY

The objectives of this policy are to:

- a. To set out the budgeting principles which the Council will follow in preparing each annual budget, as well as the responsibilities of the Chief Financial Officer in compiling such budget.
- b. To ensure that the Emakhazeni Local Municipality only incurs expenditure in accordance with its approved budget.
- c. To assist the Emakhazeni Local Municipality in the management of its income and expenditure so as to achieve its goals as set out in its policy documents.

4 LEGISLATIVE FRAMEWORK

- 4.1 In terms of Chapter 4, section 16 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) a Municipal Council must for each financial year, by way of annual budgets, appropriate money from its Revenue Fund for the requirements of the Municipality. The annual budget of a Municipality is both a legislative requirement in terms of the Municipal Finance Management Act, 2003, as well as a tool for planning and control. The financial year of local authorities covers the period 01 July of each year to 30 June of the following year.
- 4.2 A Municipality must, in terms Chapter 5, section 25(1) of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000), undertake developmentally oriented planning. It must adopt a single, inclusive and strategic plan in the form of an Integrated Development Plan (IDP). This must form the policy framework and general basis on which annual budgets must be based.

5 PRINCIPLES

- 5.1 The Council shall adopt three-year budget statements for the next financial year's budgets. The budget statement shall be the focal point of the budget, and shall be linked to the IDP. The Budget and IDP review process are to run concurrently.
- 5.2 Except in so far as capital projects represent a contractual commitment to the Municipality extending over more than one financial year, the annual capital budget shall be prepared from a zero base.
- 5.3 The capital budget component of the annual or adjustments budget shall only be approved by the Council if it has been properly balanced, that is, if the sources of finance which are realistically envisaged to fund the budget equal the proposed capital expenses.
- 5.4 Before approving the capital budget component of the annual or adjustments budget, the Council shall consider the impact on the present and future operating budgets of the Municipality in relation to:
 - a. finance charges to be incurred on external loans;
 - b. depreciation of fixed assets;
 - c. maintenance of fixed assets; and
 - d. any other ordinary operation expenses associated with any items on such capital budget.
- 5.5 In addition, the Council shall consider the likely impact of such operation expenses - net of any revenues

expected to be generated by such item - on future property rates and service tariffs.

- 5.6 Any unappropriated surplus from previous financial years, shall not be used to balance any annual or adjustments budget, but shall be appropriated, as far as it is not required to finance the payment of operating creditors or (provided it is cash backed) to the Municipality's asset financing reserve.
- 5.7 An impending operating deficit shall be made good in an adjustments budget, but if an operating deficit arises at the end of a financial year, notwithstanding the precautionary measures adopted by the Council, such deficit shall immediately be made good in the annual or adjustment budget for the ensuing financial year, and shall not be offset against any un-appropriated surplus carried forward from the preceding financial years.
- 5.8 The Municipality shall establish and maintain a provision for impairment of debtors in accordance with its **Rates, Tariffs and Credit Control Policies**, and shall budget appropriately for the contribution to such provision in each annual and adjustments budget.
- 5.9 In preparing its revenue budget, the Municipality shall strive to maintain the aggregate revenues from property rates at not less than 16% of the aggregate revenues budgeted for.
- 5.10 When considering the draft annual budget, the Council shall consider the impact that the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households in the municipal area. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
- 5.11 Finance charges payable by the Municipality shall be apportioned between departments or votes on the basis of the proportion at the last balance sheet date of the carrying value of the fixed assets belonging to such department or vote to the aggregate carrying value of all fixed assets in the Municipality. However, where it is the Council's policy to raise external loans only for the financing of fixed assets in specified council services, finance charges shall be charged to or apportioned only between the departments or votes relating to such services.
- 5.12 The allocation of interest earned on the Municipality's investments shall be budgeted for in terms of the Investment Policy.
- 5.13 The Municipality shall adequately provide in each annual and adjustments budget for the maintenance of its fixed assets in accordance with its Fixed Asset Management and Accounting Policy. At least 5% of the operating budget component of each annual and adjustments budget shall be set aside for such maintenance.
- 5.14 Notwithstanding the preceding principle, the budget for salaries, allowances and salaries-related benefits shall be separately prepared.
- 5.15 The Municipality shall establish and maintain a provision for accrued leave entitlements equal to 100% of the accrued leave entitlement of officials as at 30 June of each financial year, and shall budget appropriately for the contributions to such provision in each annual and adjustments budget.
- 5.16 Each Department Manager shall submit his / her business plan for the ensuing year to the finance department at around February of each year accompanied by general expenditure projections with total budget not exceeding the limits set by the Chief Financial Officer.
- 5.17 In approving the budget the Council shall approve the allocations made per function as prescribed by the National Treasury. The Council may however require more detailed supporting documentation in regard

to the functional allocations. In addition the resolution shall include any other matter prescribed by this Policy.

6 REQUIREMENTS FOR MUNICIPAL BUDGETS

Section 15: Appropriation of Funds for Expenditure

- 6.1 Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each budget vote.

Section 16: Annual Budgets

- 6.2 The Council must approve the annual budget before the start of the financial year to which it relates.
- 6.3 The Mayor must table the annual budget at least ninety days before the start of such financial year.
- 6.4 The capital budget may extend over three years, provided that it is separated into annual appropriations for that period.

Section 17: Contents of Annual Budgets and Supporting Documents

- 6.5 The budget must be in the prescribed format, and must be divided into a capital and an operating budget.
- 6.6 The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- 6.7 The expenses reflected in the budget must be divided into votes.
- 6.8 The budget must also contain the foregoing information for the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the year before the current year, and the estimated revenues and expenses for the current year.
- 6.9 The budget must be accompanied by all the following documents:
- a. draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
 - b. draft resolutions (where applicable) amending the IDP and the budget related policies;
 - c. measurable performance objectives for each budget vote, taking into account the Council's IDP;
 - d. the projected cash flows for the financial year by revenue sources and expenditure votes;
 - e. any proposed amendments to the IDP;
 - f. any proposed amendments to the budget-related policies;
 - g. the cost to the Council of the salaries, allowances and other benefits of its political office bearers and other councillors, the Municipal Manager, the Chief Financial Officer, and other senior

managers;

- h. particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the Municipality in service delivery, other organs of state, and organizations such as NGOs, welfare institutions and so on;
- i. particulars of the Council's investments; and
- j. various information in regard to municipal entities under the shared or sole control of the Council.

Section 18: Funding of Expenditures

6.10 The budget may be financed only from:

- a. realistically expected revenues, based on current and previous collection levels;
- b. cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
- c. borrowed funds in respect of the capital budget only.

Section 19: Capital Projects

- 6.11 A municipality may spend money on a capital project only if the money for the project (including the cost of any required feasibility studies) has been appropriated in the capital budget.
- 6.12 The total cost of the project must also be approved by the Council.
- 6.13 The envisaged sources of funding for the capital budget must be properly considered, and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- 6.14 Before approving a capital project, the Council must consider the projected cost of the project over all the ensuing financial years until the project becomes operational, as well as the future operational costs and any revenues which may arise in respect of such project, including the likely future impact on property rates and service tariffs.

Section 20: Matters to be Prescribed

- 6.15 The Minister of Finance must prescribe the form of the annual budget, and may further prescribe a variety of other matters, including the inflation projections which the Municipality must use in compiling its budget.
- 6.16 The Minister may also prescribe uniform norms and standards in regard to the setting of tariffs where a municipality entity or other external mechanisms are used to perform a municipal service; and may also take appropriate steps to ensure that a municipality does not, in exceeding its fiscal powers, materially and unreasonably prejudice national economic policies (particularly on inflation, administered pricing and equity), economic activities across municipal boundaries, and the national mobility of goods, services, capital or labour.

Section 21: Budget Preparation Process

6.17 The Mayor of the Municipality must:

- a. co-ordinate the processes for preparing the annual budget, and for reviewing the municipality's IDP and budget-related policies to ensure that the budget, the IDP, and the policies are mutually consistent and credible;
- b. at least ten months before the start of the ensuing financial year, table in the Council the time schedule with key deadlines for the preparation, tabling and approval of the following year's annual budget, the review of the IDP and budget-related policies, and the consultative processes required in the approval of the budget;
- c. when preparing the annual budget, take into account the Municipality's IDP, the national budget, provincial budget, the National Government's fiscal and macro-economic policies, and the annual Division of Revenue Act;
- d. take all reasonable steps to ensure that the Municipality revises its IDP in line with realistic revenue and expenditure projections for future years;
- e. consult the district municipality (if it is a local municipality) and all other local municipalities in the district;
- f. consult the National Treasury when requested, the Provincial Treasury, and such other provincial and national organs of state as may be prescribed;
- g. provide, on request, any budget-related information to the National Treasury, other national and provincial organs of state, and any other municipality affected by the budget.

Section 22: Publication of Annual Budgets

- 6.18 Immediately after the annual budget has been tabled, the Municipal Manager must make this budget and other budget-related documentation public, and must invite the local community to submit representations in regard to such budget.
- 6.19 The Municipal Manager must also immediately submit the tabled budget in both printed and electronic formats to the National Treasury, the Provincial Treasury, and in either format to prescribed national and provincial organs of state and other municipalities affected by the budget.

Section 23: Consultations on Tabled Budgets

- 6.20 After the budget has been tabled, the Council of the Municipality must consider the views of the local community, the National Treasury, the Provincial Treasury, and any provincial or national organs of state or municipalities which have made submissions on the budget.
- 6.21 After considering these views, the Council must give the Mayor the opportunity to respond to the submissions received, and - if necessary - revise the budget and table the relevant amendments for consideration by the Council.
- 6.22 The National Treasury may issue guidelines on the manner in which the Council must process the annual budget, including guidelines on the formation of a committee of the Council to consider the

budget and hold public hearings. Such guidelines shall be binding only if they are adopted by the Council.

Section 24: Approval of Annual Budgets

- 6.23 The Council must consider approval of the budget at least thirty days before the start of the financial year to which such budget relates.
- 6.24 The budget must be approved before the start of such financial year, and the resolutions and performance objectives referred to in Section 17 must simultaneously be adopted.

Section 25: Failure to Approve Budget Before the Start of the Budget Year

- 6.25 If a municipal council fails to approve an annual budget, including revenue raising measures necessary to give effect to the budget, the Council must reconsider the budget and again vote on the budget or on an amended version thereof within seven days of the council meeting that failed to approve the budget.
- 6.26 This process must be repeated until a budget, including revenue-raising measures necessary to give effect to the budget, is approved.
- 6.27 If a municipality has not approved an annual budget, including revenue-raising measures necessary to give effect to the budget, by the first day of the budget year the Mayor must immediately request intervention by the Provincial MEC for local government.

Section 26: Consequences of Failure to Approve Budget before the Start of the Budget Year

- 6.28 The Provincial Executive must intervene in any municipality which has not approved its annual budget by the start of the relevant financial year. Such intervention must entail the taking of any appropriate steps to ensure a budget is approved, including dissolving the Council and appointing an administrator until a new Council can be elected, and approving a temporary budget until such new Council can adopt a permanent budget for the Municipality.
- 6.28 The Section also imposes restrictions on what may be spent in terms of such temporary budget.

Section 27: Duties of the Mayor in the Event He Becomes Aware of Non- compliance with Budgeting Requirements.

- 6.29 This Section sets out the duties of the Mayor to report any impending noncompliance and the general consequences of non-compliance with the requirements of the various foregoing prescriptions.
 - a. The Mayor of a Municipality must, upon becoming aware of any impending non-compliance by the Municipality of any provisions of this Act or any other legislation pertaining to the tabling or approval of an annual budget or compulsory consultation processes, inform the MEC for Finance in the province, in writing, of such impending non-compliance.
 - b. If the impending non-compliance pertains to a time provision, except section 16(1), the MEC for Finance may, on application by the Mayor and on good cause shown extend any time limit or

deadline contained in that provision, provided that no such extension may compromise compliance with section 16 (1). An MEC for Finance must in exercising the powers contained in this subsection promptly notify the National Treasury, in writing, of any extensions given in terms of this subsection, together with the name of the Municipality and the reasons.

- c. The Mayor of a municipality must, upon becoming aware of any actual non-compliance by the Municipality of a provision of this Chapter inform the Council, the MEC for Finance and the National Treasury, in writing of such non-compliance; and any remedial or corrective measures the Municipality intends to implement..
- d. Non-compliance by a municipality with a provision of this Chapter relating to the budget process or a provision in any legislation relating to the approval of a budget-related policy, does not affect the validity of an annual or adjustments budget.
- e. The Provincial Executive may intervene in terms of the appropriate provision of section 139 of the Constitution, 1996, if a municipality cannot or does not comply with the provision of this Chapter, including a provision relating to process.

Section 28: Municipal Adjustments Budgets

- 6.30 A municipality may revise its annual budget by means of an adjustments budget.
- 6.31 However, a municipality must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- 6.32 A municipality may appropriate additional revenues which have become available but only to revise or accelerate spending programmes already budgeted for.
- 6.33 A municipality may in such adjustments budget, and within the prescribed framework, authorize unforeseen and unavoidable expenses on the recommendation of the Mayor.
- 6.34 A municipality may authorize the utilization of projected savings on any vote towards spending under another vote.
- 6.35 Municipalities may also authorize the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.
- 6.36 Only the Mayor of the Municipality may table an adjustments budget. Such budget may be tabled whenever necessary, but limitations on the timing and frequency of such tabling may be prescribed.
- 6.37 An adjustments budget must contain all of the following:
 - a. an explanation of how the adjustments affect the approved annual budget;
 - b. appropriate motivations for material adjustments; and
 - c. an explanation of the impact of any increased spending on the current and future annual budgets.
- 6.38 Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a

financial recovery plan.

Section 29: Unforeseen and Unavoidable Expenditure

- 6.39 With regard to unforeseen and unavoidable expenses, the following apply:
- a. the Mayor may authorize such expenses in an emergency or other exceptional circumstances;
 - b. the Municipality may not exceed a prescribed percentage of the approved annual budget in respect of such unforeseen and unavoidable expenses;
 - c. these expenses must be reported by the Mayor to the next Council meeting;
 - d. the expenses must be appropriated in an adjustments budget; and
 - e. the adjustments budget must be passed within sixty days after the expenses were incurred.

Section 30: Unspent Funds

- 6.40 The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for the expenses referred to above in Section 16.

Section 31: Shifting of Funds Between Multi-year Appropriations

- 6.41 If the funds for a capital project have been appropriated for more than one financial year (see Section 16) these expenses may exceed the appropriation for any one financial year, provided:
- a. the increase is not more than 20% of that financial year's allocation;
 - b. the increase is funded in the next financial year's appropriations;
 - c. the Municipal Manager certifies that actual revenues are expected to exceed budgeted revenues, and that enough funds will be available to finance such increased appropriation without incurring further borrowing beyond the annual budget limit;
 - d. the Mayor gives prior written approval for such increased appropriation; and
 - e. all the above documentation is provided to the Auditor-General.

Section 32: Unauthorized, Irregular or Fruitless and Wasteful Expenditure

- 6.42 The Municipality may authorize previously unauthorized expenses in an adjustments budget thus approving such expenditure.

Section 33: Contracts Having Future Budgetary Implications

- 6.43 Contracts extending beyond one financial year may be entered into by a municipality, but if such contract extends beyond the three years covered in the annual budget, the Municipality may enter into such

contract only if:

- a. The Municipal Manager, at least sixty days before the Council meeting at which the contract is to be approved, has made the contract public, with an information statement summarizing the Municipality's obligations, and inviting the local community and other interested parties to submit comments or make representations.
 - b. The Municipal Manager solicits the views and recommendations of the National Treasury and Provincial Treasury in respect of such contract, as well as those of the National Department of Provincial and Local Government, and any national department concerned with water, sanitation or electricity, if the contract relates to any of these services.
 - c. The Council has taken into account the projected financial obligations in regard to such contract, the impact on tariffs, and the views and comments received from all the foregoing parties.
 - d. The Council adopts a resolution determining that the Municipality will secure a significant capital investment or derives a significant financial or economic benefit from the contract, and approves the entire contract exactly as it is to be executed.
- 6.44 A contract for purposes of this Section shall exclude any contract relating to the incurring of long-term debt by the Municipality, employment contracts, contracts for categories of goods as may be prescribed, or contracts where the value of the contract is less than a prescribed value or a prescribed percentage of the annual budget.

Section 42: Price Increases of Bulk Resources for Provision of Municipal Services

- 6.45 National and provincial organs of state which supply water, electricity or any other bulk resources to municipalities or municipal entities for the provision of municipal services may increase the price of such resources only after doing all the following:
- a. The proposed increase must be submitted to the organ's executive authority and (where legislation so requires) to any regulatory agency for approval.
 - b. At least forty days prior to the above submission the National Treasury and organized local government must be invited to submit written comments on the proposed increase.
 - c. The executive authority, after taking into account the comments received, must table the price increase in Parliament or the Provincial Legislature, as the case may be, with a full motivation and certain other prescribed explanatory documentation.
- 6.46 Unless the Minister of Finance otherwise directs, a price increase must be tabled on or before 15 March to take effect from 1 July of the same year. If it is tabled after 15 March it may only take effect from 1 July of the following year.

Section 43: Applicability of Tax and Tariff Capping on Municipalities

- 6.47 If a national or provincial organ of state is legislatively empowered to determine the upper limits of any municipal tax or tariff, such determination takes effect on the date specified in the determination, but provided that, unless the Minister of Finance otherwise directs:

- a. A determination promulgated on or before 15 March shall not take effect before 1 July of the same year.
- b. A determination promulgated after 15 March shall not take effect before 1 July of the following year.
- c. A determination shall not be allowed to impair a municipality's ability to meet any annual or periodic escalations in the payments it must make in respect of any contract legally entered into by a municipality.

Section 53: Budget Processes and Related Matters

6.48 The Mayor of the Municipality must:

- a. Provide general political guidance over the annual budget process and the priorities that guide the preparation of each budget.
- b. Co-ordinate the annual revision of the IDP, as well as the preparation of the annual budget, and determine how the IDP is to be taken into account or is to be revised for purposes of such budget.
- c. Take all reasonable steps to ensure that the Council approves the annual budget before the start of the financial year to which it relates, and that the Municipality's Service Delivery and Budget Implementation Plan is approved within twenty-eight days after the approval of the budget.
- d. Ensure that the annual performance agreements for the Municipal Manager and the senior managers of the Municipality are linked to measurable performance objectives which are approved with the budget and the Service Delivery and Budget Implementation Plan.

6.49 The Mayor must promptly report to the Council and the MEC for Local Government any delay in tabling the annual budget, approving the Service Delivery and Budget Implementation Plan or signing the annual performance agreements.

6.50 The Mayor must further ensure that the service delivery targets and quarterly performance indicators, and the monthly projections of revenues and expenses in the Service Delivery and Budget Implementation Plan, are made public not later than fourteen days after these matters have been approved; and that the performance agreements of the Municipal Manager and other senior officials are similarly made public not later than fourteen days after their approval.

Section 68: Budget Preparation

6.51 The Municipal Manager must assist the Mayor in performing the assigned budgetary functions and must provide the Mayor with administrative support, operational resources and the information necessary to perform these functions.

Section 69: Budget Implementation

- 6.52 The Municipal Manager is responsible for implementing the budget, and must take reasonable steps to ensure that:
- a. funds are spent in accordance with the budget;
 - b. expenses are reduced if expected revenues are less than projected; and
 - c. revenues and expenses are properly monitored.
- 6.53 The Municipal Manager must prepare any adjustments budget when such budget is necessary and submit it to the Mayor for consideration and tabling in Council.
- 6.54 The Municipal Manager must submit a draft Service Delivery and Budget Implementation Plan to the Mayor fourteen days after the annual budget has been approved, and must also within the same period submit drafts of the annual performance agreements to the Mayor.

Section 70: Impending Shortfalls, Overspending and Overdrafts

- 6.55 The Municipal Manager must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

Section 71: Monthly Budget Statements

- 6.56 The Municipal Manager must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial Treasury a report in the prescribed format on the state of the Municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.
- 6.57 This report must reflect the following:
- a. actual revenues per source, compared with budgeted revenues;
 - b. actual expenses per vote, compared with budgeted expenses;
 - c. actual capital expenditure per vote, compared with budgeted expenses;
 - d. actual borrowings, compared with the borrowings envisaged to fund the capital budget;
 - e. the amount of allocations received, compared with the budgeted amount;
 - f. actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - g. explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source;
 - h. expenses by vote as set out in the Service Delivery and Budget Implementation Plan;

- i. the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- j. projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

6.58 The report to the National Treasury must be both in electronic format and in a signed written document.

Section 54: Budgetary Control and Early Identification of Financial Problems

6.59 On receipt of the report from the Municipal Manager, the Mayor must:

- a. consider the report;
- b. check whether the budget has been implemented in accordance with the Service Delivery and Budget Implementation Plan;
- c. issue appropriate instructions to the Municipal Manager to ensure that the budget is implemented in accordance with this Plan, and that the spending of funds and the collection of revenues proceed in accordance with the approved budget;
- d. identify any financial problems facing the municipality, as well as any emerging or impending financial problems; and
- e. submit to the Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the Municipality.

6.60 If the Municipality faces any serious financial problems, the Mayor must:

- a. promptly respond to and initiate the remedial or corrective steps proposed by the Municipal Manager, and
- b. alert the MEC for Local Government and the Council of the Municipality to the problems concerned.

6.61 The Mayor may revise the details of the Service Delivery and Budget Implementation Plan, but any revisions to the service delivery targets and quarterly performance indicators must be approved by the Council, and be supported by an adjustments budget. Any changes made to the projections of revenues and expenses as set out in the plan must promptly be made public.

Section 55: Report to Provincial Executive if Conditions for Provincial Intervention Exist

6.62 If the Council has not approved its annual budget by the first day of the financial year to which it relates, or if the Municipality encounters serious financial problems, the Mayor must immediately report this matter to the MEC for Local Government and may recommend a provincial intervention.

Section 72: Mid-year Budget and Performance Assessment

6.63 The Municipal Manager must assess the budgetary performance of the Municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service

delivery performance of the Municipality as against the service delivery targets and performance indicators which were set in the Service Delivery and Budget Implementation Plan, and the past financial year's annual report and the progress made in resolving problems identified in such report.

- 6.64 The Municipal Manager must then submit a report on such assessment to the Mayor, the National Treasury and the Provincial Treasury.
- 6.65 The Municipal Manager may in such report make recommendations for adjusting the annual budget and for revising the projections of revenues and expenses set out in the Service Delivery and Budget Implementation Plan.
- 6.66 In terms of Section 54(1) (f) the Mayor must promptly submit this assessment report to the Council of the Municipality.

Section 73: Reports on Failure to Adopt or Implement Budget-related and other Policies

- 6.67 The Municipal Manager must inform the Provincial Treasury, in writing, of any failure by the Council to adopt or implement any budget-related policy or a supply chain management policy, and of any non-compliance by an office bearer or political structure with such policy.

Section 75: Information to be Placed on Websites of Municipalities

- 6.68 The Municipal Manager must place on the Municipality's official website (*inter alia*) the following:
 - a. the annual and adjustments budgets and all budget-related documents;
 - b. all budget-related policies;
 - c. the annual report;
 - d. all performance agreements;
 - e. all service delivery agreements;
 - f. all long-term borrowing contracts;
 - g. all quarterly reports submitted to the Council on the implementation of the budget and the financial state of affairs of the Municipality.

Section 80: Establishment of Municipal Budget and Treasury Office

- 6.69 Every municipality must have a budget and treasury office comprising a Chief Financial Officer, supported by appointed officials and contracted staff.

Section 81: Role of Chief Financial Officer

- 6.70 The Chief Financial Officer is administratively in charge of the budget and treasury office and must, *inter alia*,

- a. assist the Municipal Manager in preparing and implementing the budget;
- b. perform such budgeting, financial reporting and financial management and review duties as are delegated by the Municipal Manager;
- c. account to the Municipal Manager for the performance of all the foregoing responsibilities.

Section 83: Competency Levels of Professional Financial Officials

- 6.71 The Municipal Manager, senior managers, the Chief Financial Officer and the other financial officials in a municipality must all meet prescribed financial management competency levels.

7 RESPONSIBILITIES IN PREPARING THE BUDGET

- 7.1 Whilst the Municipal Manager is accountable and responsible overall, the Chief Financial Officer and, if applicable, a Councilor responsible for financial matters, are responsible for compiling the Municipality's consolidated draft annual budget.
- 7.2 This matter also receives the attention of the Municipality's Finance Committee and ultimately the Council.
- 7.3 According to Section 81 of the MFMA the Chief Financial Officer is administratively in charge of the budget and treasury office and must, *inter alia*,
- a. assist the Municipal Manager in preparing and implementing the budget;
 - b. perform such budgeting, financial reporting and financial management and review duties as are delegated by the Municipal Manager; and
 - c. account to the Municipal Manager for the performance of all the foregoing responsibilities.

8 PREPARATION OF THE BUDGET

- 8.1 Without derogating in any way from the legal responsibilities of the Municipal Manager as accounting officer, the Chief Financial Officer shall be responsible for preparing the annual capital and operating budgets (including the budget components required for the ensuing financial years), any required adjustments budgets, the projections of revenues and expenses for the Service Delivery and Budget Implementation Plan (including the alignment of such projections with the cash management programme prepared in terms of the investments policy), and shall be accountable to the Municipal Manager in regard to the performance of these functions.
- 8.2 The Municipal Manager shall ensure that all heads of departments provide the inputs required by the Chief Financial Officer into these budget processes.
- 8.3 The Chief Financial Officer shall draft the budget timetable for the ensuing financial year for the Executive Mayor's approval, and shall indicate in such timetable the target dates for the draft revision of the annual budget and the preparation of the annual budget for the ensuing financial year, which target dates shall follow the prescriptions of the Municipal Finance Management Act, and target dates for the submission of all the budget related documentation to the Executive Mayor, Finance Committee, Mayoral Committee and Council.

- 8.4 Except where the Chief Financial Officer, with the consent of the Executive Mayor and Municipal Manager, decides otherwise, the sequence in which each annual budget and adjustments budget shall be prepared, shall be: first, the capital component, and second, the operating component. The operating component shall duly reflect the impact of the capital component on:
- a. depreciation charges
 - b. repairs and maintenance expenses
 - c. interest payable on external borrowings
 - d. other operating expenses.
- 8.5 In preparing the operating budget, the Chief Financial Officer shall determine the number and type of votes to be used and the line-items to be shown under each vote, provided that in so doing the Chief Financial Officer shall properly and adequately reflect the organizational structure of the Municipality, and further in so doing shall comply - in so far as the organizational structure permits - also with the prescribed budget format of National Treasury.
- 8.6 The Chief Financial Officer shall determine the depreciation expenses to be charged to each vote, the apportionment of interest payable to the appropriate votes, the estimates of withdrawals from (claims) and contributions to (premiums) the self-insurance reserve, and the contributions to the provisions for impairment of debtors, and accrued leave entitlements.
- 8.7 The Chief Financial Officer shall further, with the approval of the Executive Mayor and the Municipal Manager, determine the recommended contribution to the asset financing reserve and any special contributions to the self-insurance reserve.
- 8.8 The Chief Financial Officer shall also, again with the approval of the Executive Mayor and the Municipal Manager; and having regard to the Council's current financial performance, determine the recommended aggregate growth factor(s) according to which the budgets for the various votes shall be drafted.
- 8.9 The Chief Financial Officer shall compile monthly budget reports, with recommendations, comparing actual results with budgeted projections, and the heads of departments shall timeously and adequately furnish the Chief Financial Officer with all explanations required for deviations from the budget.
- 8.10 The Chief Financial Officer shall submit these monthly reports to the Executive Mayor, Finance Committee and Mayoral Committee in accordance with the prescriptions of the Municipal Finance Management Act, 2003 (Act 56 of 2003).
- 8.11 Chief Financial Officer shall provide technical and administrative support to the Accounting Officer and Executive Mayor in the preparation and approval of the annual and adjustment budgets, as well as in the consultative processes which must precede the approval of such budgets.
- 8.12 The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determined by the Executive Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the Executive Mayor on the revision of the IDP and the budget-related policies where these are indicated.

- 8.13 The Chief Financial Officer shall make recommendations on the financing of the capital budget for the ensuing and future financial years, indicating the impact of viable alternative financing scenarios on future expenses, and specifically commenting on the relative financial merits of internal and external financing options.
- 8.14 The Chief Financial Officer shall determine the basis for allocating overhead expenses not directly chargeable to votes. The expenses associated with the democratic process shall be allocated to a separate vote, and shall not be charged out as an overhead.
- 8.15 The Chief Financial Officer shall ensure that the cost of indigent support programmes is separately reflected in the appropriate votes.
- 8.16 The Chief Financial Officer shall ensure that the allocations from other organs of state are properly reflected in the annual and adjustments budget, and that the estimated expenses against such allocations (other than the equitable share) are appropriately recorded.

9 BUDGET VIREMENT

9.1 Financial Responsibility

The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control.

Budget Virement is one of those controls (Section 27 (4) MFMA)

It is the responsibility of each head of a department to which funds are allotted, to plan and conduct assigned operations so as not to expend more funds than budgeted.

In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 & 102.

9.2 Mscoa Functions

The Mscoa functions is used to divide the budget into segments and the council then approves the budget according to these functions via a resolution.

The Mscoa functions is to facilitate greater accountability for senior managers and in turn having a positive change on the level of service delivery.

Each and every cost centre of the municipality is linked to a function and sub-function depending on the definition.

Virements can be done within or between functions.

9.3 Virement Restrictions

- a) No funds can be transferred between the different types of budgets (E.g. virements can only be made from basic capital to basic capital and operating to operating)
- b) No virement may be made where it would result in over expenditure of line item (Section 32 MFMA)
- c) No virement shall create new capital projects without the approval of the Municipal Council.
- d) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- e) Virement cannot be permitted on the following non-cash items
 - i. Depreciation and amortisation

- ii. Debt Impairment
- iii.
- iv.

f) Virement cannot be permitted on the following cash items

- (i) Personnel expenditure
- (ii) Bulk purchases
- (iii) Interest charges
- (iv) Revenue forgone

- g) An approved virement does not give expenditure authority and all expenditure resulting from approved virements still be subject to the procurement supply chain management policy of Council.
- h) Virements may not be made between Expenditure and Revenue.

10 REVIEW OF POLICY

This policy shall be implemented at a date set by council and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

11 ANNEXURES

- 11.1 Budget Virement Procedures
- 11.2 Budget Virement Request forms

12 IMPLEMENTATION

This Budget Policy will be adopted and implemented at the start of the financial year after Council approval.

Approved on: 31/05/2018

Council Resolution nr: 38/05/2018

EMAKHAZENI LOCAL MUNICIPALITY



MUNICIPAL PROPERTY RATES POLICY POLICY

**APPROVED BY COUNCIL ON:31/05/2018
IMPLEMENTATION DATE:01/07/2018**

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Introduction

Vision and value 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

The Values of the Council are:

Consultation
Service Standards
Access
Courtesy
Information
Transparency
Redress
Value for money
Responsiveness

Vision

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

Mission

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

Legislative context

- 1.1 In terms of Section 229 of the Constitution, a municipality may impose rates on property.
- 1.2 In terms of section 4(1) of the Municipal Systems Act, 2000 (Act 32 of 2000), a municipality has the right to finance the affairs of the municipality by imposing, inter-alia, rates on property
- 1.3 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Act, 2003 (Act 56 of 2003), the Municipal Manager must ensure that the municipality has and implements a rates policy embodied in a by-law as per section 6 of the said Local Government: Municipal Property Rates Act.
- 1.4 The Municipal Property Rates Act, 2004 (Act no. 6 of 2004) (MPRA) provides the regulatory framework to which the municipality must comply with when imposing rates on the property, which includes but is not limited to:
 - 1.4.1 The adoption of a rates policy will be implemented and made effective by way of a Rates By-Law;
 - 1.4.2 Criteria for determination of categories of properties and differential rates for each category of properties;
 - 1.4.3 Criteria to be applied for granting rates relief measures;
 - 1.4.4 Levying of rates in sectional title schemes;
 - 1.4.5 Appointment of a municipal valuer for preparation of a general valuation roll and supplementary valuation roll(s).

Definitions

All words and phrases in this Rates Policy shall have the same meaning and interpretation as assigned in terms of the said Municipal Property Rates Act and for this purpose lists hereunder the definitions used in the Act:

Unless the context indicates otherwise:

Act	Means the Local Government: Municipal Property Rates Act (Act 6 of 2004).
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Child Headed Household	Means a household recognized as such in terms of section 137 of the Children's Amendment Act, 41 of 2007.
Actual Use	Means actual activities that are taking place on the property.
Agent	<p>In relation to the owner of a property, means a person appointed by the owner of the property:</p> <ul style="list-style-type: none"> (a) to receive rental or other payments in respect of the property on behalf of the owner; or (b) To make payments in respect of the property on behalf of the owner.
Agricultural property	In relation to the use of a property, means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is use of the property for the purpose of ecotourism or for the trading in or hunting of game.
Annually	Means once every financial year.
Category	<ul style="list-style-type: none"> (a) In relation to property, means a category of properties determined in terms of Section 8 of the Act; and (b) In relation to owners of properties, means a category of owners determined in terms of Section 15(2) of the Act;
Community services	<p>Means any services which the expenditure of rendering of such a service is financed from the revenue generated from property rates;</p> <p>Means the date determined by the Municipality in terms section 31(1); Means a person who qualifies to receive relief in terms of the Social Services Act. 1992 (Act No. 59 of 1992) or has been certified as disabled by a medical practitioner;</p>
Disaster	Means a disaster within the meaning of the Disaster Management Act (57 of 2002); or any other serious adverse social or economic

condition.

Effective date

- (a) In relation to a valuation roll, means the date on which the valuation roll takes effect in terms of Section 32(1) of the Act; or
- (b) In relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of Section 78(2) (b) of the Act.

Exclusion

In relation to a municipality's rating power, means a restriction of that power as provided for in Section 17 of the Act.

Exemption

In relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15 of the Act.

Financial year

Means the period starting from 1 July in each year to 30 June the following year.

Income Tax Act

Means the Income Tax Act, 1962 (Act No. 58 of 1962)

Indigent household

Means an owner of property who is in permanent occupation of the property and qualifies for indigent relief in terms of the municipality's indigent policy, shall include state pensioner, child-headed household, disabled people, household without income or with income that falls within a certain threshold and medical boarded people;

Illegal use

Where any person uses land or buildings or causes it to be used in conflict with the provisions of the town planning scheme in operation.

Land reform beneficiary

In relation to a property, means a person who:

- (a) acquired the property through:
 - (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or

- (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1944);
- (b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to Section 25(6) and (7) of the Constitution be enacted after this Act has taken effect.

Land Tenure right

Means an old order right or a new order right as defined in Section 1 of the Communal Land Rights Act, 2004.

Local community

In relation to a municipality:

- (a) means that body of persons comprising:
 - (i) the residents of the municipality;
 - (ii) the ratepayers of the municipality;
 - (iii) any civic organisations and nongovernmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
 - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality , make use of services or facilities provided by the municipality; and
- (b) Includes, more specifically, the poor and other disadvantaged sections of such body of persons.

Local Municipality

Means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in Section 155(1) of the Constitution as a category B municipality. Establish in terms of section 12 of the Municipal Structures

Act No. 117 of 1998.

Market Value	In relation to a property, means the value of the property determined in accordance with Section 46 of the Act;
Municipal Finance Management Act (MFMA)	Means the Local Government: Municipal Finance Management Act No. 56 of 2003;
Municipal Manager	Means a person appointed in terms of Section 82 of the Municipal Structures Act;
Newly rateable property	<p>Means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding:</p> <ul style="list-style-type: none">(a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and(b) A property identified by the Minister by notice in the Gazette where the phasing in of a rate is not justified.
Non-profit organization (NPO)	<p>Means any organization which is registered in terms of the Non-profit Organizations Act.</p> <p>Means</p>
Non-governmental organization (NGO)	Means any organization which is created by legal persons who are not part of the government.
Occupier	In relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;
Public service purposes	<p>In relation to the use of property, means property owned and used by an organ of state as –</p> <ul style="list-style-type: none">(a) Hospitals or clinics(b) Schools, pre-school, early childhood development

Centre's or further education and training colleges:

- (c) National and provincial libraries and archives
- (d) Police stations
- (e) Correctional facilities; or
- (f) Courts of law.

Owner

- (a) In relation to a property referred to in paragraph (a) of the definition of property, means a person in whose name ownership of the property is registered in a register;
- (b) In relation to a right referred to in paragraph (b) of the definition of property, means a person in whose name the right is registered;
- (c) In relation to a land tenure right referred to in paragraph (c) of the definition of property , means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) In relation to public service infrastructure referred to in paragraph (d) of the definition of property, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
 - (i) A trustee, in the case of a property in a trust excluding state trust land;
 - (ii) An executor or administrator, in the case of a property in a deceased estate;
 - (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
 - (iv) A Judicial manager, in the case of a property in the

estate of a person under judicial management:

- (v) A curator, in the case of a property in the estate of a person under curatorship;
- (vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitudes; or
- (vii) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
- (viii) A lessee in the case of property that is registered in the name of the municipality and is leased by it.

Permitted use

In relation to a property, means the limited purposes for which the property may be used in

terms of:

- a) any restrictions imposed by:
 - (i) a condition of title;
 - (ii) a provision of a town planning or land use scheme; or
- b) any legislation applicable to any specific property or properties; or
- c) any alleviation of any such restrictions;

Person

Means natural and legal person including an organ of state.

Prescribe

Means prescribe by regulation in terms of section 83 of the Act

Privately owned towns

Means single properties, situated in an area not ordinary being serviced by the municipality, divided through sub –

divisions or township establishment units (ten or more) full title stands and/ or sectional units and where all services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate or township.

Property

Means:

- a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- d) public service infrastructure;

Property Register

Means a register of properties referred to in Section 23 of the Act.

Protected area

Means an area that is or has to be listed in the register referred to in Section 10 of the Protected Areas Act.

Protected Areas Act

Means the National Environmental Management: Protected Areas Act, 2003

Publicly controlled

Means owned by or otherwise under the control of an organ of state, including:

- a) a public entity listed in the Public Finance Management Act, 1999 (Act No.1 of 1999);
- b) A municipality; or
- c) A municipal entity as defined in the Municipal Systems Act

Public Benefit Organization Property	Means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act
Public Service Infrastructure	Means publicly controlled infrastructure of the following kinds: <ul style="list-style-type: none"> a) National, provincial or other public roads on which goods , services or labour move across a municipal boundary; b) Water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public; c) Power stations, power substations or power lines forming part of an electricity scheme serving the public. d) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels; e) railway lines forming part of a national railway system; f) Communication towers, masts, exchanges or lines forming part of a communication system serving the public; g) Runways or apron at national or provincial airports; h) Breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;

- i) Any other publicly controlled infrastructure as may be prescribed; or
- j) Rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) and (i)

Rate Means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution;

Rateable property Means a property on which a municipality may in terms of Section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act.

Rebate In relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property.

Reduction In relation to a rate payable on a property, means the lowering in terms of section 15 of the Act of the amount for which the property was valued and the rating of that property at the lower amount.

Register a) means to record in a register in terms of –

- (i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
- (ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and

b) Includes any other formal act in terms of any other legislation to record :

- (i) a right to use land for or in connection with mining purposes; or
- (ii) a land tenure right;

Residential property Means a property included in a valuation roll in terms of Section 48 (2) (b) in respect of which the primary use or permitted use is for residential purposes without derogating

from section 9.

Sectional Titles Act	The Sectional Titles Act, 1986 (Act No. 95 of 1986)
Sectional Title Properties: Residential	This sectional title property, zoned residential, zoned special for residential use and used exclusively for residential purposes shall be rates as Residential Property.
Sectional Title Properties: Business	This category includes sectional Title properties that are zoned for business or have businesses operations shall be rates as Business Property.
Sectional Title Properties: Agriculture	This category includes sectional title properties, zoned agricultural and used for agricultural purposes shall be rates as Agricultural Property.
Small, very small and micro business	Means businesses as per the criteria set by the National Small Business Act No. 102 of 1996 schedule;
Special rating area	Means a geographic area within which property owners agree to pay for certain services supplementary to those supplied by the municipality. These services are financed by levying an additional rate, which is added to the rate in a rand of the property owners within the precinct;
Specified public benefit activity	An activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act.
State Trust Land	Means land owned by the state: <ul style="list-style-type: none">a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;b) over which land tenure rights were registered or granted; orc) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)

The Municipality	Means the Emakhazeni Local Municipality;
Value of property	Means the market value of the property as determined in terms of the Act;
Vacant Land	Means land, irrespective of zoning or category and in respect of which the municipality has not issued an occupancy certificate, being unimproved urban land.

THE PURPOSE OF THIS POLICY

The purpose of this policy is to:

- 4.1 Comply with the provisions of the Municipal Property Rates Act, specifically with section 3 thereof;
- 4.2 Give effect to the principles outlined hereunder;
- 4.3 Ensure the equitable treatment of persons liable for rates;
- 4.4 Determine the methodology and to prescribe procedures for the implementation of the Act;
- 4.5 Determine criteria to be applied for the levying of differential rates for different categories of properties;
- 4.6 Determine or provide criteria for the determination of categories of properties and categories of owners of properties;
- 4.7 Determine criteria to be applied for granting exemptions, rebates and reductions;
- 4.8 Determine how the municipality's powers must be exercised in relation to multiple use properties;
- 4.9 Determine measures to promote local economic and social development; and
- 4.10 Identify which categories of properties the municipality has elected not to rate as provided for in section 7 of the Act.

FUNDAMENTAL PRINCIPLES OF THIS RATES POLICY

The principles of the rates Policy are to ensure that:

- 5.1 The power of the municipality to impose rates on property within its area will not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities or the national mobility of goods, services, capital or labour as prescribed in terms of Section 229 of the Constitution of the Republic of South Africa;

- 5.2 All ratepayers, in a specific category, as determined by council from time to time, will be treated equitably;
- 5.3 Property rates will be assessed on the market value of all rateable properties in the jurisdiction of the municipality and for the purpose of generating revenue to balance the budget after taking into account:
 - 5.3.1 Profits generated on trading and economic services; and
 - 5.3.2 The amounts required to finance exemptions, rebates and reductions of rates as approved by the municipal council from time to time;
- 5.4 Property rates will not be used to subsidize trading and economic services;
- 5.5 The rates income generated by the municipality will take into account relief measures to address the social and economic needs of the community;
- 5.6 This rates Policy and amendment thereof will be developed in consultation with the community and in compliance with a process of community participation in terms of Chapter 4 of the Municipal Systems Act.

APPLICATION OF THIS RATES POLICY

Imposition of rates

- 6.1 The council shall as part of each annual operating budget cycle, impose a rate in the rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll. Rateable property shall include a property on which the municipality may in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levy of rates in terms of the Act.
- 6.2 When rates are levied in respect of a valuation in a supplementary valuation roll, and the rates on that valuation are levied for the first time, the liability to pay the rates vests on the first day of the month following the completion of the public inspection period
- 6.1 The council pledges itself to limit the annual increase if financially viable of the rate in the rand in accordance with the National Treasury guidelines and/or the approved integrated development priorities.

DISCRETIONARY RESOLUTIONS ADOPTED BY THE MUNICIPALITY WITH RESPECT TO LEVYING OF RATES

It is recorded that the Municipality has adopted the following resolutions:

- 7.1 To levy rates on all rateable property in its area of jurisdiction;
- 7.2 To levy different cents in the rand for different categories of rateable property as approved annual by council as part the annual budget;

- 7.3 That the categories of properties for the purpose of differential rating are those specified in this rates policy and By-Law document;
- 7.4 That the criteria for the categorization in terms of section 8(1) of the Act shall be actual use where a property is improved and vacant land shall be categorized according to the permitted use of the property. In case of a property used for multiple-purposes the categories shall be determined according to the actual uses of the property;
- 7.5 To rate public service infrastructure (excluding municipal public service infrastructure) that is identifiable and to which a market related value can be determined with the proviso that the municipality may extend this annually to include other identifiable entities as the data set is developed; and
- 7.6 To not rate properties of which the municipality is the owner, except where leased to a third party.

CATEGORIES OF PROPERTIES FOR DIFFERENTIAL RATING PURPOSES

- 8.1 For the purposes of differential rates, the following categories of rateable property have been determined, being:

8.1.1 Residential Property (RES)

Means improved property that:

- (a) Is used for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes;
- (b) Is a unit registered in terms of the Sectional Title Act and used for residential purposes; or
- (c) Is owned by a Share block company and used solely for residential purposes
- (d) For the purpose of this rates policy, the following are excluded :
 - Hotels
 - Communes
 - Boarding and lodging undertakings
 - Guesthouses
 - Residential units used for timeshare and holiday letting

8.1.2 Business Property (BUS)

Means property that is used for business, commercial and schools (private & public) purposes.

8.1.3 Agricultural Property (AGRI)

Means a property that is used primarily for agricultural purposes, but without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of games.

8.1.4 Agricultural Residential Property (AGRI/Res)

Means a property that is used primarily for residential and agricultural purposes, but excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of games.

8.1.5 Agricultural Business Property (AGRI/Buss)

Means a agricultural property that is used primarily for business operational purposes but, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of property for the purpose of eco-tourism or for the trading in or hunting of games.

8.1.6 State owned /Government Property/Institutional (STATE)

Means property owned and used by the state excluding the kinds of publicly controlled infrastructure listed in the definition of Public Service Infrastructure.

8.1.5 Public Service Infrastructure (PSI)

Means a property as defined by the Act.

8.1.7 Public Benefit Organization Property (PBO)/ Non-governmental organization (NGO)

Means property owned by public benefit organizations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act

8.1.8 Municipal property (MUN)

In relation to property shall mean those properties owned & exclusively used by the municipality;

8.1.9 Places of Public Worship (CHC)

Means a property registered in the name of and used primarily as a place of worship by a religious community, including an official residence registered in the name of that

community which is occupied by an office bearer of that community who officiates at the services at that place of worship;

8.1.10 Industrial (IND)

Means branch of trade or manufacturing, production, assembling or processing of finished or partially finished products from raw materials or fabricated parts, on so large scale that capital and labour are significantly involved. This includes factories as defined in the Machinery and Building Work Act, 22 of 1941, as amended and includes any office or other accommodation on the same erf, the use of which is incidental to the use of such factory.

8.1.11 Mining

Means property used for mining operations (extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise).

8.1.12 Privately open space

Means property categorized as " Privately owned roads/parks/sport grounds" shall be rated as "residential", subject to stipulations of section 17(2)(b) of MPRA, were applicable.

8.1.13 Vacant Land

This category includes the following:

- (i) Land without a zoning, zoning unresolved, deproclaimed mining land and any undeveloped land/ erf within a proclaimed township or within a land development area.
- (ii) Land in this category shall not benefit from any exemption, reduction or rebate. Property will continue to be rated as vacant until such time as the Council issues a Certificate of Occupancy or final inspection.
- (iii) Vacant land owned by individual for development of residential property, if developed within the two year will be charged residential tariff backdated to year one. Owner of the land must apply to the Municipality for an adjustment
- (iv) The tariff applicable to vacant land will take precedence over the tariff applicable to the property category where such land is vacant except for (iii)and (iv). (iv) The rate applicable to vacant land will take precedence over the rate applicable to the category in which the property would have fallen had it not been vacant land.

9.2 Differential rating among the above determined categories of properties will be done by way of setting different rates in the rand for each property category.

9.3 The basis of categorization of properties for rating purposes does not permit any illegal usage of such properties.

- 9.4 The criteria for weighting the categories determined above, for the purpose of determining cent in a rand amount (rates tariff) for each category, must take account of the following :
- 9.4.1 The reliance or otherwise of the owners of specific categories of property on the type of services supplied by the Municipality;
 - 9.4.2 The strategic importance of a category of property with reference to the aims and objectives of the municipality and the Government of the Republic of South Africa as a whole (such as social, economic and developmental issues); and
 - 9.4.3 The nature of the category of property, including its sensitivity to rating (for example agricultural properties used for agricultural purposes).
- 9.5 The following principles and section 9.4 above shall be applied for the determination of the cents in the rand;
- 9.5.1 Residential Property to Residential Property the ratio shall be 1:1;
 - 9.5.2 Residential Property to Informal settlement the ratio shall be 1:1
 - 9.5.3 Residential Property to Business, commercial and Schools Property the ratio shall be 1:3.2;
 - 9.5.4 Residential Property to Industrial the ratio shall be 1:3.3;
 - 9.5.5 Residential Property to Public Service Infrastructure Property the ratio shall be 1:0.25;
 - 9.5.6 Residential Property to Agricultural Property the ratio shall be 1:0.25;
 - 9.5.7 Residential Property to Agri/residential the ratio shall be 1:1;
 - 9.5.8 Residential Property to Agri/busines the ratio shall be 1:1.18;
 - 9.5.9 Residential Property to Vacant land irrespective of zoning the ratio shall be 1:3;
 - 9.5.10 Residential Property to Privately open space 1:1;
 - 9.5.11 Residential Property to Municipal property the ratio shall be 1:0.25;
 - 9.5.12 Residential Property to Public open space the ratio shall be 1:0;
 - 9.5.13 Residential Property to Mining - ratio is currently not applicable, as fixed rate
 - 9.5.14 Residential Property to Public Benefit Organization Property the ratio shall be 1:0.25;
 - 9.5.15 Residential Property to Place of worship property the ratio shall be 1:0.25;
 - 9.5.16 Residential Property to Private owned towns the ratio shall be 1:0.77;
 - 9.5.17 Residential Property to State owned /Institutional Property the ratio shall be 1:3.2;

PENALTIES FOR PROPERTY OWNERS

10.1 The municipality has considered the need to penalize certain owners of properties who use the properties for purposes other than for the purposes as categories on the valuation roll without applying for re – zoning.

10.2 The municipality will penalize the property owner's as a percentage of the market value as per the valuation roll as approved by Council under the tariff for Illegal Use of Land.

RELIEF MEASURES FOR PROPERTY OWNERS

- 9.1 The Municipality has considered the need and desire to grant relief to a specific category of owners of properties and owners of a specific category of properties with a view to providing for appropriate measures to alleviate the impact of the rates burden on them.
- 9.2 The municipality will not grant relief in respect of the payment of rates other than by way of an exemption, rebate or reduction provided for in this policy and granted in terms of section 15 of the Act to:
- 9.1.1 A specified category of properties; or
- 9.1.2 A specified category of owners of property as provided for hereunder.
- 9.3 The municipality will **not** grant relief to the owners of property:
- 9.3.2 On an individual basis.
- 9.3.3 If the account is in arrears on the date of application.
- 9.4 The relief measures shall be granted as follows;
- 9.4.2 Category of specific owners

i) **Rebates**

All applications for rebates with supporting documentation should be submitted in writing to the Emakhazeni Finance offices, where upon it is subject to approval by the Chief Financial Officer.

(a) Indigent household	
Criteria	The owner should be registered in the indigent register in terms of the Indigent Policy of the municipality.
Rebate	The rebate on property rates shall 100% on the rates tariff being determined by the municipal council on annual basis during the budget process.
(b) Child headed households	

Qualification Criteria	<p>To qualify for rebates on the head of the family must subject to the following:</p> <ul style="list-style-type: none"> (a) Must apply annually in a prescribed form. (b) Must occupy the property as his/her normal residence. (c) Must submit proof of the death of both parents. (d) Must be younger than 18 years of age. (e) Must be evaluated in terms of the indigent policy of council. (f) still be a scholar or jobless; and (g) be in receipt of a total monthly income from all sources not exceeding an amount to be determined annually by the Municipality as per the indigent policy <p>(h) The rebate will lapse upon:</p> <ul style="list-style-type: none"> (i) the expropriation, sale or disposal of the property; (ii) the failure of the applicant to reside permanently on the property; (iii) death of the applicant; and (iv) when applicant is older than 18 years.
Rebate	The rebate on property rates shall 100% on the rates tariff being determined by the municipal council on annual basis during the budget process.
<p>(c) Properties Owned by Public Benefit Organizations/ Non profit organisation, Which includes;</p> <ul style="list-style-type: none"> • Properties used for any specified public benefit activity listed in item 1 (Welfare) (Old Age Home) and Humanitarian), item 2 (Health care), and item 4 (Education and Development) of part 1 of the Ninth Schedule to the Income Tax Act. • Any other properties that Council may deem to be owned and exclusively used for public benefit activities for the purpose of rebates. 	
Qualification criteria	<ul style="list-style-type: none"> • Make an application in writing in a prescribed form annually; • Provide proof of ownership of the property and registration as a Non-Profit Organisation in terms of the Income Tax Act or registration as a Public Benefit Organisation in terms of the Income Tax Act conducting one or more of the above specified public benefit activities listed in Part 1 of the 9th Schedule; • Submit an affidavit signed by the head of the organization before a Commissioner of Oaths that the property is used primarily for the specified public benefit activities and purposes of the organisation; • that no private pecuniary profit is made from the property; and that no rent is received by the applicant for any use of the property by other persons; and • Be in a position to submit audited annual financial statements.
Rebate	The rebate on property rates shall 100% on the rates tariff being determined by the municipal council on annual basis during the budget process.
(d) Retired people	
Qualification Criteria	<ul style="list-style-type: none"> • Make application in writing; • Must be registered in the name of retired person;

	<ul style="list-style-type: none"> • Must reside permanently on the property concerned • Not own more than one property; • Be at least 60 years of age; • The combined income from all sources (including the spouses of the owner) may not exceed R132 000 per annum. • Each application must be accompanied by the following certified documents: <ul style="list-style-type: none"> a) valid identity document; b) certified proof of pensionable income (payslip or documentary proof from pensionable institution); c) where no proof of pensionable income can be submitted , certified by bank statements for three(3) months with certification by bank that the account is the primary bank account. • Property must be categorized for residential purposes only in terms of the municipal valuation roll • The rebates to be granted will be based in respect of the combined income in the preceding twelve (12) months average monthly earnings from date of application:
Rebate	<p>The rebate on property rates shall 30% on the rates tariff being determined by the municipal council on annual basis during the budget process.</p> <p>the rebate will lapse upon:</p> <ul style="list-style-type: none"> (i) death of the applicant; (ii) alienation of the property; (iii) when the applicant ceases to reside permanently on the property ;and (iv) the combined income from all sources exceed R11 000.00, per month.

9.5 Category of specific properties

i) Rebates

All applications for rebates with supporting documentation should be submitted in writing to the Emakhazeni Finance offices, where upon it is subject to approval by the Chief Financial Officer.

(a) Public Benefit Organization / Non profit organisation	
With no source of income (Depending on Donations/ Grants)	The rebate on property rates shall 100% on the rates tariff being determined by the municipal council on annual basis during the budget process
(b) Informal Settlement	
Criteria	The property should classified as an informal settlement according to the Municipal Valuation roll.
Rebate	The rebate on property rates shall 100% on the rates tariff being determined by the municipal council on annual basis during the budget process.

ii) **Exemptions**

(a) Residential Property	The first R15 000.00 of the market value of the property is exempted from levying of rates in terms of section 17(1)(h) of the Act.
(c) Public Services Infrastructure Property	<p>Section 13 of the amendment acts amends s17(1) prohibits the rating of any property referred to in paragraphs (a)(b)(e)(g) and (h) of the definition of public service infrastructure, the rates levied on property referred to in subsection (1) must be phased in as follows</p> <ul style="list-style-type: none"> • in the first financial year a rebate of 20%; • in the second financial year a rebate of 40% of the rate; • in the third financial year a rebate of 60% of the rate; • and • in the fourth financial year a rebate of 80% of the rate • In the fifth financial year a rebate of 90% of the rate. <ul style="list-style-type: none"> • The first 30% of the market value of the property is exempted from levying of rates in terms of section 17(1)(a) of the Act as referred to in paragraphs (c)(d)(f)(i) and (j) of the definition of public service infrastructure
(d) Municipal Property	The property shall be 100% exempted from levying of rates
(e) Places of Worship, including an official residence registered in the name of the community	The property shall be 100% exempted from levying of rates.

iii) **Reductions**

All applications for reduction with supporting documentation should be submitted in writing to the Municipal Manager, where upon it is subject to approval by the council.

(a) Properties Affected by a Disaster or other Serious Adverse Social or Economic Conditions		
Qualification criteria	The owner of any category of property may make application for the consideration of a reduction in the municipal valuation of property as contemplated in section 15 of the Act, where it is contended that the market value of the property is being affected by:	
	(a)	A disaster within the meaning of the Disaster Management Act (57 of 2002) section 23 (1)(a - c);
Reduction Granted	<p>The relief provided will be in the form of a reduction in the municipal valuation of the property in relation to a certificate issued for this purpose by the municipal valuer.</p> <p>The resultant reduction in the quantum of the rates payable will be for the current</p>	

	<p>financial year only and calculated on a pro-rata basis from the date of the disaster or adverse conditions to the end of the financial year.</p> <p>Should the applicant consider that the conditions resulting in the granting of relief remain unaltered at the conclusion of the financial year in question, a further application may be lodged for the new financial year.</p>
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RECOVERY AND PAYMENT OF RATES

- 10.1 An owner of a ratable property shall be liable for a property rates account;
- 10.2 Property rates shall be recovered on a monthly basis over a twelve months period in equal installments, or can be recovered on an annual basis (if applied for by a category)
- 10.3 Owners of ratable properties liable for the payment of property rates account shall be furnished with a written municipal account on a monthly basis or yearly (depended on category); When transfer of property takes place, the incidence of property rates falls as a charge on the new owner from date of registration by the Registrar of Deeds
- 10.4 A person liable for a rate must furnish the municipality with an address where correspondence can be directed to
- 10.5 If a person has not received a written account, it remains the responsibility of the account holder to service the account and make the necessary inquiries from the municipality.
- 10.6 Payment of property rates are payable by the due date as specified on the invoice issued by the municipality.
- 10.7 Rates in arrears shall be recovered from the owner of the property;
- 10.8 The Credit Control and Debt Collection By-Law shall apply in cases where the property rates accounts are in arrears and interest charged.
- 10.9 The consolidation of property rates and services charge in one account and any appropriation of payments received shall be done by the municipality on a discretionary basis in accordance with the Credit Control and Debt Collection By-Law.

VALUATION ROLL EXTRACTION

- 11.1 Any person may, within the period stated in the notice referred to in section 49(1)b) on payment of a reasonable fee, request the municipality during office hours to make extracts from the roll.
- 11.2 Any person may, at any given time, will be charged a reasonable fee, request the municipality during office hours to make extracts from the roll.

REPORTING

The Municipal Manager must annually within two months from the end of a financial year table in Council according to section 15(3) and (4) of the Act with relation to that financial year the following:

- (i) such exemptions, rebates and reductions;
- (ii) exclusions referred to in section 17(1)(a), (e), (g), (h) and (i) of the Act; and
- (ii) the phasing-in discount granted in terms of section 21 of the act

DISCLAIMER

- 13.1 Any rate to be levied on ratable property in terms of this policy or any section of applicable legislation and by way of oversight or any other error not levied, cannot be challenged on the basis of non-compliance with this policy, and must be paid in accordance with the required payment provision.
- 13.2 Where a ratepayer believes that the Council has failed to properly apply this policy and valuation roll he/she should raise the matter with the Municipal Manager within that financial year and supplementary valuation roll will apply on issues of valuation.

IMPLEMENTATION

The Property Rates Policy will be adopted and implemented at the start of the financial year after Council approval.

Approved on: 31/05/2018

Council Resolution nr:38/05/2018

EMAKHAZENI LOCAL MUNICIPALITY



FINANCIAL ASSET IMPAIRMENT POLICY

APPROVED BY COUNCIL ON: 31/05/2018

IMPLEMENTATION DATE: 1/07/2018

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Introduction

Vision and value 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

The Values of the Council are:

Consultation
Service Standards
Access
Courtesy
Information
Transparency
Redress
Value for money
Responsiveness

Vision

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

Mission

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

Definitions

Financial asset – is any asset that is:

- a) cash;
- b) A residual interest of another entity or c) a contractual right to:
 - i. receive cash or another financial asset from another entity; or
 - ii. exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity;

Financial instrument – is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Amortised cost – The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- (a) The entity designates at fair value at initial recognition in accordance with paragraph .17 of GRAP 104; or
- (b) Are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- (a) Derivatives;
- (b) Combined instruments that are designated at fair value in accordance with paragraphs .20 or .21 GRAP104;
- (c) Instruments held for trading. A financial instrument is held for trading if:
 - (i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - (ii) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
- (d) Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition in accordance with paragraph .17 GRAP 104; and
- (e) Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial year – 1 July to 30 June

Impaired – an account is impaired and impairment losses are incurred, if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Impairment loss – is the amount by which the carrying amount of a financial asset or group of financial assets exceeds its recoverable amount.

Significant account - Significance is arrived at by calculating the average debtor amount per geographical area e.g. All accounts for Dullstroom, all accounts for Belfast etc. Any amount above the average will be taken as a significant account.

Objectives

The objective of the policy document is to clearly define the responsibilities of the municipality in terms of the Municipal Finance Management Act No.56, 2003 in terms of the Impairment of Financial Assets in line with the accounting standards to ensure compliance.

This policy document addresses the following areas:

- assessing whether evidence exists indicating that a financial asset is impaired;
- The procedures required to determine the amount of an impairment loss.

Scope

This policy directs those officials who are charged with the accounting for financial assets and related purposes, regarding the impairment of financial instruments.

Legislative Framework

At its broadest level, the Municipal Finance Management Act No.56, 2003 endeavours “to secure sound and sustainable management of the fiscal and financial affairs of the municipalities and municipal entities by establishing norms and standards and other requirements”

In particular Chapter 8 of the Municipal Finance Management Act No.56, 2003 places the onus on the accounting officer to ensure that the municipality’s assets and liabilities are valued in accordance with the accounting standards.

GRAP 104 Financial Instruments

Principles

6.1. Impairment of financial asset

Financial assets are reviewed annually for any evidence of impairment and any impairment loss is recognized immediately in the Statement of Financial Performance.

6.1.1. Assess for any evidence of impairment

A financial asset (or group of financial assets) is impaired only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition and that event has an impact on the estimated future cash flows of the financial asset (or group of financial assets).

This assessment will be documented and recorded as part of the annual financial statements working papers, for review by the external auditors.

In making this assessment management may consider the following indicators as guidance for possible impairment:

- Significant financial difficulty experienced by the borrower/debtor;
- Delays in payments (including interest payments) or failure to pay/defaults;
- For economic or legal reasons, allowing disadvantaged customers who are experiencing financial difficulties to pay as and when they can. The entity would not otherwise have considered this concession. For example, allowing disadvantaged customers to pay their account when they can due to the fact water supplies to the customer is a basic human right;
- It is probable that the borrower/debtor will enter sequestration (bankruptcy) or other Financial reorganization;

- The disappearance of an active market for that financial asset because of financial difficulties;
- Observable data, for example historical data, indicating that there is a decrease in the estimated future cash flows that will be received (which can be measured reliably), from a group of financial assets (financial assets with similar credit risk characteristics grouped together) since the initial recognition of those assets. The decrease may not yet be identified for the individual financial assets in the group. These can include:
 - the payment status of borrowers/debtors in the group has deteriorated (e.g. an increased number of delayed payments); or
 - National or local economic conditions that are in line with non-payments in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers/debtors, or adverse changes in market conditions that affect the borrowers/debtors in the group).
- Is the account in arrears for a period longer than the initial estimated repayment period
- accounts with arrears of over 90 days showing no repayments in the last financial year
- accounts handed over for collection
- any negative changes in the ability of debtors and borrowers to repay the amounts due to the municipality (example: an increased number of late payments)
- a breach in contract, such as a default in interest or capital payments

Management need not utilize all the indicators given above as guidance but only use the indicators to which management has sufficient information to make the assessment for possible or actual impairment. The information which management will utilize should adequately reflect the current status, relating to the collectability of the receivables.

6.1.2. Assessing for impairment of financial assets

The municipality assesses financial assets individually, when assets are individually significant, and individually or collectively for financial assets that are not individually significant. Where no objective evidence of impairment exists for an individually assessed asset (whether individually significant or not), an entity includes the assets in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in the collective assessment of impairment.

For collective assessment of impairment, as indicated above, assets with similar credit risk characteristics are grouped together. The credit risk characteristics should be indicative of the debtors' ability to pay all amounts due according to the contractual terms.

Once an entity has concluded that there is objective evidence of an impairment loss, an entity should measure and record any impairment losses that arise in its financial statements through the reduction of the carrying amount of the financial assets or through an allowance account, whichever is appropriate.

6.1.3. Measurement of impairment

- Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in surplus or deficit.

- Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because the fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of the estimated future cash flows discounted at the current market rate of return for similar financial assets.

Process of calculating the impairment

The process of calculating the impairment is to be elaborated in the procedure manual attached hereto as annexure A.

Profiling

Council will utilize the following profiling for the receivables of the municipality.

The matrix tables below are based on management's estimate of risk associated with the recoverability of the risk groups based on past experiences.

A scoring system is implemented within the impairment matrix, as can be seen in part 1. The points that can be awarded for a specific indicator vary between 0 and 8, 0 being no risk of impairment and 8 being the maximum (certain) risk of impairment. Based on management's judgement the scoring will vary between the risk groups as risk of recoverability may be higher for certain groups.

1. Part 1 - Scoring

- Determine the highest ageing bracket in which the consumer has a balance outstanding
- Based on the scoring matrix below allocate a point to that consumer account

Risk group	Area
100	Belfast
200	Dullstroom
300	Machado
400	Waterval Boven
500	Siyathuthuka
600	Emthonjeni
700	Emgwenya
800	Sakhelwe

Indicator	Business	Gov	Risk group 100	Risk group 200	Risk group 300	Risk group 400& 500	Risk group 600	Risk group 700& 800	Sundry debtors	Non-current receivables
			Residential							
≥ 360	5	3	7	8	8	8	8	8	8	8
180 days	4	3	6	7	7	7	8	8	8	8
150 days	3	2	5	6	6	6	7	7	7	7
120 days	3	2	4	5	5	5	6	6	6	6
90 days	2	2	3	4	4	4	5	5	5	5
60 days	1	1	2	3	3	3	4	4	4	4
30 days	1	1	1	2	2	2	3	3	3	3
current	1	1	1	1	1	1	2	2	2	2

Scoring	% to be
1	0%
2	0%
3	0%
4	20%
5	40%
6	60%
7	80%
8	100

- a. All Government, Municipal employees and municipal accounts, are not impaired regardless of the ageing
- b. All indigent accounts are 100% impaired

Sundry Matters

Council may from time to time implement an incentive scheme which may entitle debtors to a write off, as may be determined by Council

Delegation

The authority to approve the policy vest with the Council

Reporting

Management shall comply with the disclosure requirements for the annual financial statements in terms of paragraph 102 -132 of GRAP 104 Financial instruments.

ANNEXURES

Impairment Procedures

IMPLEMENTATION

This Financial Asset Impairment Policy will be adopted and implemented at the start of the financial year after Council approval.

Approved on: 31/05/2018

Council Resolution nr: 38/05/2018

EMAKHAZENI LOCAL MUNICIPALITY



FREE BASIC SERVICES AND INDIGENT SUPPORT POLICY

APPROVED BY COUNCIL ON: 31/05/2018
IMPLEMENTATION DATE: 1/07/2018

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2 INTRODUCTION

2.1 *Vision and value 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

The Values of the Council are:

Consultation
Service Standards
Access
Courtesy
Information
Transparency
Redress
Value for money
Responsiveness

1.2 *Vision*

A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities

1.3 *Mission*

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

5 DEFINITIONS

"Child headed household" means a household where both parents are deceased and where all occupants of property are children of the deceased and are all under the legal age to contract for service and are considered as minors in law by the state;

"Council" means the Council of the Emakhazeni Local Municipality or any duly authorised Committee or an official delegated by the said Council;

"Gender" any reference to the one gender shall include reference to the other;

"Household" means as a registered owner or tenant with children who reside on the same premises;

"Household Income" means all sources of income being formal and/ or informal of nature including, but not restricted to, salaries, revenue generated, pensions, fixed deposits, investments, state subsidies and or grants, private financial support/contributions from outside the indigent household;

"Indigent" means any household which is responsible for the payment of services and rates, earning a combined gross income equivalent to or less than two times the Government pension grant as prescribed by the National Department of Social Development or in line with the National Indigence Framework issued by the Department Provincial and Local Government (DPLG), who qualify, according to the policy, for rebates/remissions support or a service subsidy. Examples hereof include pensioners, the unemployed and child headed families who are unable to fully meet their obligations for municipal services consumed and property taxes on their monthly accounts;

"Indigent Management System" means an electronic management system used by Emakhazeni Local Municipality for the management of the register of indigent households:

"Indigent debtor" means the head of an indigent household, inclusive of destitute indigents and indigents, being old age pensioners, the unemployed and households with a total monthly income as determined in this policy:

- a. who applies for the provision of services from the municipality;
- b. who makes application for indigent support in terms of this Policy;
- c. who shall be regarded as the representative of all members of his/her household; and
- d. which indigent household members shall not own any other fixed property other than the property for which the application is made, or hold fixed assets or investments.

"Indigent Households" shall include all individuals residing at the residential premises of the indigent debtor, inclusive of destitute indigents and indigents, by whom and for which application is made, which premises has access to municipal services;

"Municipality" means the Emakhazeni Local Municipality, a local municipality established in terms of Section 12 of the Local Government: Municipal Structures Act, No 117 of 1998, and includes any political structure, political office bearer, councillor, duly authorised agent or any employee acting in connection with this policy by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, councillor, agent or employee;

"Municipal Manager" means the Municipal Manager of the Emakhazeni Local Municipality or his/her nominee acting in terms of power delegated to him/her by the said Municipal Manager with the concurrence of the Council;

"Poverty" is defined with reference to a poverty line i.e. if a household earns gross income lower than a set amount that household and its members are deemed to be living in poverty;

"Programme officer" means an official duly authorized by the municipality, or an employee of a service provider appointed by the municipality, who is responsible to ensure that an assessment, screening and site visits are undertaken;

"Occupier" means the person who controls and resides on or controls and otherwise uses immovable property, provided that -

- a. the spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall deemed to be the occupier thereof;

- b. where both spouses reside on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier;

"Owner" in relation to immovable property, means -

- a. the person in whom is vested the legal title thereto provided that -
 - i. the lessee of immovable property which is leased for a period of not less than fifty years, whether the lease is registered or not, shall be deemed to be the owner thereof;
 - ii. the occupier of immovable property occupied in terms of a servitude or right analogous thereto shall be deemed the owner thereof.
- b. If the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;
- c. If the owner is absent from the Republic or if his/her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
- d. If the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of the property.

"Premises" includes any piece of land, external surface boundaries of which are delineated on:

- a. a general plan or diagram registered in terms of the Land Survey Act, No 8 of 1997 or in terms of the Deeds Registries Act, No 47 of 1937;
- b. a general plan registered in terms of the Sectional Titles Act, No 95 of 1956, and situated within the jurisdiction of the municipality;

"Rates" means any tax, duty or levy imposed on property by Council

"Vote" means:

- a. any of the main segments into which the budget of the municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- b. which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

As a developmental institution, the municipality needs to commit to supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of the municipality to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services.

6 OBJECTIVES OF THE POLICY

The objectives of this policy are to ensure the following:

- a. That the Equitable Share received annually will be utilised for the benefit of the poor only and not to subsidise rates and service charges of those who can afford to pay;
- b. Link this policy with the municipality's Integrated Development Plan (IDP), Local Economic Development (LED) initiatives and poverty alleviation programmes;
- c. Promote an integrated approach to free basic service delivery;
- d. Engage the community in the development and implementation of this policy.
- e. The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- f. The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
- g. Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy;
- h. The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households; and
- i. Co-operative governance with other spheres of government.

7 LEGISLATIVE AND REGULATORY FRAMEWORK

This policy is designed and implemented within the framework of the following legislation:

- a) The Constitution of the Republic of South Africa
- b) Municipal Systems Act, No 32 of 2000
- c) Municipal Finance Management Act, No 56 of 2003
- d) Promotion of Administrative Justice Act, No 3 of 2000
- e) Promotion of Access to information Act, No 2 of 2000; and
- f) Property Rates Act, No 6 of 2004

8 QUALIFICATION CRITERIA

The qualification criteria for indigent support and the municipal services qualifying for such support shall be determined by the municipality from time to time. An indigent debtor shall qualify for consideration of indigent benefits in terms of the laid down procedures of Council, which are:

- a. The threshold for indigents should be kept at R3500 combined income per household taking into consideration the national minimum wage.
- b. The applicant should be a resident or owner at the premises for which application is made within the Municipality, receives municipal services and is registered as an account holder on the municipal financial system;
- c. The applicant should be a citizens of the Republic of South Africa in possession of a valid South African Identity Document;

- d. The account of a deceased estate may be subsidised if the surviving spouse or dependants of the deceased, who occupy the property, applies for assistance.
- e. For the purpose of determining the total household income of all applicants, the combined or joint gross income of all occupants/residents/dependants in such household shall be taken into account;
- f. Applicants and/or any occupant/resident/dependant of the debtor's household shall not own any other fixed property in addition to the property in respect of which indigent support is required from Council in terms of this Policy; and
- g. Applicants should be in possession of a service agreement with the Municipality in the name of the indigent debtor.

9 ASSISTANCE AND REGISTRATION

6.1 Communication

The municipality will develop a Communication Strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy and its implementation. Regular information dissemination through ward committees, community based organisations and face-to-face contact by means of imbizo's will be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general.

9.2 Application/Registration

A person applying for assistance must complete a Formal Indigent Support Application Form approved by the municipality. Such forms will be available at the pay points of all administrative units;

Applications must be accompanied by the following:

- a. A copy of the applicant's identity document;
- b. The latest municipal account;
- c. Documentary proof of income (as prescribed below), or an affidavit declaring lack of income and/or proof of registration as unemployed, plus bank statements (where applicable);
- d. Particulars of any other grants received by the accountholder;
- e. Proof of ownership of business or second properties.
- f. Proof of income: Applicants for indigent support must produce written proof acceptable to the Council of:
 - i. Household income/grants for each member of the household;
 - ii. Employment status or low income or reduction in income of each member of the household;
 - iii. Inability to work of each member of the household; and All minor members of the household.

The above documentation should be current, i.e. not more than three months old, and should be submitted with the application form.

9.3 The applicant shall agree to the following:

If required to appear personally before the designated official with the application form and documentation required for verification purposes;

To the installation of a prepaid electricity meter by Council which costs Council may recover by applying the applicable prepaid tariff;

To the installation of a water flow restrictor meter by Council;

To the valuation by the Municipal Valuer of the residential property for which application is made (applicable if applicant is owner);

Annual resubmission by the applicant of the application to Council on the anniversary of the granting thereof and/or on a date determined by Council and communicated to the applicant. Failure to comply herewith shall result in the debtor's indigent status being revoked;

That the onus shall be on the approved indigent debtor to inform the Council of any change in his status or personal household circumstances; and

Willingness to give consent for external scans and credit bureau checks.

9.4 Assessment and Screening of Applicants:

After the application / registration process all information must be verified by the Revenue Accountant as follow:

Indigent Management Register - the information on the municipality's Indigent Management System must be checked to determine whether an applicant is already registered within the system as well as to determine dates when these existing applicants should be reviewed;

Data Capture - the indigent registration data must then be captured in the Indigent Management Register as per application form;

Verification - Site Visit - the Indigent Management System must assign an application to a duly appointed official to perform an on-site verification, if necessary. If needed undertake house visits by Councillors, Ward Representatives, Council staff or Council's accredited agents to confirm the indigent's claim and living conditions. Where after the Revenue: Accountant must verify and assess the registration application, and make recommendations for acceptance of the application, or for further investigation which may include an external scan;

Verification - External Scans - an external scan of applicants recommended as suitable candidates support may be conducted with UIF, SARS, Department of Welfare, or Credit Bureau after the site visitation has been captured;

Where an indigent debtor is found to be living at a standard inconsistent with his indigent application or fails to allow access or provide any further information as may be required by the Council, such debtor's indigent benefits may be cancelled at Council's sole discretion retrospective to the date of approval;

Once the verification has been completed and confirmed by the Revenue Accountant and the relevant Ward Councillor, a recommendation should be forwarded to the Municipal Manager or Chief Financial Officer for approval. Only once approved by the Municipal Manager or Chief Financial Officer will the applicant qualify for Free Basic Service and Indigent Subsidy Support as may be prescribed; and

Re-evaluate all indigent households after a period of twelve months or such period as the Council may determine to enable the Council to assess the provision of continued basic services and indigent support to them.

10 EXTENT OF INDIGENT ASSISTANCE AND SUPPORT

7.1 Council shall annually, determine the overall subsidy for indigent and other debtors during council's budget process and within its financial constraints.

Indigent subsidies may be granted on:

- a. Rates;
- b. Water;
- c. Sewerage;
- d. Refuse Removal; and
- e. Electricity

All registered indigent households will, on approval, be designated as Indigent, and shall be charged the determined economical tariff or charge for a service applicable to their designation.

The indigent households' monthly account will be credited with the amount of the indigent subsidy as determined by the Council budget according to their designation.

7.2 An indigent household shall qualify to receive subsidised services on the following terms and conditions:

Property Rates

All owners of residential properties or properties used for multiple purposes, provided one or more components of the property are used for residential purposes would receive a reduction on the rateable value of the property as provided for in section 17 (1)(h) of the Property Rates Act No. 6 of 2004;

An indigent owner who resides in a property which value exceeds the exemption amount, shall be subsidised for property rates in full; and

All other rebates, reductions and exemptions provided in terms of council's Rates Policy shall also applicable.

Water

All metered domestic consumers shall receive the allocated 6kl free water as determined by National Government;

If the water supply was disconnected prior to the debtor applying for indigent support the water reconnection would be made free of charge; and

The basic and availability charge for metered and un-metered indigence consumers as determined annually by Council shall be subsidized in full.

Electricity

All indigence consumers shall receive the allocated 50KwH Free Basic Electricity as determined by National Government;

Free Basic Electricity shall be dispensed as determined by Council where Council is the service provider;

Free Basic Electricity shall be dispensed as determined by Council and ESKOM, where Council is not the service provider;

The indigent consumers shall not carry over, from one month to another, the Free Basic Electricity subsidy or any portion thereof allocated which is not claimed. Free Basic Electricity subsidy not claimed, in any calendar month, will be forfeited; and

Subsidisation shall be withdrawn following disconnection from the electricity supplier due to non-payment of service account and or meter tampering until such time as the requirements have been met as described in Council's Credit Control and Debt Collection Policy.

Sewerage

Indigence consumers shall be subsidised in full for sewerage levies as determined annually by Council.

Refuse Removal

Indigence consumers shall be subsidised in full for refuse removal levies as determined annually by Council.

Any measures implemented in terms of **council's** Credit Control and Debt Collection Policy would immediately be stopped.

7.3 Debt owed to Council by an Indigent Household, when registering for the first time in terms of the official Indigent Policy, shall be written off as a once-off concession

11 INDIGENT HOUSEHOLDS IN BODIES CORPORATE AND RETIREMENT CENTRES

The onus will be on the Board of Trustees/Managing Agent/Chairperson of a Body Corporate (hereinafter referred to as the representative of the Body Corporate or Retirement Centre) to apply to the municipality, for indigent status to be granted in respect of water consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification.

The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect of property rates and related charges.

The representative of the Body Corporate or Retirement Centre, will submit applications to the Chief Financial Officer which applications must be accompanied by a certified copy of the Sectional Title Plan of the Body Corporate or Retirement Centre, which indicates the participation quota for each unit, as registered in the Deeds Office.

The Revenue Accountant must verify all applications and after consideration by the Municipal Manager or Chief Financial Officer he/she must notify:

- a. the representative or the Body Corporate or Retirement Centre whether an application was successful or not, with regard to the water consumption; and
- b. the unit owner whether an application was successful or not, with regard to the property rates and other related charges.

The Chief Financial Officer will credit the monthly municipal: -

- a. water account of a Body Corporate or Retirement Centre with water and sewerage charges, the amount which will be calculated by dividing the total number of kiloliters of water consumed by the Body Corporate by the number of units in the complex, but up to the maximum of 6kl of water per month for each unit that qualifies for assistance.
- b. General rates and refuse charges account of the unit owner with the full amount charged.

The representative of the Body Corporate or Retirement Centre in respect of which monthly water credits are allowed under indigent support, must ensure that such credits are off-set against the monthly levies of the relevant individual units; such representative also being required, once every six months, or at such intervals as may be determined by the municipality, to provide proof to the Chief Financial Officer that the monthly levies of poor households which qualify for assistance, have been adjusted by the amounts credited to the account of the Body Corporate or Retirement Centre.

12 PROCESS MANAGEMENT

9.1 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 and final approval of the indigent list will be in terms of a Council resolution.

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.

9.2 Death of Registered Applicant

In event that the approved applicant passes away the heir/s of the property must reapply for the indigent support, provided that the stipulated criteria are met.

9.3 Publication of Register of Indigent Households

Names of indigent beneficiaries must be open for public perusal and comment

9.4 Excess Usage of Allocation

If the level of consumption of the indigent household exceeds the consumption level approved by the municipality, the household will be obliged to pay for the excess consumption on a monthly basis. Such accounts will be subject to the municipality's credit control and debt collection measures.

9.5 Termination of Indigent Support

Indigent Support will be terminated under the following circumstances:

- a. Death of account-holder;
- b. End of the 12 month cycle, except in the case of pensioners and child-headed households;
- c. Upon sale of the property;
- d. When circumstances in the indigent household have improved in terms of a gross income

exceeding R3500

- e. If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:
 - i. All arrears will become payable immediately;
 - ii. Stringent credit control measures will apply;
 - iii. The applicant will not be eligible to apply for indigent support for a period of 2 years;

9.6 Audit and review

The municipality will conduct an audit of the indigent register on a quarterly basis with regard to the information furnished by applicants and possible changes in status, the usage of allocations and debt collection measures applied;

Any resident, Councillor, Ward Committee member or official may, in writing, addressed to the Municipal Manager, query the qualification of a recipient indigent debtor within 21 days from the date the applicant's name appears on the Indigent Management Register;

The Municipal Manager shall refer queries referred to in [9.6.2.] above to the relevant official for Indigent Support who may take one or more of the following actions:

- a. Request the indigent debtor against whom a query has been raised to provide full proof of his/her banking account and income details as well as pension registration number;
- b. Undertake an inspection at the indigent debtor's place of residence to determine his/her social conditions;
- c. Request a social welfare worker's report on the indigent debtor's household; and
- d. Where after the official shall recommend to the Municipal Manager for submission to Council such action as he may deem appropriate in the circumstances including a recommendation to the Council:
 - i. that the indigent status of the debtor be suspended for a defined period and subject to such conditions as it may determine;
 - ii. that irregular or excess payments of indigent subsidies be recovered from the indigent debtor by way of debiting such indigent debtor's services account or accounts with such payments;
 - iii. that normal credit control measures be applied to the indigent debtor in accordance with the Council's Credit Control Policy; and
 - iv. that criminal charges of theft or fraud be instituted against the indigent debtor;
- e. The Municipal Manager must, in writing, advise a complainant who lodges a query against an indigent debtor of the result of the investigation;

- f. The indigent status of a debtor cannot be withdrawn, suspended or altered until and unless such debtor has been given an opportunity to be heard and make representations on the allegations against him or her.

13 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.

Such report shall reflect on:

- a. Number of indigent households applied;
- b. Amount of subsidy allocated per service category;
- c. Amount of debt accumulating and debt recovery information (number of customers / enquiries / default arrangements / growth or diminishing of arrear debtors / ideally divided into wards / domestic / state / institutional and other such divisions);
- d. Performance of all areas against targets set in the municipality's performance management system;
- e. Changes in the registered status of indigents.

For the purposes of transparency the Council, and for the perusal by Councillors, Ward Committees and officials, the Chief Financial Officer shall cause to be kept a Indigent Management Register of all indigent households at Office of the Council containing:

- a. the names of indigent debtors receiving indigent relief for a prescribed period;
- b. the erf or stand numbers where services are rendered to recipient indigent debtors;
- c. the total household income of recipient indigent debtors; and
- d. the number of dependants residing on the property of the recipient indigent debtor;

An annual report must be submitted, per ward to the Executive Committee and Council of:

- a. applications received;
- b. applications approved;
- c. applications declined; and
- d. indigent defaulters.

An annual renewal notification in terms of Council's laid down timetable, shall be processed by the municipality.

14 BUDGETING FOR INDIGENT SUPPORT SUBSIDY

The Council must annually budget for the total indigent subsidy to be granted to indigent debtors in terms of this Policy. Such amount must, upon approval of the budget of the Council, be reflected against a separate vote in the name of **Free Basic Services**.

The total value of indigent subsidies for all subsidised services must be reflected against such Free Basic Services on a monthly basis.

15 COMMUNICATION AND SKILLS DEVELOPMENT

The Council shall, with the aid of Ward Committees, embark on an extensive community communications programme aimed at informing communities of the contents of this policy and the duty on them to pay service charges and contribute to the funds of the Municipality.

The Council should endeavour to support and, within its capacity, access skills training and other education related programmes aimed at developing the indigent to become self - sufficient and thereby reducing the rate of indigence.

16 APPEALS

The applicant on an indigent household application, which has been declined, may appeal against such decision.

The appeal must be in writing and lodged with the Municipal Manager within 14 days after receipt of the notification setting out:

- a. the reason for the appeal; and
- b. any other documentary proof in support of the appeal.

The appeal shall be decided: -

- a. within 21 days after lodgement of the appeal;
- b. strictly in terms of the provisions of the bylaw and this policy; and
- c. by three officials from Budget & Treasury department designated by the Municipal Manager.

The decision of the committee is final and the appellant shall be notified of the outcome in writing.

17 OFFENCES

Any applicant who misuses the indigent support policy of the Council or provides incorrect information to the Municipality and or tampers with the supply of services or municipal installations shall be subject to forfeiture of indigent status, criminal prosecution and other measures as determined by the Council within the Credit and Debt Collection Policy.

18 NOTICES AND DOCUMENTS

A notice or document issued by the Council in terms of this policy shall be deemed to be duly issued if signed by an employee duly authorized by the Council.

If a notice is to be served on a person in terms of this policy, such service shall be effected by:

- a. Delivering the notice to him personally;
- b. By delivering the notice at his residence or to a person apparently not less than sixteen years of age and apparently residing or employed there;
- c. If he has nominated an address for legal purposes, by delivering the notice to such an address; or
- d. By registered or certified post addressed to his last known address;
- e. If service cannot be effected in terms of the aforesaid sub-sections by affixing it to the principal door of entry to the premises, or displaying it on a conspicuous place on the land.

19 REVIEW AND AMENDMENT OF POLICY

The Council has the discretionary power to amend any clause, stipulation or tariff embodied in this Policy in the interests of all the parties concerned at the annual budgetary review of Council policies in conjunction with the consideration of the annual budget of the Council.

20 IMPLEMENTATION

This Free basic services and indigent support Policy will be adopted and implemented at the start of the financial year after Council approval.

Approved on:31/05/2018

Council Resolution nr:38/05/2018

EMAKHAZENI LOCAL MUNICIPALITY



CREDIT CONTROL AND DEBT COLLECTION POLICY

APPROVED BY COUNCIL ON: 31/05/2018
IMPLEMENTATION DATE: [01/07/2018](#)

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Introduction

Vision and value 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

The Values of the Council are:

- Consultation
- Service Standards
- Access
- Courtesy
- Information
- Transparency
- Redress
- Value for money

Vision

A developmental local municipality striving to accelerate provision of quality services to the satisfaction of our communities

Mission

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

Definitions

Definitions:

“billing” refers to the process of charging for services provided by issuing accounts;

“chief financial officer” means a person designated in terms of section 80(2)(a) of the Municipal Finance Management Act;

“credit control” refers to the performance of certain basic credit worthiness checks prior to a municipal service being provided and deposits collected;

“debt collection” means the pursuing of uncollected debts that are past the due date;

“disconnection” means interrupting the supply of water or electricity to a debtor as a consequence of ignoring the demand for payment;

“dispute” refers to the instance when a debtor questions the correctness of any account rendered by the municipality to him/her and such debtor lodges an appeal with the municipality;

“due date” means the final date of payment as shown on the account;

“effective disconnection” means the physical removal of pipes and/or equipment as a consequence of unauthorized reconnection of the disconnected service;

“financial year” means the municipality’s financial year ending 30 June;

“holistic” refers to the combining of all debt in order to establish the total obligation the debtor has to The municipality;

“indigents” are debtors whose households have been evaluated in terms of the Indigent Policy and who is registered as being indigent;

“indigent amount” refers to the applicable value of the indigent subsidy as determined by the Municipality from time to time;

“legal process or procedures and/or legal action” refers to the process and/or action described in the Magistrate Courts Act No. 32 of 1944; Supreme Court Act No. 59 of 1959; Adjustment of Fines Act No. 101 of 1991; Debt Collectors Act No. 114 of 1998, Criminal Procedures Act No. 51 of 1977; Local Government: Cross-Boundary Municipalities Act No. 29 of 2000, Local Government: Municipal Structures Amendment Act No. 33 of 2000; Local Government: Municipal Systems Act No. 32 of 2000;

“mayor” means the councilor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act; ;

“the municipality” means Emakhazeni Local Municipality;

“municipal manager” means a person appointed in terms of section 82(1)(a) or (b) of the Municipal Structures Act;

“payment” is any form of redemption towards the balance on an account as per Receipts policy 7.1
"permissible methods of payments.

“sundry debt” refers to any debt other than for rates, housing, metered services, sewerage and refuse removal;

“supply” means any metered supply of water or electricity;

“tampering” means the unauthorized reconnection of a supply that has been disconnected for non-payment, the interference with the supply mains or bypassing of the metering equipment to obtain an unmetered service; and

“total household income or household income” refers to the total formal and informal gross income of all people living permanently or temporarily on the property on which the account is based.

Objectives

The objectives of this policy are to:

- provide a framework for the municipality with regard to credit control, debt management, debt impairment and debt write off.
- ensure that all the moneys due to the municipality are effectively and efficiently collected;

Scope of Application

This Policy applies to all administrations within the defined boundaries of Emakhazeni Local Municipality and all debtors of these administrations, including employees and Council members of the Municipality.

Legislative Framework

The policy has been formulated in terms of section 96(b) of the Local Government: Municipal Systems Act.

Principles

Human dignity must be upheld at all times.

The policy must be implemented with equity, fairness and consistency.

6.3 Details related to the debt and the account of the debtor must be correct at all times.

The implementation of this policy should be based on sound business practices. This includes debt collection through sanctions of warnings, disconnections, and other legal processes.

The municipality may provide reduced levels of service to manage the debt growth where alternatives are available.

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.

Interest on outstanding debt will be charged on all consumers at prime rate for the 2018/ 2019 financial year

Employer deductions

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.

Credit Control

APPLICATION FOR MUNICIPAL SERVICES

All applicants for provision of municipal services must pay prescribed deposit as reflected in the municipal tariffs list approved by Council.

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.

The Property Owner is fully and legally responsible for payment of all municipal services for his / her property on a monthly basis.

At the time of applying for municipal services, the property owner must sign the application form as evidence of acknowledging the debt with the municipality.

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.

Once the Clearance Certificate has been issued only then can new rates and services account be applied for by the new owner.

Application for services for businesses must include the submission of a resolution delegating authority to the applicant and furnishing the business entity's registration number. The names, addresses and all relevant contact particulars of all the entity's directors or members or trustees or proprietors or partners must be submitted with the resolution.

Debt Management

MUNICIPAL TRADING SERVICES

Accounts for municipal services must be paid by the due date which is on /before the 05th of each month.

The debtor must be warned by any communication means as elected by the municipality of possible disconnection if payment is not received by the due date.

If payment is not received by the due date, notice shall be delivered to physical address/post office/sms/e-mail, warning of the impending disconnection after 7 days from date of the notice.

If payment is not received by the due date as shown on the notice, then the supply of services will be discontinued.

Council reserves the right to deny or restrict the sale of electricity or water to customers who are in arrears with their property rates or any other municipal service charges.

The reconnection of services will be done upon receipt of total balance amount specified on the notice including a reconnection fee.

Disconnected services will be restored within a reasonable period of time after the debtor produces proof of payment of the required amount.

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.

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.

A staff member or a Councilor of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than three (3) month

Each consumer query will be dealt with according to its merit/circumstance whereby corrections on the accounts will done according to the agreement reached between the client and the municipality.

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.

PREPAID ELECTRICITY

A debtor consumer may only purchase pre- paid electricity once their current invoiced amount is paid (This included arrears from 1 January 2017.)

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.

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 .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 Prepaid Electricity Consumption Exception Report.

TAMPERING WITH THE MUNICIPAL PREPAID ELECTRICITY METER

a) First tampering:

- 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

b) Second tampering:

- 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

c) Third tampering:

- 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.

The municipal services will remain suspended until the municipal account is settled in full.

FINE FOR ILLEGAL CONNECTION

- 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.
- 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.

WHISTLE BLOWING

- a. An amount of R 500 may be payable by Council subject to the following:
 - The whistle blower's name be kept confidential
 - The whistle blower's information leads to the removal of the meter tampered with
 - The amount is payable upon the removal of the meter and not upon payment by the illegal connector
 - Monies of R500.00 payable for whistle blowing; will be added to the fine to the consumer whom has illegally tampered.

The payment of whistle blowing is to be approved by the municipal manager.

BLOCKING OF ELECTRICITY PRE-PAID 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.

BACK DATED MUNICIPAL RATES AND SERVICES

- 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 the consumer is made aware of the back charge in writing by the municipality.
- 8.7.2 The municipality will calculate the back charges based on the three months consumer profile from the meter correction, billing correction, meter installation, data correction or any other reason that led to the discrepancy. In the event that consumer information is not comprehensive then an average of consumers' who reside in the same area may be used.
- 8.7.3 The consumer may pay the back dated municipal rates and service charges in one installment or may enter into an arrangement to pay this amount off in equal installments for a period that will be approved by the municipality.

DISCRETION: NEGOTIABLE AMOUNTS

- a) Discretion in terms of arranged amounts as per this policy is delegated to the Chief Financial Officer.
- b) Discretion will only be used so as to apply the principles embodied within this policy and to ensure that some form of payment acceptable to The municipality is forthcoming from arrangement with the debtor.

RIGHT OF ACCESS

- a) An authorised representative of, or service provider to The municipality, must at all reasonable hours be given unrestricted access to the debtor's premises in order to read, inspect, install or repair any meter, service or service connection for reticulation, or to disconnect, reconnect, stop or restrict the provision of any service.
- b) Any person who contravenes paragraph (a) above will be deemed to have contravened the provisions of Section 101 of the Municipal Systems Act, No. 32 of 2000, as amended, and will be charged with an offence and attract the penalties referred to in Section 119

of the said Act and services will be disconnected until such time that the penalty is paid and access is granted.

OTHER DEBT

Employee debt

a) Definition

Employee debts include any debt owed to the Municipality by *an official or former official* which originated while the debtor was/is in the employ of the Municipality, and any other debt classified as such by the Chief Financial Officer.

b) Management of employee debt

- ◆ A debt account must be opened on the approved financial system when a debt has not been settled within 30 days of notification of such debt to the debtor.
- ◆ It is the responsibility of officials entrusted with the collection of debt to take all possible steps to recover the debt by:
 - i) Notifying the debtor of the amount payable;
 - ii) Sending of monthly statements; and
 - iii) Sending of reminders for payments outstanding/overdue.
- ◆ If no response is received the following steps must be taken:
 - i) A reminder must be sent per registered mail/e-mail/sms and the registered mail nr/sms number/e-mail address/ must be noted on the file copy of the letter;
 - ii) if no response is received on the reminder sent as mentioned above in (c)(i), legal steps must be taken to recover the debt; and

d) Tracing of employee debtors

- ◆ The following institutions/persons, although not the only, can be approached in an endeavour to obtain a debtor's current address.
 - i) Other Municipalities
 - ii) Post Offices
 - iii) The Department of Home Affairs
 - iv) Relatives
- ◆ If enquiries to at least 2 or more of the above-mentioned institutions are unsuccessful such debt may be referred to 3rd party debt collectors for recovery.

ARRANGEMENTS

Principles for Debtor

- a) Current charges must be paid in full and is not negotiable.
- b) Debtors who default on **three** occasions in respect of arrangements made will be denied the privilege of making further arrangements and the full amount becomes payable. All services may be disconnected and legal action will be taken against such debtors.

Arrangement criteria for debtors

- a) All debtors who are in arrears and apply to make arrangements to reschedule their debt will be subjected to the following conditions at the time of making arrangement with the municipality:

First arrangement

- ◆ Payment of Current account, plus
 - ◆ Payment of initial amount of 30% of the total outstanding debt, after which the agreement will be signed by both parties.
 - ◆ The monthly instalment must be current account and the outstanding amount as agreed upon with municipality.
- b) Each following month the debtor will be required to pay:
- ◆ Current account, plus,
 - ◆ An instalment as agreed upon.
- c) Should the debtor not honour the **FIRST** arrangements, municipal services will be disconnected.
- ◆ Arrangements on first default :
 - Payment of current account plus 30% of the outstanding debt
 - ◆ Arrangements on second default :
 - Payment of current account plus 50% of the outstanding debt.
 - ◆ Arrangements on third default :
 - Payment of current account plus 100% of the outstanding debt.
- d) Principles for Non-residential debtors
- 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, and ensure that the current account is paid in full immediately throughout the period of the arrangement. All outstanding amount as from 1 July 2016 will attract interests.
 - interest on the arrangement amount may be suspended as long as the terms of the arrangement are maintained.
 - Non-residential debtors may make arrangements to liquidate their arrears where it would be financially beneficial to the Municipality for them to do so.
 - The final decision to make these arrangements will rest with the Accounting Officer.
 - For all non residential payment defaulters customer using below 50kVA capacity the council will switch their payment mode from convention to prepaid.

Consequences of failure to comply with arrangements

Failure to comply with the agreed arrangements will result in disconnection of service. Services will only be reconnected after a full outstanding amount on the account is paid. Legal processes will be instituted to areas where the municipality is not providing electricity.

No further arrangement can be entertained by the municipality if the debtor is handed over to the lawyers.

DISPUTE

Procedure to be followed in terms of a dispute:

Debtor	Municipality
<ol style="list-style-type: none"> 1. The debtor must render the dispute in writing to The municipality. 2. No dispute will be registered verbally. 3. The debtor must furnish his/her full personal particulars (including his/her account number and direct contact details). 4. The full nature of the dispute must be described in the above correspondence. 5. The onus will be on the debtor to ensure that he/she receives a written acknowledgement of the dispute. 	<p>On receipt of the dispute, the following action are to be taken:</p> <ol style="list-style-type: none"> 1. All Administrations must keep a register in which all disputes received are to be entered. 2. The following information should be reflected in the register: <ul style="list-style-type: none"> ◆ Debtor's account number ◆ Debtor's name ◆ Debtor's address ◆ Debtors email address ◆ Full particulars of the dispute ◆ Name of the official to whom the dispute is given to investigate and resolve ◆ Actions that have/were taken to resolve the dispute ◆ Signature of the controlling official 3. An authorised controlling official will keep custody of the register and conduct a weekly check and follow-up on unresolved disputes. 4. A written acknowledgement of receipt of the dispute must be provided to the debtor. 5. All appeals regarding disputed amounts must be unilaterally concluded by The municipality's authorised officials within 30 working days from receipt thereof.

- a) The municipality's authorised official's decision is final and will result in the immediate implementation of any debt collection and credit control measures provided for in this policy after the debtor has been notified of the outcome of the appeal.
- b) The same dispute will not be considered and will not again be defined as a dispute.
- c) If the debtor is not satisfied with the outcome of the appeal, he/she may under protest pay the amount in dispute and redress his/her action to a court of law.

LEGAL ACTION

- ◆ Legal proceedings may be instituted by the Municipality to recover arrear amounts on service accounts where :-
- ◆ Disconnection action yielded no satisfactory result

- ◆ Disconnection action is not possible due to the nature of the services that are provided by the municipality

IRRECOVERABLE DEBT

a) Debt **will be** regarded as irrecoverable if:

- ◆ All reasonable steps have been taken to recover a specific outstanding amount;
or
- ◆ Debts where, in the view of the Municipality, further expenses to collect such debt are not justified in relation to the amount of the debt and possibility of collection;
- ◆ Debts where a legal opinion to the municipality has indicated that the amount involved does not warrant the prospective costs of action to collect or where legal action will be uneconomical.
- ◆ the cost to recover the debt does not warrant further action; or
- ◆ the amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or
- ◆ a deceased estate has no liquid assets(estate) to cover the outstanding amount;
or
- ◆ it has been proven that the debt has prescribed(expired); or
- ◆ the debtor is untraceable; or
- ◆ the debtor cannot be identified so as to proceed with further action; or
- ◆ Debts where liability has not been admitted by the debtors and where the success of proceedings to collect is unlikely; and
- ◆ The Municipal Manager is convinced that recovery would cause undue hardship to the debtor or his/ her dependants.
- ◆ Where debt cannot be proven or substantiated

b) Debt **not** be regarded as irrecoverable if

- ◆ The outstanding debt can be corrected in line with GRAP 3 (example: administrative errors due to billing).

- c) Irrecoverable debts will be reviewed on an annual basis.

DECEASED ESTATES

The Executor of a Deceased Estate shall be liable for payment of all debts on the property.

DEBT WRITE OFF

- a) All irrecoverable debt (as per section 10 of this policy) will be submitted for write-off.
- b) All write-offs will be submitted to council on an annual basis, unless otherwise directed.
- c) Write offs will be charged against provision for bad debts account in the Statement of Financial Position.
- d) All write-off submissions shall include the relevant debt information such as names, account number, amounts, regions and wards and criteria met to qualify as irrecoverable debt.
- e) All submitted write-offs will be submitted to internal audit for review, whom shall then forward it to Audit Committee for recommendations.
- f) All write-offs should be submitted to internal committee structures and approved by council.

IMPAIRMENT OF CONSUMER DEBTORS

- a) The Municipality will use the risk scoring method to calculate its debt impairment.
- b) All impairment of debtors will be accounted for in terms of GRAP standards.
- c) All impairment movement/s will be expensed directly to the Statement of Financial Performance.

DISCLAIMER

Municipal Council will be under no obligation to write off any debt and will always have the sole discretion to do so.

Unauthorised connection of water/electricity supply

The municipality is unlawfully and unfairly deprived of its benefits and income due to illegal connections by consumers.

The unauthorised reconnection of, or tampering with, a service supply is considered a criminal offence which may result in legal action being taken.

INSPECTION

- a) The municipality will from time to time send a team of employees and or appointed service providers, to inspect illegal connections.
- b) The municipality shall issue a notice to the consumer to be available on a day specified by The municipality.

- c) If the consumer fails to adhere, the water/electricity supply will be effectively disconnected.
- d) The municipality shall incur no liability for any loss sustained as a result of these processes or termination.
- e) The inspection will and is not limited to or confined to The municipality trading hours or working days.
- f) The municipality shall have an unlimited right of access to premises in which such services are rendered.

FINE / PENALTY

The municipality shall within 7 working days of removal or disconnections issue a fine.

The following punishment will be handed down:

- a) **First time illegal connectors:**
Meter infrastructure will be removed and a fine in line with Council approved tariff list will be payable.
- b) **Second time illegal connectors:**
Meter cables will be removed and a payable fine in line with Council approved tariff list will be payable.

Roles and Responsibilities

Mayor

A municipality's mayor shall—

- a) oversee and monitor—
 - (i) the implementation and enforcement of the municipality's credit control and debt collection policy and any by-laws enacted; and
 - (ii) the performance of the Accounting Officer in implementing the policy and any by-laws;
- b) when necessary, evaluate or review the policy and any by-laws, or the implementation of the policy and any such by-laws, in order to improve efficiency of its credit control and debt collection mechanisms, processes and procedures; and
- c) at such intervals as may be determined by the municipal report to a meeting of the council, except when the council itself performs the duties mentioned in paragraphs (a) and (b).

Accounting Officer

The Accounting Officer shall—

- a) implement and enforce the municipality's credit control and debt collection policy and any by-laws enacted;
- b) in accordance with the credit control and debt collection policy and any such by-laws, establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the municipality; and
- c) at such intervals as may be determined by the municipal report the prescribed particulars to a meeting of the supervisory authority.

The accounting officer of a municipality shall be responsible for the management of the revenue of the municipality.

The accounting officer shall take all reasonable steps to ensure-

- a) that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy;
- b) that revenue due to the municipality is calculated on a monthly basis;
- c) that accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;
- d) that all money received is promptly deposited in accordance with the Municipal Finance Management Act into the municipality's primary and other bank accounts;
- e) that the municipality has and maintains a management, accounting and information system which-
 - (i) recognises revenue when it is earned;
 - (ii) accounts for debtors; and
 - (iii) accounts for receipts of revenue;
- f) that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;
- g) that the municipality charges interest on arrears, except where the municipality has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and
- h) that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

The accounting officer shall immediately inform the National Treasury of any payments due by an organ of state to the municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

Senior managers

Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities shall take all reasonable steps within their respective areas of responsibility to ensure that all revenue due to the municipality is collected.

Monitoring, Evaluation and Reporting

The accounting officer of a municipality shall by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the actual revenue, per revenue source following particulars for that month and for the financial year up to the end of that month.

The accounting officer should furthermore include an explanation of:

- a) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
- b) any material variances from the service delivery and budget implementation plan; and
- c) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

The above statement must include a projection of the relevant municipality's revenue and expenditure for the rest of the financial year.

Application of the policy

All services of the municipality as well as all infrastructure used to deliver this service belong to municipality. The Municipality can monitor, upgrade, or remove its infrastructure without notifying and or seeking approval from the consumer.

The municipality reserves the right to differentiate between different categories of consumers, debtors, services or service standards when applying this Policy. The municipality will on application of the credit control policy avoid discrimination as forbidden by the Constitution, unless it is established that the discrimination is fair as allowed by the Constitution. No debtor (excepted for approved Indigent consumers) may be exempted from credit control action as a sign of goodwill for any period of time as this is in contravention of the action applied in this policy and the Credit Control principles contained in the Municipal Systems Act No. 3 of 2000.

- 12.2 Should there be any conflict between these By-laws and any other by-laws of municipality, this By-laws prevail.

Implementation

This Credit Control and Debt Collection Policy will be adopted and implemented at the start of the financial year after Council approval.

Approved on: 31/05/2018 Council Resolution nr:38/05/2018