ANNUAL BUDGET REPORT

ABAQULUSI MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

2016/17 TO 2018/19

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ABBREVIATIONS AND ACRONYMS

Adjustments Budgets – Prescribed in Section 28 of the Municipal Finance Management Act, this is the formal means by which a municipality may revise its budget during a financial year.

***Allocations** – Money received from Provincial and National Treasury.*

***Budget** – The financial plan of a municipality.*

***Budget related policy** – Policy of a municipality affecting, or affected by, the budget. Examples include tariff policy, rates policy and credit control and debt policy.*

***Budget Steering committee** – Committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53 of the MFMA.*

***Capital Expenditure** – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.*

***Cash Flow Statement** – A statement showing when actual cash will be received and spent by the municipality, and the month end balances of cash and short-term investments.*

***CPI** – Headline Consumer Price Index*

***DMTN** – Domestic Medium Term Note*

***DORA** – Division of Revenue Act. Annual legislation which shows the allocations from national to local government.*

***DORB** – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.*

***Executive Management Team** – A team comprising the Municipal Manager and the Executive Directors. It reports to the Municipal Manager.*

***Equitable Share** – A general grant paid to municipalities. It is predominantly targeted at assisting municipalities with the costs of free basic services.*

***GDFI** - Gross Domestic Fixed Investment*

***GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.*

***IDP** – Integrated Development Plan. The main strategic planning document of a municipality.*

***KPI** – Key Performance Indicators. Measures of service output and/or outcome.*

***MFMA** - Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management.*

***MTREF** – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.*

***MYPD** – Multi Year Price Determination*

***NT** – National Treasury*

***Operating Expenditure** – The day-to-day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.*

***Portfolio Committee** – In line with Section 79 of the Structures Act, the Municipality's Portfolio Committees process policies and bylaws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. Portfolio Committees are also responsible for assessing and monitoring services delivery, ensuring that annual budgets are spent wisely, and that there is no wastage or corruption.*

***Rates** – Local Government tax based on assessed valuation of a property.*

***TMA** – Total Municipal Account*

***SCM** - Supply Chain Management*

***SDBIP** – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.*

***SFA** – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.*

***Vote** – One of the main segments into which a budget is divided, usually at directorate level.*

Part 1 – Annual Budget

Mayor's Report

During the State of the National Address the President remarked that we are proud of our democracy and what we have achieved in a short space of time. Our democracy is functional, solid and stable. A lot has been done to promote inclusion and a non-racial society.

The President further stated that the country is again facing a difficult economic climate, most importantly our country seems to be at risk of losing its investment grade status from ratings agencies. If that happens it will become more expensive for us to borrow money from abroad to finance our programmes of building a better life for all, especially the poor. The situation requires an effective turnaround plan from us. It is about doing things differently and also acting on what may not have been acted upon before. South Africa remains an attractive investment destination and although we face challenges the positive attributes far outweigh the challenges. It there are any disagreements or problems between us we must solve the issues before they escalate for the common good of our country.

A resilient and fast growing economy is at the heart of our economic transformation agenda and our National Development Plan (NDP). When the economy grows it delivers jobs. Since the financial crisis in 2008 our economy has faced many difficulties and that is why government embarked on an aggressive infrastructure development programme to stimulate growth.

We have made an undertaking to spend public funds wisely and to cut wasteful expenditure, but without compromising on the core business of government and the provision of services to our communities. In 2013 the Minister of Finance announced cost containment measures to ensure excessive and wasteful expenditure has been reduced but there is still more to be done to cut wastage. We all have a lot to do to turn the economy around and to cut wastage. We will go through a difficult period but when the economy recovers we will be able to stand tall for having done the right thing.

The nine point plan consists of:

- *Resolving the energy challenge*
- *Revitalising agriculture*
- *Adding value to our mineral wealth*
- *More effective implementation of a higher impact Industrial Policy Action Plan*
- *Encouraging private sector investment*
- *Moderating workplace conflict*
- *Unlocking the potential of SMME's, cooperatives, township and rural enterprises*
- *State reform and boosting the role of state owned companies, information and communications technology (ICT) infrastructure, water, sanitation and transport infrastructure*
- *Operation Phakisa aimed at growing the ocean economy and other sectors*

The country has made significant progress in the implementation of the plan. The electricity supply has stabilised and there has been no load shedding since August last year.

An Agri-Parks programme for the revitalisation of agriculture has been introduced with the aim of increasing the participation of small holder farmers in agricultural activities.

Water is a critical resource for economic growth and a better life. Five provinces have been seriously affected by drought and KwaZulu-Natal is one of the provinces that have been devastated by the drought conditions. Livestock is dying and the agricultural sector is going through a difficult period. Tougher times still lie ahead and government will continue to assist farmers and water tank facilities to communities. Civil society country wide has to be commended for the initiative taken to provide water relief too many communities in distress. The building of water infrastructure remains critical so that we can expand access to our people and industry. To curb water losses the Department of Water and Sanitation has begun the training of 15 000 artisans or plumbers who will fix leaking taps in their local communities.

The Back to Basics local government revitalisation plan was launched and 2015 has been the year of intensive implementation. During the second phase national government will engage in active monitoring and accountability measures. This will include unannounced visits to municipalities, spot checks of supply chain management processes; the implementation of recommendations of forensic reports, site visits to Municipal Infrastructure grant funded projects and increased interventions to assist struggling municipalities.

A ten point plan of Back to Basics priority actions has been developed to guide this next phase. The plan includes the promotion of community engagement, which is absolutely critical to enable communities to provide feedback on their experience of local government.

Achieving our objective of creating jobs, reducing inequality and pushing back the frontiers of poverty the country needs faster growth. Given the economic conditions it is clear that government will not achieve the growth target it hoped to achieve by 2019. We have to double our efforts and work together to propel us through the tough global and domestic conditions.

During the tabling of the National Budget speech, Minister Gordhan mentioned the challenges and advised that it is an opportunity for all to turn the economy's direction towards hope, confidence and a better future for all. All of us want a society at peace with itself, a nation energised by the task of building stronger foundations for our future society and economy. We all want government to function effectively, people to work in dignity and see progress throughout the land.

Bold and constructive leadership is required in all sectors, a shared vision, a common purpose and the will to find common ground. Above all we need action not words. We need to unite as a team, sharing our skills and resources to build social solidarity, defend the institutions of our democracy and develop our economy inclusively.

The plan is to:

- *Manage our finances in a prudent and sustainable way*
- *Re-ignite confidence and mobilise the resources of all social partners*
- *Collectively invest more in infrastructure to increase potential growth*

- *Give hope to our youth through training and economic opportunities*
- *Protect South Africans from the effects of the drought*
- *Continuously improve our education and health systems*
- *Accelerate transformation towards an inclusive economy and participation by all*
- *Strengthen social solidarity and extend our social safety net*

The budget relies on institutions of good governance and a public ethic that values honesty and fairness. If we act together on these principles we can overcome the challenges of tough economic times and difficult adjustments.

The NDP acknowledges that investment in infrastructure has to be enhanced and sustained both to underpin economic growth and address the spatial inefficiency. Our economic recovery depends on our ability to convert the NDP plan into actions that deliver on the promise of a better life for all.

During the tabling of the October 2015 Medium Term Budget Policy Statement, the then Minister of Finance advised that "if we do not achieve growth, revenue will not increase. If revenue does not increase, expenditure cannot be expanded."

We cannot spend money we do not have. Until we ignite growth and generate more revenue we have to be tough on ourselves.

Additional more stringent cost containment measures have been introduced across all departments. Through streamlining the procurement processes considerable savings can be achieved and services providers paid on time.

The Finance Minister further emphasised that municipalities are facing growing pressures from both the rising costs of bulk services and the rapidly growing numbers of households. There is still under spending on infrastructure grants and a review of grants is being done which in the future will allow for refurbishment of assets, recognising the long-term nature of municipal infrastructure. Water sector grants are being restructured to reduce duplication and the associated administration burden. Refinements are proposed to take into account the diverse challenges of urban and rural areas as well as the different sized towns and cities.

On tabling the KZN Provincial Budget in 2016, MEC for Finance Ms B Scott mentioned the sluggish economic performance further compounded by the worst drought being experienced in the country over the past two decades which is driving food prices higher.

As a result of this economic outlook government has had to act decisively to ensure the sustainability of our finances and government programmes.

The Provincial cost-cutting measures have been reviewed and their relevance assessed which has resulted in new cost-cutting measures being added by the Budget Council as follows:

- *Combating wasteful and inefficient spending*
- *A decrease in the cost of compensation of employees*
- *Closing down under-performing programmes that are not delivering the desired outcomes*
- *A general 'haircut' across all departments and activities, including events*
- *No new programmes and a slowdown on the rate of growth on existing programmes including sponsorships and events held*
- *A rescheduling or postponement on capital spending*
- *Improved revenue collection*
- *Intensification of existing cost-cutting measures*
- *Cutting the budgets of departments.*

During 2016/2017 funds have been allocated for drought relief to the Department of Co-operative Governance and Traditional Affairs to provide for the drilling and equipping of boreholes across the KZN province, the procurement of water tankers to support fire fighting in the province. The procurement and installation of raw water mass storage facilities to augment the water source for the water service authorities. Funds have also been allocated to the Department of Agriculture and Rural Development for the scooping of dams and procuring winter fodder in areas which have insufficient grazing due to the drought.

In conclusion the MEC stated that fiscal discipline is what has helped deal with the fiscal consolidation cuts without dramatically affecting service delivery, however she believes there is more that can be done to ensure key strategic priorities are correctly funded and the continuation of cost-cutting and not being scared to make tough decisions in difficult times.

The latest budget cuts implemented across the country over the 2016/2017 MTEF are forcing us to look at our spending behaviour closely and find ways to do things smarter, finding ways to deliver our services at a lower cost while not impacting on the quality of service we provide.

I would like to thank our Speaker, my Executive Council, and Honourable Councillors for their support. We had to take a number of really tough decisions in the preparation of the Draft 2016/2017 Medium Term Expenditure Budget and we did so collectively. I would also like to extend my gratitude to the Acting Accounting Officer and the Finance Department officials under the CFO for their guidance and technical support in these difficult times. I thank the Heads of departments and their managers for the role that they have played in ensuring that we spend on the budget in the correct manner.

Thank you

Council Resolutions

On 26 May 2016 the Council of Abaqulusi Local Municipality met in the Council Chambers of Abaqulusi Municipality to consider the annual budget of the municipality for the financial year 2016/17. The Council noted the following resolutions:

1. *The Council of Abaqulusi Local Municipality, acting in terms of Section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:*

   1.1. *The Annual Budget of the municipality for the Financial Year 2016/17 and the Multi-Year and Single-Year Capital appropriations as set out in the following tables:*

      1.1.1. *Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 50;*

      1.1.2. *Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 53;*

      1.1.3. *Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 57; and*

      1.1.4. *Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 61.*

   1.2. *The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:*

      1.2.1. *Budgeted Financial Position as contained in Table 23 on page 63;*

      1.2.2. *Budgeted Cash Flows as contained in Table 24 on page 66;*

      1.2.3. *Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 68;*

      1.2.4. *Asset management as contained in Table 26 on page 71; and*

      1.2.5. *Basic service delivery measurement as contained in Table 27 on page 75.*

2. *The Council of Abaqulusi Local Municipality, acting in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2016 the proposed tariffs of Abaqulusi Municipality*

3. *To give proper effect to the municipality's annual budget, the Council of Abaqulusi Local Municipality approves:*

   3.1. *That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by Section 8 of the Municipal Budget and Reporting Regulations.*

4. *The Council of Abaqulusi Local Municipality approves and adopts with effect from 1 July 2016 all budget related policies.*

6. The MFMA Circular No 72 indicates that all municipalities must formulate service Level Standards which must form part of the 2016/17 tabled MTREF budget documentation. The Service Level Standards need to be tabled before the Council for formal adoption.

   The setting of standards is an integral part of the service delivery value chain. It provides transparency in understanding performance indicators and strengthens the entire performance management system. In addition it ensures accountability on the part of the officials responsible for providing the service.

   Local government is mostly classified in the service delivery and governance category and as such needs to be clear on what the public at large can expect as a service delivery standard. Rate payers must be placed in a position by which they are able to measure the service outputs against the predetermined service standards. This also serves as a performance rating instrument at an organisational and individual level.

   It is for this reason that the municipality must adopt service standards as part of our strategic objectives and report on the achievements.

   The service standards must at a minimum incorporate the administrative, technical and economic development categories of the municipality.

   The following are to be considered for use:
   Administrative service standards

- Turnaround time in dealing with correspondence received
- Turnaround time in opening a consumer account
- Technical service standards
- Turnaround time in dealing with reported incidents (water leakage, potholes, power outages, etc.)
- Turnaround time in restoring water and electricity connectivity

Economic development service standards

- Turnaround time in processing rezoning applications
- Turnaround time in processing building plans
- Turnaround time in processing special business applications

The MFMA Circular No 82 indicates that all municipalities must adopt the circular which must form part of the 2016/17 tabled MTREF budget documentation. Finance related policies have been reviewed to ensure consistency with the circular. Appropriate oversight mechanisms are being implemented to monitor cost containment measures and ensure that the provisions of sections 62 and 167 of the MFMA are complied with to ensure that reasonable steps are taken for public resources to be used effectively, efficiently, economically and in the best interests of the community.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate funds will be transferred from low- to high priority programmes so as to maintain sound financial stewardship. A critical review has been undertaken of expenditure on non-essential and 'nice-to-have' items. 2016/17 MTREF was compiled in context of an economy that is not projected to grow supported.

The budget for the 2016/17 MTREF period is based on the realisation that revenues and cash flows are expected to remain under pressure in 2016/17 and the municipality must adopt a conservative approach when projecting expected revenues and cash receipts. The municipality must further in terms of MFMA Circular 78 and 79 carefully consider the affordability of tariff increases especially in relation to domestic consumers which makes up the bulk of the municipality's revenue base whilst considering the level and quality of services versus the associated cost.

The budget was compiled by ensuring that the financial management processes are transparent, aligned to the accountability cycle and facilitate good governance that is accountable to the local community. Public perception shows high levels of unhappiness with service delivery and perceived corruption at municipalities and sound leadership is required as well as measures put in place to address mismanagement by implementing effective systems to measure, monitor and evaluate performance.

The budget supports the provision of basic services to the communities, facilitating social and economic development, promoting a safe and healthy environment in a sustainable manner.

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:

- Ensuring the timely delivery of capital programmes (eliminate under-spending of capital budgets) and to review all by-laws and development approval processes with a view of removing any bottlenecks to investment and job creation.

- Under spending on repairs and maintenance – often seen as a way to reduce short term spending which shortens the life of assets, increases long term maintenance and refurbishment costs and causes a deterioration in the reliability of our infrastructure

- Spending on non-priorities – including unnecessary travel, luxury furnishings, excessive catering and the use of consultants to perform routine tasks.

- The increased cost of bulk electricity due to tariff increases from ESKOM. This is placing pressure on the budget as the tariff the municipality has been allowed to charge is less than the bulk cost meaning there are less funds available for maintenance. Continuous high increases are not sustainable as it gets to a point where services are no longer affordable.

- Not just employing more people without any reference to the level of staffing required delivering effective services. The municipality must through fully participating in the Expanded Public Works Program focus on maximizing its contribution to job creation by ensuring that service delivery and capital projects use labour intensive methods wherever appropriate and implement interns programmes to provide young people with on-the-job training.

- Collecting outstanding debts – this requires political commitment, sufficient administration capacity and pricing policies that ensure that bills are accurate and affordable.

- Pricing services correctly – the full cost of services must be reflected in the tariffs charged to consumers who can afford to pay. Overly generous subsidies and rebates that result in services running at a loss cannot be entertained.

The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:

- The 2015/16 Adjustment Budget priorities and targets, as well as the base line allocations contained in the Adjustment Budget.

- Service level standards were used to inform the measurable objectives, targets and backlog eradication goals.

- Tariff and property rate increases should be affordable and try not to exceed inflation as measured by the CPI, except where the price increases in the services that are beyond the control of the municipality, i.e. ESKOM.

- No budget has been allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the Division of Revenue Act gazette.

- Cost containment measures to ensure public resources are utilised effectively, efficiently and economically in the best interest of the community.

National Treasury has issued a Circular (MFMA Circular No 64) giving guidance to municipalities of what should be done to maximise the revenue generating potential of existing sources of revenue such as property rates and trading services. Further Circulars will be issued by National Treasury to guide municipalities in developing credible revenue frameworks by reaffirming the fundamental principles of costing, revenue management and revenue enhancement.

Revenue management is described as a fundamental and routine financial management function of the municipality's revenue generating business that includes billing and collection activities in respect of trading services and property rates.

Revenue enhancement is about improving by making more, in the case of municipal revenue it is associated with increasing the value of revenue generated. Revenue enhancement can be broken into two components. The first being national policy developments that give rise to additional sources of revenue from government (grant funding) and the second component is the ability of the municipality to grow its own revenue base.

MFMA Circular No 58 advises that the municipality must ensure that the billing systems are accurate; accounts are sent out to residents on a monthly basis and follow-up to collect revenue owed to the municipality.

In terms of MFMA Circular No 64 the main responsibility of the municipality is to deliver services. In terms of Section 75A of the Municipal Systems Act the municipality is allowed to levy and recover fees, charges or tariffs in respect of municipal service delivery functions and recover collection charges and interest on outstanding amounts. The municipality must adopt by-laws to give effect to the implementation and enforcement of the tariff policies.

Revenue generation is everyone's responsibility, not just that of the revenue Section. The municipality must effectively manage all functions that impact protecting and growing the revenue base. The implementation of internal controls along the revenue value chain will aid effective data handovers; utilising system data validation mechanisms and ensuring that service level standards are fundamental to ensuring the integrity of the billing data but are advised to stay away from costly data cleansing exercises.

The following are fundamental to maximising the existing revenue:

- Billing system that correctly reflects all billing and customer information required to issue accurate accounts to consumers.
- All property within the municipal jurisdiction must be correctly valued and the billing system must be updated with any change in property ownership. This is necessary to protect and grow the property rates base.

- Effective business processes to ensure new property development as well as improvements to existing properties are valued as required.
- Correct categorisation of properties.
- Water and electricity meter numbers must be recorded correctly and linked to corresponding property.
- Continual maintenance of water and electricity meters to minimise losses due to leakages or incorrectly metered consumption.
- Accurate meter reading and minimising the amount of meter reading estimates.
- Refuse and sanitation service charges must be included in all billing records and the municipality must ensure these services are not run at a loss.
- Billing queries to be resolved within reasonable timeframes.
- Municipal functions must be adequately staffed with competently skilled individuals who understand the job requirements and how to deliver on it.

The Circular further advises municipalities to table "surplus" budgets. To achieve this the municipality must ensure cost reflective tariffs; operation efficiencies; maximising revenue regenerating potential of own revenue sources and a productive workforce and sound decision making to ensure that the limited financial resources are spent wisely so that value for money is achieved.

National Treasury's MFMA Circular No. 72, 74, 75, 78 and 79 was used to guide the compilation of the 2016/17 MTREF.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/17 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2016/19 MTREF

	Adjustment Budget 2015/ 2016	***Budget Year 2016 / 2017***	***Budget Year + 2017 / 2018***	***Budget Year +2 2018 / 2019***
	R Thousand	***R Thousand***	***R Thousand***	***R Thousand***
Total Operating Revenue	*490,065*	*512,872*	*552,517*	*595,049*
Total Operating Expenditure	*614,590*	*645,615*	*693,490*	*744,340*
(Surplus) / Deficit for the Year	124,524	132,743	140,973	149,290
Total Capital Expenditure	***70,866***	***70,617***	***74,468***	***77,485***

Total operating revenue has increased by R 22, 8 million for the 2016/17 financial year when compared to the 2015/16 Adjustment Budget. For the two outer years, operational revenue will increase, equating to a total revenue growth of R 105 million over the MTREF when compared to the 2015/16 financial year.

Total operating expenditure for the 2016/17 financial year has been appropriated at R 630 million excluding capital from own funding and translates into a budgeted operating deficit of R 132,7 million for non-cash items. When compared to the 2015/16 Adjustment Budget, operational expenditure has increased by 6, 6% in the 2016/17 budget and 6, 2% and 5, 9% increases for each of the respective outer years of the MTREF.

The capital budget of R 70, 6 million for 2016/17 is 0, 35% less when compared to the 2015/16 Adjustment Budget. The decrease is due to less grant funding from MIG. The capital program increases to R 74, 4 million in the 2017/18 financial year due and then increases to R 77, 4 million in 2018/19 due to an increase in MIG & INEG. A portion of the capital budget will be funded from internally generated funds in each of the financial years of the MTREF. Capital from government grants and transfers amounts to R 55 million which is R 500 thousand ***LESS*** than the 2015/16 financial year. MIG amounting to R 35 million and INEG of R 20 million with capital from own funds of R 15, 5 million.

Operating Revenue Framework

For Abaqulusi Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipal area and continued economic development;
- Efficient revenue management, which aims to ensure a 92% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by Main Revenue Source A4

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 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 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	41,574	49,942	59,010	60,626	60,210	51,699	51,699	64,184	68,163	72,185
Property rates - penalties & collection charges		851	1,306	1,890	1,700	2,000	2,283	2,093	2,132	2,264	2,398
Service charges - electricity revenue	2	126,394	141,091	145,521	172,402	164,383	149,624	149,624	177,587	194,161	212,241
Service charges - water revenue	2	30,842	36,153	36,524	50,290	39,835	32,522	32,522	41,519	45,632	50,152
Service charges - sanitation revenue	2	16,411	19,208	25,914	24,685	24,025	20,960	20,960	26,428	29,070	31,977
Service charges - refuse revenue	2	12,232	13,986	15,946	18,238	17,724	15,608	15,608	19,496	21,446	23,591
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		800	1,189	1,297	1,387	1,159	743	1,063	1,463	1,542	–
Interest earned - external investments		3,970	4,369	3,166	3,406	1,835	551	1,584	1,956	2,077	2,200
Interest earned - outstanding debtors		9	5	–	–	15	–	–	16	17	18
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		1,982	9,375	8,297	3,506	2,007	4,713	3,982	1,713	1,819	1,927
Licences and permits		5,216	4,415	4,063	4,538	4,215	4,013	3,679	4,493	4,772	5,053
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		116,751	163,051	113,621	112,027	114,616	139,606	129,583	114,588	121,245	129,171
Other revenue	2	1,599	43,348	45,828	3,507	459	2,053	676	2,218	2,343	4,128
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**358,631**	**487,439**	**461,077**	**456,312**	**432,483**	**424,376**	**413,072**	**457,794**	**494,551**	**535,040**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant % of the revenue basket for the Municipality.

Service charge revenues comprise more than 51,68% of the total revenue mix. In the 2016/17 financial year, revenue from services charges is expected to total R 265 million. This increases to R 290,2 million and R 317, 9 million in the respective financial years of the MTREF. This can be mainly attributed to the increased cost of bulk electricity due to rapid increases in the Eskom tariffs for bulk electricity and consumers using less electricity due to the cost. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 KZN263 SA1 (see page 99).

Property rates is the second largest revenue source totalling 12,5 % or R 64, 1 million rand and increases to R 72,1 million by 2018/19.

The third largest sources is "other revenue" which consists of various items such as income received from permits and licenses, building plan fees, connection fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related. The anticipated revenue from other revenue is R 13,9 million.

Operating grants and transfers totals R 114, 6 million in the 2015/16 financial year and decreases to R 114, 5 million for 2016/17. Note that the year-on-year growth is 5, 9% and 5, 9% in the two outer years.

The municipality hopes to receive additional funding which will be applied to address:

- Compensation for rising costs of providing free basic water and electricity to poor households.
- Accelerate provision of access to clean water through bulk and reticulation projects.
- Accelerate provision of access to electricity and improving the sustainability of access through the refurbishment of key infrastructure.
- Expand the collection and use of date on the condition of municipal roads.
- Increase the number of interns with infrastructure-related skills. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts – SA18 – Transfer & Grant Receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**96,444**	**101,839**	**109,287**	**128,640**	**130,640**	**132,382**	**130,907**	**137,410**	**145,177**
Local Government Equitable Share		84,293	89,399	96,203	106,693	106,693	106,097	107,884	115,710	123,222
		–	–	–	–	–	–	–	–	–
Finance Management		1,500	1,550	1,698	1,600	1,600	1,600	1,625	1,700	1,955
Municipal Systems Improvement		800	890	1,010	930	930	930	–	–	–
EPWP Incentive		851	1,000	1,376	1,417	1,417	1,417	1,398	–	–
Integrated National Electrification Programme		9,000	9,000	9,000	18,000	20,000	22,338	20,000	20,000	20,000
Other transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		**1,565**	**5,497**	**4,353**	**3,295**	**4,045**	**4,045**	**3,681**	**3,835**	**3,994**
Sport and Recreation		134	143	151	166	166	166	175	184	193
Provincial Library Grant		1,234	2,592	2,700	2,789	2,789	2,789	3,148	3,274	3,405
Cyber Cadet Grant		197	240	252	340	340	340	358	377	396
Thusong Centre			2,522	1,250	–	750	750	–	–	–
Other transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		**100**	**50**	**–**	**100**	**100**	**100**	**100**	**100**	**100**
]		–	–	–	–	–	–	–	–	–
ZDM		100	50	–	100	100	100	100	100	100
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	**98,109**	**107,386**	**113,640**	**132,035**	**134,785**	**136,527**	**134,688**	**141,345**	**149,271**
Capital Transfers and Grants										
National Government:		**22,801**	**29,907**	**34,158**	**35,566**	**35,566**	**35,566**	**35,078**	**37,966**	**40,009**
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant (MIG)		22,801	29,907	34,158	35,566	35,566	35,566	35,078	37,966	40,009
Provincial Government:		**–**	**61**	**152**	**–**	**–**	**–**	**–**	**–**	**–**
Other capital transfers/grants [insert description]		–	61	152	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	**22,801**	**29,967**	**34,310**	**35,566**	**35,566**	**35,566**	**35,078**	**37,966**	**40,009**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**120,909**	**137,353**	**147,950**	**167,601**	**170,351**	**172,093**	**169,766**	**179,311**	**189,280**

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. The municipality must however take into account the labour and other input costs of services, the need to ensure financial sustainability, local economic conditions, the affordability of services, the indigent policy. An appropriate balance between the interests of poor households, other consumers and financial sustainability needs to be maintained as excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of ESKOM bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. Based on NERSA's approval of a 9, 4% increase to Eskom; municipalities are advised in MFMA Circular 78 to formulate electricity tariff structures based on an increase of 8% and NERSA issued guidelines to the municipality of inclining block tariff increases ranging from 6,6% to 7,64%.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The percentage increase for property rates is 6, 6%. All households receive a rebate on the first R 15,000 and indigent residents a further R 65,000.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R 15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 % rebate will be granted to registered indigents in terms of the Indigent Policy;

- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 % (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.

- The Municipality may award a 100% grant-in-aid on the assessment rates of rateable properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2016/17 financial year based on a 6, 6 % increase from 1 July 2016 is contained below:

Table 4 Comparison of proposed rates to be levied for the 2016/17 financial year

Category	***Current Tariff (1 July 2015)***	***Proposed tariff (from 1 July 2016)***
	C	***C***
Residential properties	*0,0070753*	*0,0075422*
State owned properties	*0,0176882*	*0,0188556*
Business & Commercial	*0,0176882*	*0,0188556*
Agricultural	*0,0017689*	*0,0018857*
Vacant land	*0,0176882*	*0,0188556*
Municipal rateable – Residential	*0,0070753*	*0,0075422*
Industrial	*0,0176882*	*0,0188556*
Non-permitted use/Illegal usage	*0,0176882*	*0,0188556*
Public benefit organisation properties	*0,0017689*	*0,0018857*
Special consent	*0,0176882*	*0,0188556*

1.3.2 *Sale of Water and Impact of Tariff Increases*

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

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

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2016.

To mitigate the need for water tariff increases, municipalities are encouraged to put in place appropriate strategies to limit water losses to acceptable levels. Water losses have increased from 42% in 2013/14 to 46% in 2014/15 and further increased to 60, 87% in 2015/16.

Zululand District Municipality as well as Abaqulusi municipality has undertaken a critical assessment of its capital infrastructure requirements. The assessment indicates that the current infrastructure is unlikely to sustain its long-term ability to supply water and the District Municipality will have no other choice but to provide funding for infrastructure upgrades.

A tariff increase of 10% from 1 July 2016 for water is proposed. In addition 6 kl water per 30-day period will again be granted free of charge to all indigent community members.

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

Table 5 Proposed Water Tariffs

CATEGORY	***CURRENT TARIFFS 2016/16***	***PROPOSED TARIFFS 2016/17***
	Rand per kl	***Rand per kl***
RESIDENTIAL		
(i) 0 to 6 kl per 30-day period	*8.63*	*9.49*
(ii) 6.01 to 30 kl per 30-day period	*8.63*	*9.49*
(iii) 30.01 to 99 kl per 30-day period	*9.33*	*10.26*
(iv) More than 99.01 per 30-day period	*10.72*	*11.79*
BUSINESS		
(i) 0 to 6 kl per 30-day period	*8.63*	*9.49*
(ii) 6.01 to 30 kl per 30-day period	*8.63*	*9.49*
(iii) 30.01 to 99 kl per 30-day period	*9.33*	*10.26*
(iv) More than 99.01 per 30-day period	*10.72*	*11.79*

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 6 Comparison between current water charges and increases (Domestic)

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change
20	172.60	189.86	17.26	10%
30	258.90	284.79	25.89	10%
40	373.20	410.52	37.32	10%
50	466.50	513.15	46.65	10%
80	746.40	821.04	74.64	10%
100	1072.00	1179.20	107.20	10%

The tariff structure of the 2015/16 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R11.79 per kilolitre for consumption in excess of 99kℓ per 30 day period.

Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. Eskom has submitted a request for a 9, 44 % increase in the ESKOM bulk electricity tariff to municipalities which will be effective from 1 July 2016 but NERSA has not yet approved % increase guidelines for municipalities.

NERSA for the past 5 years in a row has allowed Eskom to increase its tariff to municipalities higher than what municipalities may charge their consumers and this continues to have a negative impact on the municipality's revenue from electricity and is starting to impact on the maintenance of the electrical infrastructure and the Section continues to show a deficit. An analysis of the municipality's consumption patterns is being done to calculate more accurate tariffs, the increase that was submitted to NERSA for approval was 10% but NERSA did not approve the request due to the energy losses which are deteriorating and insufficient % of the budget being allocated to repairs and maintenance. The increase that may be implemented is between 6,6% and 7, 64% in terms of the NERSA guidelines.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 7 Comparison between current electricity charges and increases (Domestic) `

DESCRIPTION	APPROVED TARIFFS 2015/2016	PROPOSED TARIFFS 2016/2017 (6.6% - 7.64%)	PROPOSED TARIFFS 2017/2018 10%	PROPOSED TARIFFS 2018/2019 10%
Domestic (Conventional)				
Basic charge	**R 64.49**	**R 69.42**	**R 76.36**	**R 84.00**
Demand side management levy				
Network charge				
Cost per unit kWh - 0-50kwh - step	**R 0.81**	**R 0.86**	**R 0.95**	**R 1.04**

DESCRIPTION	APPROVED TARIFFS 2015/2016	PROPOSED TARIFFS 2016/2017 (6.6% - 7.64%)	PROPOSED TARIFFS 2017/2018 10%	PROPOSED TARIFFS 2018/2019 10%
tariff 6,6%				
Cost per unit kWh - 051-350kwh - step tariff 7.6%	**R 1.12**	**R 1.21**	**R 1.33**	**R 1.46**
Cost per unit kWh - 351-600kwh - step tariff 7.64%	**R 1.48**	**R 1.59**	**R 1.75**	**R 1.92**
Cost per unit kWh - >600kwh - step tariff 7.64%	**R 1.72**	**R 1.85**	**R 2.03**	**R 2.23**

The step tariff advised by NERSA and implemented since July 2011 results that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the suburbs and inner municipality reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the Municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines. Electricity losses have increased from 20, 46% in 2013/14 to 30, 46% in 2014/15 and for 2015/16 the estimated loss is 46, 88%.

The approved budget for the Electricity Section can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). It is estimated that special funding for electricity bulk infrastructure to the amount of R 50 million per year for five years will be necessary to steer the Municipality out of this predicament. It must be noted that ESKOM will receive an amount of R 19 million to perform electrification and this will then have to be maintained by the municipality.

In addition the Section must raise awareness and promote behaviour change through communication and education to ensure the 10% reduction in energy consumption is achieved. A renewable and cleaner energy plan has to be developed, monitored, evaluated and updated annually. To upgrade street lights to LED fittings and other energy efficiency projects is a costly exercise for which funding must be sourced.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers.

Sanitation and Impact of Tariff Increases

A tariff increase of 10% for sanitation from 1 July 2016 is proposed. This Section is currently operating at a deficit and it is generally accepted that all service departments should at least break even. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 10% of waste water treatment input costs, therefore the higher than CPI increase of 10% for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;

- Free sanitation (100% of 6 kl water) will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R26, 4 million for the 2016/17 financial year.

Table 8 Comparison between current sanitation charges and increases

CATEGORY	CURRENT TARIFF 2015/16		PROPOSED TARIFF 2016/17	
	% DISCHARGED	TARIFF PER kl	% DISCHARGED	TARIFF PER kl
		R		R
0 – 30 kl per 30-day period	*75*	*6.40*	*75*	*7.04*
30.01 – 99 kl per 30-day period	*75*	*7.38*	*75*	*8.12*
99.01 and above kl per 30-day period	*75*	*7.94*	*75*	*8.73*

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 9 Comparison between current sanitation charges and increases, single dwelling- houses

Monthly sanitation consumption kl	Current amount Payable R	Proposed amount Payable R	Difference (10% increase) R
30	*269.86*	*296.85*	*26.99*
30.01 to 99	*532.00*	*585.20*	*53.20*
99.01 and above	*532.00*	*585.20*	*53.20*

Waste Removal and Impact of Tariff Increases

The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The service of refuse collection is outsourced which is the main contributor of expenditure as well as the cost of remuneration. This Section is budgeted to have a deficit. It is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models.

A 10% increase in the waste removal tariff is proposed from 1 July 2016. Higher increases will not be viable in 2016/17 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 10 % can be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2016:

Table 10 Comparison between current waste removal fees and increases

	WASTE REMOVAL 2015/16	***WASTE REMOVAL 2016/17***
Tariff per container/household per month or part of a month: *Areas serviced by means of: (Tariff is multiplied by the number of service rounds per week and the number of containers/households.)*	*Per month (R)*	
Residential	*79.57*	*87.53*
Businesses per container	*246.05*	*270.66*
Businesses bulk container	*2466.50*	*2713.15*

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to a 10 %, increase for all households including indigent households.

In terms of Section 64 2(g) of the MFMA a Municipality must for the purposed of the sub-Section take reasonable steps to ensure

(g) that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget related policies and within a prescribed framework;

Table 11 KZN263 Table SA14 – Household Bills

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	1										
Monthly Account for Household - 'Middle Income Range'											
Rates and services charges:											
Property rates		424.60	450.08	475.28	508.55	508.55	508.55	6.6%	542.11	577.89	616.03
Electricity: Basic levy		43.20	50.98	56.08	64.49	64.49	64.49	7.6%	69.42	74.72	80.43
Electricity: Consumption		1,057.90	1,248.32	1,373.15	1,579.12	1,579.12	1,579.12	7.6%	1,699.76	1,829.63	1,969.41
Water: Basic levy		26.30	30.20	33.22	36.54	36.54	36.54	10.0%	40.19	44.21	48.63
Water: Consumption		185.39	213.20	234.52	257.97	257.97	257.97	10.0%	283.77	312.14	343.36
Sanitation		76.10	87.52	96.27	105.90	105.90	105.90	10.0%	116.49	128.14	140.95
Refuse removal		54.70	62.91	69.20	76.12	76.12	76.12	10.0%	83.73	92.11	101.32
Other											
sub-total		**1,868.19**	**2,143.21**	**2,337.72**	**2,628.69**	**2,628.69**	**2,628.69**	**7.9%**	**2,835.48**	**3,058.84**	**3,300.14**
VAT on Services		261.55	300.05	327.28	368.02	368.02	368.02	0.01	396.97	428.24	462.02
Total large household bill:		**2,129.74**	**2,443.26**	**2,665.00**	**2,996.71**	**2,996.71**	**2,996.71**	**7.9%**	**3,232.45**	**3,487.08**	**3,762.15**
% increase/-decrease			**14.7%**	**9.1%**	**12.4%**	**–**	**–**		**7.9%**	**7.9%**	**7.9%**
-											
	2										
Monthly Account for Household - 'Affordable Range'											
Rates and services charges:											
Property rates		235.62	249.76	263.75	282.21	282.21	282.21	6.6%	300.84	320.69	341.86
Electricity: Basic levy		43.20	50.98	56.08	64.49	64.49	64.49	7.6%	69.42	74.72	80.43
Electricity: Consumption		452.99	534.53	587.98	676.18	676.18	676.18	7.6%	727.84	783.45	843.30
Water: Basic levy		26.30	30.20	33.22	36.54	36.54	36.54	10.0%	40.19	44.21	48.63
Water: Consumption		154.50	177.68	195.45	215.00	215.00	215.00	10.0%	236.50	260.15	286.17
Sanitation		76.10	87.52	96.27	105.90	105.90	105.90	10.0%	116.49	128.14	140.95
Refuse removal		54.70	62.91	69.20	76.12	76.12	76.12	10.0%	83.73	92.11	101.32
Other											
sub-total		**1,043.41**	**1,193.58**	**1,301.95**	**1,456.44**	**1,456.44**	**1,456.44**	**8.1%**	**1,575.01**	**1,703.47**	**1,842.66**
VAT on Services		146.08	167.10	182.27	203.90	203.90	203.90	0.01	220.50	238.49	257.97

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total small household bill:		**1,189.49**	**1,360.68**	**1,484.22**	**1,660.34**	**1,660.34**	**1,660.34**	**8.1%**	**1,795.51**	**1,941.95**	**2,100.63**
% increase/-decrease			**14.4%**	**9.1%**	**11.9%**	**–**	**–**		**8.1%**	**8.2%**	**8.2%**
-				-0.37	0.31	-1.00	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–				
Electricity: Basic levy		43.20	50.98	56.08	64.49	64.49	64.49	6.6%	68.75	73.28	78.12
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		26.30	30.20	33.22	36.54	36.54	36.54	10.0%	40.19	44.21	48.63
Water: Consumption		76.14	87.56	96.32	105.95	105.95	105.95	10.0%	116.55	128.20	141.02
Sanitation		76.10	87.52	96.27	105.90	105.90	105.90	10.0%	116.49	128.14	140.95
Refuse removal		54.70	62.91	69.20	76.12	76.12	76.12	10.0%	83.73	92.11	101.32
Other											
sub-total		**276.44**	**319.17**	**351.09**	**389.00**	**389.00**	**389.00**	**9.4%**	**425.71**	**465.94**	**510.04**
VAT on Services		38.70	44.68	49.15	54.46	54.46	54.46	0.01	59.60	65.23	71.41
Total small household bill:		**315.14**	**363.85**	**400.24**	**443.46**	**443.46**	**443.46**	**9.4%**	**485.31**	**531.17**	**581.45**
% increase/-decrease			**15.5%**	**10.0%**	**10.8%**	**–**	**–**		**9.4%**	**9.5%**	**9.5%**

Operating Expenditure Framework

The Municipality's expenditure framework for the 2016/17 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services;
- Strict adherences to the principle of **no project plan no budget**. If there is no business plan no funding allocation can be made; and
- Creation of job opportunities by the municipality thus an increase in staff costs.

The following table is a high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure):

Table 12 Summary of operating expenditure by type Table A4 by standard classification item

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 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 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure By Type	-										
Employee related costs	2	101,686	107,749	122,588	127,012	134,478	87,023	110,553	151,945	162,915	174,067
Remuneration of councillors		12,093	13,981	14,819	16,390	15,533	11,969	13,603	16,620	17,817	19,046
Debt impairment	3	4,599	7,128	16,848	1,698	7,000	10,592	9,709	7,461	7,924	8,392
Depreciation & asset impairment	2	96,241	108,415	92,546	21,994	104,088	104,088	104,088	110,958	117,838	124,790
Finance charges		2,325	3,079	1,623	650	900	238	238	959	1,019	1,079
Bulk purchases	2	112,200	122,108	127,786	154,400	145,350	117,736	117,736	159,013	173,960	190,312
Other materials	8	–	–	–	25,691	24,673	13,329	13,329	29,659	31,589	33,453
Contracted services		26,703	28,723	43,121	93,473	97,654	28,948	29,242	103,838	112,438	79,397
Transfers and grants		–	–	–	14,096	16,170	15,893	15,893	17,237	18,306	19,386
Other expenditure	4, 5	75,402	84,953	141,615	50,580	68,464	46,645	53,744	47,923	49,685	94,418
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**431,250**	**476,135**	**560,945**	**505,984**	**614,310**	**436,461**	**468,135**	**645,615**	**693,490**	**744,340**
Surplus/(Deficit)		**(72,619)**	**11,304**	**(99,868)**	**(49,672)**	**(181,827)**	**(12,085)**	**(55,063)**	**(187,821)**	**(198,939)**	**(209,300)**
Transfers recognised - capital		–	–								
Contributions recognised - capital	6	9,000	9,000	49,911	53,566	55,566	55,566	55,566	55,078	57,966	60,009
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**

Table 13 Summary of operating expenditure – Revenue by source -Table A4 by standard classification item

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 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 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	41,574	49,942	59,010	60,626	60,210	51,699	51,699	64,184	68,163	72,185
Property rates - penalties & collection charges		851	1,306	1,890	1,700	2,000	2,283	2,093	2,132	2,264	2,398
Service charges - electricity revenue	2	126,394	141,091	145,521	172,402	164,383	149,624	149,624	177,587	194,161	212,241
Service charges - water revenue	2	30,842	36,153	36,524	50,290	39,835	32,522	32,522	41,519	45,632	50,152
Service charges - sanitation revenue	2	16,411	19,208	25,914	24,685	24,025	20,960	20,960	26,428	29,070	31,977
Service charges - refuse revenue	2	12,232	13,986	15,946	18,238	17,724	15,608	15,608	19,496	21,446	23,591
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		800	1,189	1,297	1,387	1,159	743	1,063	1,463	1,542	–
Interest earned - external investments		3,970	4,369	3,166	3,406	1,835	551	1,584	1,956	2,077	2,200
Interest earned - outstanding debtors		9	5	–	–	15	–	–	16	17	18
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		1,982	9,375	8,297	3,506	2,007	4,713	3,982	1,713	1,819	1,927
Licences and permits		5,216	4,415	4,063	4,538	4,215	4,013	3,679	4,493	4,772	5,053
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		116,751	163,051	113,621	112,027	114,616	139,606	129,583	114,588	121,245	129,171
Other revenue	2	1,599	43,348	45,828	3,507	459	2,053	676	2,218	2,343	4,128
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**358,631**	**487,439**	**461,077**	**456,312**	**432,483**	**424,376**	**413,072**	**457,794**	**494,551**	**535,040**
Expenditure By Type											
Employee related costs	2	101,686	107,749	122,588	127,012	134,478	87,023	110,553	151,945	162,915	174,067
Remuneration of councillors		12,093	13,981	14,819	16,390	15,533	11,969	13,603	16,620	17,817	19,046
Debt impairment	3	4,599	7,128	16,848	1,698	7,000	10,592	9,709	7,461	7,924	8,392
Depreciation & asset impairment	2	96,241	108,415	92,546	21,994	104,088	104,088	104,088	110,958	117,838	124,790
Finance charges		2,325	3,079	1,623	650	900	238	238	959	1,019	1,079
Bulk purchases	2	112,200	122,108	127,786	154,400	145,350	117,736	117,736	159,013	173,960	190,312
Other materials	8	–	–	–	25,691	24,673	13,329	13,329	29,659	31,589	33,453
Contracted services		26,703	28,723	43,121	93,473	97,654	28,948	29,242	103,838	112,438	79,397
Transfers and grants		–	–	–	14,096	16,170	15,893	15,893	17,237	18,306	19,386
Other expenditure	4, 5	75,402	84,953	141,615	50,580	68,464	46,645	53,744	47,923	49,685	94,418

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 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 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**431,250**	**476,135**	**560,945**	**505,984**	**614,310**	**436,461**	**468,135**	**645,615**	**693,490**	**744,340**
Surplus/(Deficit)		**(72,619)**	**11,304**	**(99,868)**	**(49,672)**	**(181,827)**	**(12,085)**	**(55,063)**	**(187,821)**	**(198,939)**	**(209,300)**
Transfers recognised - capital		–	–								
Contributions recognised - capital	6	9,000	9,000	49,911	53,566	55,566	55,566	55,566	55,078	57,966	60,009
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**

The budgeted allocation for employee related costs for the 2016/17 financial year totals R 142,3 million, which equals 27,75% of the total operating expenditure. The multi-year Salary and Wage Collective Agreement from SALGBC for municipalities advised to budget for an annual increase of 7% for the 2016/17 financial year and for the two outer years 6.8% has been utilized. As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards. As part of the planning assumptions and interventions all vacancies were originally removed from the budget and a report was compiled by the Finance Department relating to the prioritization of critical vacancies within the Municipality. The outcome of this exercise was the inclusion of critical and strategically important vacancies. Excessive overtime has been observed by National Treasury during their analysis of municipal budgets and although it is considered acceptable as long as it related to essential services an excessively high allocation could be an indication of performance inefficiencies as it is an expensive form of remuneration easily abused. If National Treasury finds excessive overtime to be legitimate it will be an indication that the organisational structure is insufficiently funded and funds being rather appropriated against vacancies. The maximum percentage allowable for overtime is of total remuneration.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 92% and the Debt Write-off Policy of the Municipality. For the 2016/17 financial year this amount equates to R 7, 4 million and an amount of R 7,9 for 2017/18 million which escalates to R 8,3 million by 2018/19. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 110,9 million for the 2016/17 financial and equates to 17,18% of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

Bulk purchases are directly informed by the purchase of electricity from ESKOM. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. ESKOM increase has been budgeted for at 9,4%.

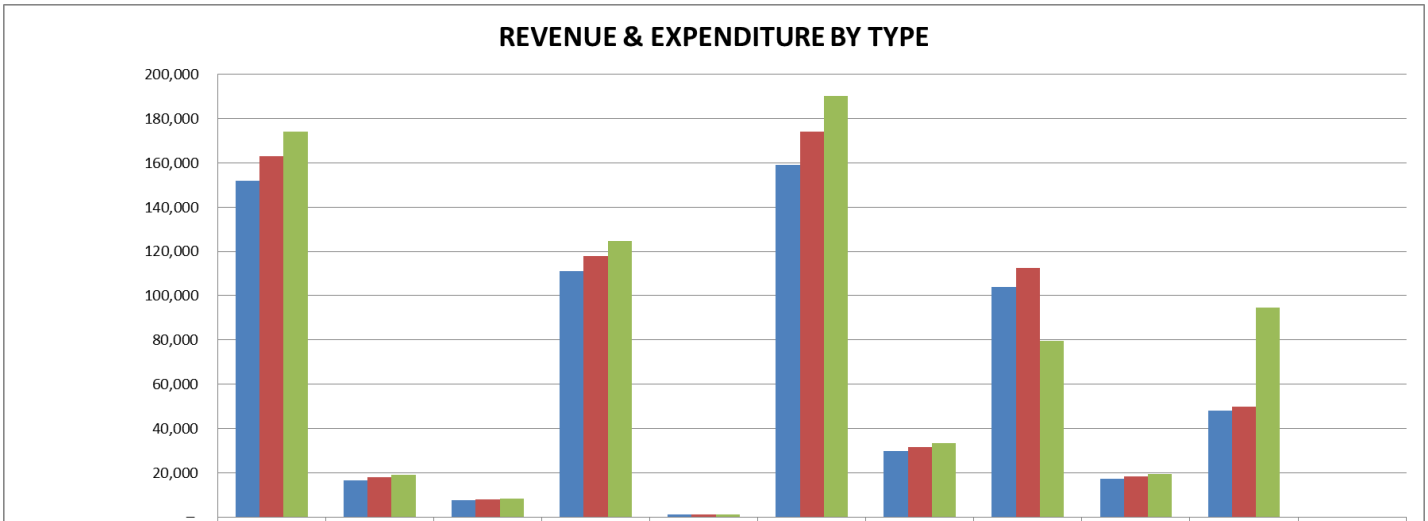
Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2016/17 the percentage of this against the group of expenditure is 5,78% (R 29,6 million) and continues to grow for the two outer years of which budget allocation is in excess of R 3 million by 2018/19.

Contracted services have increased for the Municipality for the 2016/17 financial year. As part of the compilation of the 2016/17 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2016/17 financial year, this group of expenditure totals R 100,2 million and has escalated overall by just 2,7 %, clearly demonstrating the need to investigate these contracts before the 2017/18 financial year to try and apply cost efficiencies. For the two outer years growth has been limited to 5.9%. As part of the process of identifying further cost efficiencies, a business process re-engineering project will commence in the 2016/17 financial year to identify alternative practices and

procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. The reason for the escalation is the additional refuse services for the small towns where refuse was in the past not being collected and the additional security costs as more security guards had to be employed due to theft and damage of infrastructure. Further details relating to contracted services can be seen in Table 64 KZN263 SA1 (see page 100).

Other expenditure comprises of various line items such as insurances, telephone costs, bank charges, Subsistence and travelling, leasing of office equipment, vehicle leases and other costs relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 6% for 2016/17 and curbed at 5.8% for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table 64 KZN263 SA1 (see page 100).

The following table gives a breakdown of the main expenditure categories for the 2016/17 financial year.



	Employee related costs	Remuneration of councillors	Debt impairment	Depreciation & asset impairment	Finance charges	Bulk purchases	Other materials	Contracted services	Transfers and grants	Other expenditure	Loss on disposal of PPE
Budget Year 2016/17	151,945	16,620	7,461	110,958	959	159,013	29,659	103,838	17,237	47,923	–
Budget Year +1 2017/18	162,915	17,817	7,924	117,838	1,019	173,960	31,589	112,438	18,306	49,685	–
Budget Year +2 2018/19	174,067	19,046	8,392	124,790	1,079	190,312	33,453	79,397	19,386	94,418	–

Figure 1 Main operational expenditure categories for the 2015/16 financial year

1.4.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2016/17 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by MFMA Circulars 72, 74,75, 78 and 79 and the outcome of the 2014/2015 audit qualification the municipality must budget for 10% of its expenditure budget to be allocated to repairs and maintenance and the on-going health of the municipality's infrastructure must be supported by an asset management plan. A further 40% of the municipal budget must be allocated to Capital for the renewal of existing assets and provide a detailed explanation and assurance that the budgeted amount is adequate to secure the on-going health of the municipality's infrastructure supported by reference to its asset management plan. The municipality in the state of local government finances and financial management has been accused of persistent under spending on capital and that the municipality is too reliant on capital grants. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 14 Operational Repairs and Maintenance Schedule SA1

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Other materials										
Contracted Services										
Other Expenditure	13,804	12,227	15,064	25,741	24,653	8,984		29,659	31,589	33,453
Total Repairs and Maintenance Expenditure	13,804	12,227	15,064	25,741	24,653	8,984	–	29,659	31,589	33,453

During the compilation of the 2016/17 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance is allocated an amount of R 29,6 million which is more than the adjustment budget of 2015/2016 by R 5 million and will increase in the other two years to R 31,5 million to R 33,4 million. During the 2015 Adjustment Budget this allocation was reduced from R 25,6 to R 24,6 million owing to the challenges faced by the Municipality. Notwithstanding, as part of the 2016/17 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2016/17 equates to R 29,6 million in relations to the Adjustment Budget and continues to grow over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 4, 1% and 4,1% for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 15 Repairs and maintenance per asset class (Expenditure other items) – Schedule A9

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total Capital Expenditure	4									
Infrastructure - Road transport		–	128	40,929	35,861	35,861	35,566	35,419	38,328	40,393
Infrastructure - Electricity		9,027	10,919	13,524	22,180	29,200	25,755	29,000	29,558	30,122
Infrastructure - Water		–	22	–	2,025	1,710	89	1,823	1,936	2,050
Infrastructure - Sanitation		–	14	591	1,550	1,550	561	1,652	1,755	1,858
Infrastructure - Other		–	–	26	320	60	–	61	64	68
Infrastructure		*9,027*	*11,083*	*55,070*	*61,936*	*68,381*	*61,971*	*67,955*	*71,641*	*74,491*
Community		122	151	65	1,670	1,250	51	1,376	1,461	1,547
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		145	426	334	1,410	1,235	531	1,287	1,366	1,447
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	**9,294**	**11,660**	**55,469**	**65,016**	**70,866**	**62,553**	**70,617**	**74,469**	**77,486**

For the 2016/17 financial year, R 23, 2 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure receives R 6,6 million, road infrastructure of R 9,8 million, water R 4,6 million, sanitation R 2 million and refuse R 213 thousand.

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy on an annual basis. The applications are strictly reviewed annually and this year tighter controls were implemented to ensure this service is given to only the poorest of the poor. Detail relating to free services, cost of free basis services, revenue foregone owing to free basic services as well as basic service delivery measurement is contained in Table 27 KZN263 A10 (Basic Service Delivery Measurement) on page 75.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The municipality's cost for the Free Basic Services is R 17, 2 million.

Capital Expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 16 2015/16 Medium-Term Capital Budget per Vote – Schedule SA6

Strategic Objective	Goal	Goal Code	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Basic Service Delivery	Electricity	A	9,027	10,919	13,524	22,180	29,200	25,755	29,000	29,558	30,122
	Water	B	–	22	–	2,025	1,710	89	1,823	1,936	2,050
	Waste Water	C	–	14	591	1,550	1,550	561	1,652	1,755	1,858
	Waste	D	–	–	26	320	60		61	64	68
	Community	E	122	151	65	1,670	1,250	51	1,372	1,458	1,544
Infrastructure	Roads	F	33	130	40,950	35,861	35,886	35,566	35,419	38,328	40,393
Good Governance	Planning & Development	G	–	251	–	40	40	40	43	45	48
	Support Services & Fleet	H	63	110	275	770	770	126	821	872	923
	Executive & Council	I	–	–	–	–	–	–	–	–	–
	Financial Management	J	49	63	38	600	400	365	426	453	480
		K									
		L									
		M									
		N									
		O									
		P									
Allocations to other priorities											
Total Capital Expenditure			**9,294**	**11,660**	**55,469**	**65,016**	**70,866**	**62,553**	**70,617**	**74,469**	**77,485**

For 2016/17 an amount of R 15, 5 million has been appropriated for the development of infrastructure from internal funding and R 55 million from grant funding. In the outer years this amount totals R 16,5 million and R17,4 million from internal funding and R 57, 9 million and R 60 million from grant funding respectively for each of the financial years. Roads, storm water, bus route and other rural projects receives the highest allocation of R 35 million in 2016/17 which equates to 63,6% followed by electricity infrastructure at 36,4% or R 20 million.

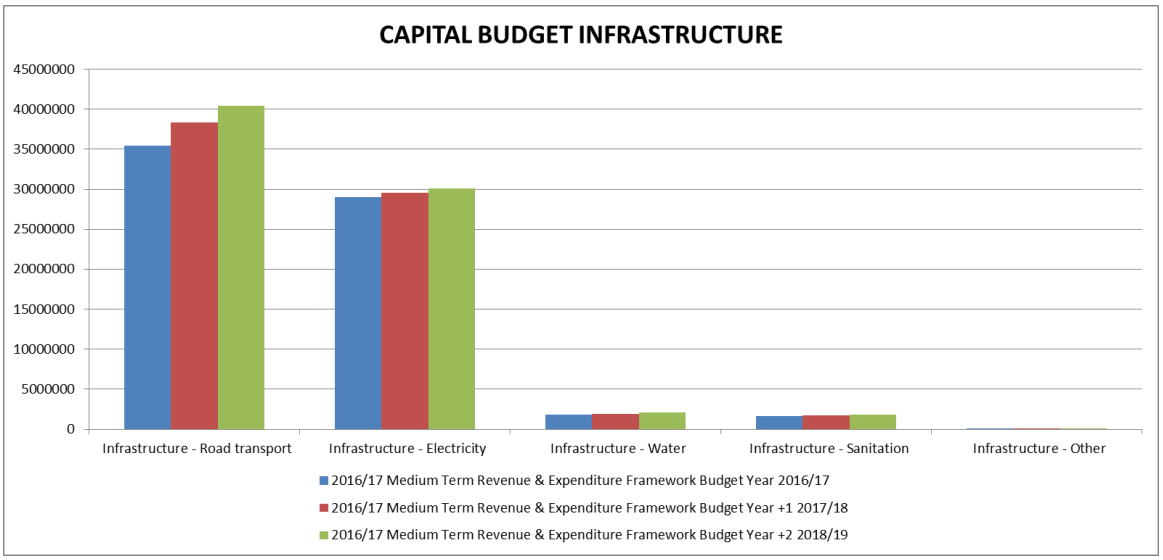
Total net assets represent 77,1 % or R 71,3 million of the total capital budget. Further detail relating to asset classes and proposed capital expenditure is contained in Table 26, A9 (Asset Management) on page 36. In addition to the Table A9, KZN263 Tables SA34a, b, c and d provides a detailed breakdown of the capital programme relating to new asset construction; capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 88, 89 and 90). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- *Cemetery development;*
- *Parks, recreational facilities and swimming pools;*
- *Fire fighting and security equipment;*
- *Customer care offices;*
- *Electricity for all (backlog eradiation) – from ESKOM and the Municipality;*
- *Refurbishment and renewal electrical network;*
- *New electricity infrastructure;*
- *Public lighting;*
- *Waste water treatment works;*
- *Upgrading and renewal of sewers;*
- *Bulk supply and backlog eradication of water;*
- *Refurbishment and renewal of water network;*
- *Backlog eradication of roads;*
- *Backlog eradication of storm water drainage;*
- *Rehabilitation of roads; and*
- *Extension of main entry roads.*

Furthermore pages 92 to 96 contain a detail breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

Figure 2 Capital Infrastructure Programme



Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 A5. It needs to be noted that as part of the 2016/17 MTREF, this expenditure has been factored into the two outer years of the operational budget.

Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/17 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes *on the facing page.*

Table 17 KZN263 Table SA1 - Budget Summary

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		41,574	49,942	59,010	60,626	60,210	51,699	51,699	64,184	68,163	72,185
less Revenue Foregone ***(exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)***											
Net Property Rates		**41,574**	**49,942**	**59,010**	**60,626**	**60,210**	**51,699**	**51,699**	**64,184**	**68,163**	**72,185**
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		126,394	141,091	145,521	172,402	164,383	149,624	149,624	177,587	194,161	212,241
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		**126,394**	**141,091**	**145,521**	**172,402**	**164,383**	**149,624**	**149,624**	**177,587**	**194,161**	**212,241**
Service charges - water revenue	6										
Total Service charges - water revenue		**30,842**	**36,153**	**36,524**	**50,290**	**39,835**	**32,522**	**32,522**	**41,519**	**45,632**	**50,152**
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		**30,842**	**36,153**	**36,524**	**50,290**	**39,835**	**32,522**	**32,522**	**41,519**	**45,632**	**50,152**
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		**16,411**	**19,208**	**25,914**	**24,685**	**24,025**	**20,960**	**20,960**	**26,428**	**29,070**	**31,977**
less Revenue Foregone ***(in excess of free sanitation service to indigent households)***											
less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–		–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Net Service charges - sanitation revenue		**16,411**	**19,208**	**25,914**	**24,685**	**24,025**	**20,960**	**20,960**	**26,428**	**29,070**	**31,977**
Service charges - refuse revenue	6										
Total refuse removal revenue		12,232	13,986	15,946	18,238	17,724	15,608	15,608	19,496	21,446	23,591
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		**12,232**	**13,986**	**15,946**	**18,238**	**17,724**	**15,608**	**15,608**	**19,496**	**21,446**	**23,591**
Other Revenue by source											
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Other Revenue		–	–	–	2,577	–	–	–	1,729	1,823	3,578
Burial fees		–	–	–	180	180	–	–	192	204	216
Encroachment fees		1,599	43,348	45,828	53	53	2,053	676	57	60	64
Photostat Copies		–	–	–	46	21	–	–	23	24	25
Special Consent		–	–	–	–	40	–	–	43	45	48
Gate fees		–	–	–	–	1	–	–	1	1	1
Building Plan fees					53	15			16	17	18
SETA					197	–			–	–	–
Tender deposits					300	60			64	68	72
Rates Clearances					73	60			64	68	72
Monument Fees	3				29	29			31	32	34
Total 'Other' Revenue	1	**1,599**	**43,348**	**45,828**	**3,507**	**459**	**2,053**	**676**	**2,218**	**2,343**	**4,128**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	57,446	61,465	73,915	72,132	71,355	55,285	58,753	81,434	87,426	93,472
Pension and UIF Contributions		603	612	647	15,485	15,053	1,972	575	16,107	17,267	18,458
Medical Aid Contributions		4,080	4,589	4,942	5,677	5,643	266	5,104	6,038	6,473	6,919
Overtime		10,403	8,996	12,348	9,633	16,812	12,991	14,259	17,989	19,284	20,615
Performance Bonus		4,315	4,590	4,810	6,676	5,575	718	5,427	7,078	7,585	8,107
Motor Vehicle Allowance		6,839	10,554	8,751	7,269	7,176	2,517	9,266	7,679	8,231	8,799
Cellphone Allowance		11,943	12,085	12,839	583	571	7,950	11,922	611	655	700
Housing Allowances		342	262	250	334	1,035	1,755	857	1,108	1,187	1,269

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Other benefits and allowances		1,944	2,270	2,052	2,703	2,248	1,917	2,215	4,298	4,608	4,926
Payments in lieu of leave		3,743	2,298	2,002	2,848	3,579	1,192	2,155	3,815	4,051	4,291
Long service awards		28	29	32	36	29	460	20	31	34	36
Post-retirement benefit obligations	4	–	–	–	3,636	5,402	–	–	5,758	6,115	6,476
sub-total	5	**101,686**	**107,749**	**122,588**	**127,012**	**134,478**	**87,023**	**110,553**	**151,945**	**162,915**	**174,067**
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	**101,686**	**107,749**	**122,588**	**127,012**	**134,478**	**87,023**	**110,553**	**151,945**	**162,915**	**174,067**
Contributions recognised - capital											
MIG				40,911	35,566	35,566	35,566	35,566	35,078	37,966	40,009
INEG		9,000	9,000	9,000	18,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Contributions recognised - capital		**9,000**	**9,000**	**49,911**	**53,566**	**55,566**	**55,566**	**55,566**	**55,078**	**57,966**	**60,009**
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		96,145	88,655	82,095	21,994	104,088	104,088	104,088	110,958	117,838	124,790
Lease amortisation		–	19,664	9,058	–	–	–	–	–	–	–
Capital asset impairment		96	96	1,393	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	10	–	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	**96,241**	**108,415**	**92,546**	**21,994**	**104,088**	**104,088**	**104,088**	**110,958**	**117,838**	**124,790**
Bulk purchases											
Electricity Bulk Purchases		112,200	122,108	127,786	154,400	145,350	117,736	117,736	159,013	173,960	190,312
Water Bulk Purchases		–	–	–	–	–	–	–	–	–	–
Total bulk purchases	1	**112,200**	**122,108**	**127,786**	**154,400**	**145,350**	**117,736**	**117,736**	**159,013**	**173,960**	**190,312**
Transfers and grants											
Cash transfers and grants		–	–	–	105	170	95	95	181	192	204
Non-cash transfers and grants		–	–	–	13,991	16,000	15,798	15,798	17,056	18,113	19,182
Total transfers and grants	1	**–**	**–**	**–**	**14,096**	**16,170**	**15,893**	**15,893**	**17,237**	**18,306**	**19,386**
Contracted services											
List services provided by contract		26,703	28,723	43,121	35,292	38,574	28,948	29,242	36,517	41,704	5,907
Internal Audit					2,000	2,000			2,132	2,264	2,398
Meter Reading					2,000	2,600			2,772	2,943	3,117
Computer Services					720	550			586	623	659
VAT Consultant					–	900			500	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parks					6,665	6,150			6,556	6,962	7,373
Security					12,000	12,100			12,899	13,698	14,507
Refuse Removal					10,500	10,400			11,086	11,774	12,468
Steiner					12	22			23	25	26
Digging of Graves					50	50			53	57	60
Electricity-Engineer					1,200	500			533	566	599
WSSA					370	370			394	419	444
Munsoft					1,000	1,500			1,599	1,698	1,798
Infrastructure Plan					1,000	1,000			1,066	1,132	–
Shoba Township Establishment									1,500	1,500	1,500
Shared Services					500	500			533	566	599
Land Use Scheme									1,100	1,168	1,237
Forensic Auditors					220	720			768	815	863
LED WARD Project									2,200	2,200	2,200
Total client services											
Commission on vendor sales					1,089	1,089			1,161	1,233	1,306
Photocopiers & faxes					750	600			640	679	719
Lease of vehicles					17,105	16,850			17,962	19,076	20,201
Telephones					1,000	1,180			1,258	1,336	1,415
sub-total	1	**26,703**	**28,723**	**43,121**	**93,473**	**97,654**	**28,948**	**29,242**	**103,838**	**112,438**	**79,397**
Allocations to organs of state:											
Electricity		–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total contracted services		**26,703**	**28,723**	**43,121**	**93,473**	**97,654**	**28,948**	**29,242**	**103,838**	**112,438**	**79,397**
Other Expenditure By Type	-										
Collection costs		6,586	–	57,183	–	–	3,960	3,960	–	–	–
Contributions to 'other' provisions		68	(135)	–	–	–	–	–	–	–	–
Consultant fees		532	672	1,522	1,050	850	434	434	1,108	1,169	–
Audit fees		1,283	2,482	5,234	2,000	2,000	1,945	1,783	2,132	2,264	2,398
General expenses	3	66,933	81,933	77,677	20,241	34,913	40,306	47,568	11,856	11,495	55,222
List Other Expenditure by Type		–	–	–	–	–	–	–	–	–	–
Ward Committee Members		–	–	–	2,800	2,400	–	–	2,558	2,717	2,877
Newsletter & Radio Slot		–	–	–	150	150	–	–	160	170	171

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Advertisements & Notices		–	–	–	500	350	–	–	373	396	420
Allowances & Pensioners Contributions		–	–	–	1,746	1,400	–	–	1,492	1,585	1,678
Banking Services		–	–	–	1,550	1,350	–	–	1,439	1,528	1,619
Brochures & Postcards		–	–	–	10	10	–	–	111	11	12
Cartage & Railage					75	75			80	85	90
Chemicals					2,575	3,525			3,758	3,991	4,226
Cleaning Materials					437	404			431	457	484
Conference Fees & Travelling					3,020	3,128			3,334	3,541	3,750
Municipal Services					6,655	7,132			7,603	8,074	8,550
Compensation Commissioner					550	550			586	623	659
Strategic Planning Sessions & Refreshments					187	192			205	217	230
Budget Road show					500	650			693	736	779
First Aid Supplies					16	16			17	18	19
Council Community Projects					1,000	1,000			1,066	1,132	1,199
LED Projects & Poverty Alleviation					3,300	5,400			5,756	6,113	6,474
Spluma					1,000	1,000			1,066	1,132	1,199
Indigent Burials					220	220			235	249	264
Insurances					1,000	1,750			1,866	1,981	2,098
Total 'Other' Expenditure	1	**75,402**	**84,953**	**141,615**	**50,580**	**68,464**	**46,645**	**53,744**	**47,923**	**49,685**	**94,418**

Explanatory notes to KZN263 Table A1 - Budget Summary

1. *Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).*

2. *The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.*

3. *Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:*

   a) *The operating surplus/deficit (after Total Expenditure) is negative over the MTREF*
   b) *Capital expenditure is balanced by capital funding sources, of which*

   I. *Transfers recognised is reflected on the Financial Performance Budget;*
   II. *Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.*

4. *The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2018/19, when a smaller deficit is reflected.*

5. *Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The Section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. It is anticipated that by 2018/19 the water backlog will have been very nearly eliminated.*

Table 18 KZN263 Table SA2 - Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)

Description	Ref	Vote 1 - Municipal Governance & Administration	Vote 2 - Budget & Treasury	Vote 3 - Corporate Services	Vote 4 -	Vote 5 - Community & Public Safety	Vote 6 - Technical Services	Vote 7 - Trading Services	Vote 8 - Other	Vote 9 - Planning and development	Total
R thousand	1										
Revenue By Source											
Property rates		–	64,184	–	–	–	–	–	–	–	**64,184**
Property rates - penalties & collection charges		–	2,132	–	–	–	–	–	–	–	**2,132**
Service charges - electricity revenue		–	–	–	–	–	–	171,419	–	–	**171,419**
Service charges - water revenue		–	–	–	–	–	–	41,519	–	–	**41,519**
Service charges - sanitation revenue		–	–	–	–	–	–	26,428	–	–	**26,428**
Service charges - refuse revenue		–	–	–	–	–	–	19,496	–	–	**19,496**
Service charges - other		–	–	–	–	–	–	–	–	–	**–**
Rental of facilities and equipment		–	858	167	–	211	–	–	–	–	**1,237**
Interest earned - external investments		–	1,956	–	–	–	–	–	–	–	**1,956**
Interest earned - outstanding debtors		–	16	–	–	–	–	–	–	–	**16**
Dividends received		–	–	–	–	–	–	–	–	–	**–**
Fines		–	–	–	–	1,606	–	–	–	–	**1,606**
Licences and permits		–	–	–	–	2,468	2,131	–	–	–	**4,599**
Agency services		–	–	–	–	–	–	–	–	–	**–**
Other revenue		15	1,633	–	–	252	246	6,170	–	197	**8,514**
Transfers recognised - operational		–	109,509	–	–	3,681	36,476	20,000	100	–	**169,766**
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contributions)		**15**	**180,288**	**167**	**–**	**8,219**	**38,853**	**285,032**	**100**	**197**	**512,871**
Expenditure By Type	-										
Employee related costs		6,919	18,082	12,691	–	24,763	15,927	59,084	391	4,515	**142,372**
Remuneration of councillors		16,620	–	–	–	–	–	–	–	–	**16,620**
Debt impairment		7,461	–	–	–	–	–	–	–	–	**7,461**
Depreciation & asset impairment		4,527	507	4,398	–	6,637	26,081	68,771	–	38	**110,958**
Finance charges		–	693	–	–	–	–	–	–	–	**693**
Bulk purchases		–	–	–	–	–	–	159,013	–	–	**159,013**
Other materials		–	20	1,307	–	1,632	13,642	13,249	2	–	**29,850**
Contracted services		5,328	7,880	3,465	–	20,940	14,711	21,863	–	–	**74,186**
Transfers and grants		–	1,625	–	–	–	1,398	15,457	100	–	**18,580**
Other expenditure		27,436	6,640	6,720	–	6,966	1,915	26,256	131	9,817	**85,881**

Description R thousand	Ref 1	Vote 1 - Municipal Governance & Administration	Vote 2 - Budget & Treasury	Vote 3 - Corporate Services	Vote 4 -	Vote 5 - Community & Public Safety	Vote 6 - Technical Services	Vote 7 - Trading Services	Vote 8 - Other	Vote 9 - Planning and development	Total
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**68,291**	**35,447**	**28,581**	**–**	**60,938**	**73,673**	**363,692**	**624**	**14,370**	**645,614**
Surplus/(Deficit)		**(68,276)**	**144,841**	**(28,413)**	**–**	**(52,719)**	**(34,820)**	**(78,660)**	**(524)**	**(14,173)**	**(132,743)**
Transfers recognised - capital		–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(68,276)**	**144,841**	**(28,413)**	**–**	**(52,719)**	**(34,820)**	**(78,660)**	**(524)**	**(14,173)**	**(132,743)**

Explanatory notes to KZN263 Table A2 - Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)

1. *Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.*

2. *Note the Total Revenue on this table includes capital revenues (Transfers recognised – Capital) and so does not balance to the operating revenue shown on Table A4.*

3. *Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity, Water, Solid Waste and Waste water functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.*

4. *Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Governance & Administration.*

Table 19 KZN263 Table SA3 - Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS											
Call investment deposits											
Call deposits < 90 days		–	41,643	26,071	26,071	26,071	12,000	12,000	12,000	15,000	15,000
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Total Call investment deposits	2	**–**	**41,643**	**26,071**	**26,071**	**26,071**	**12,000**	**12,000**	**12,000**	**15,000**	**15,000**
Consumer debtors											
Consumer debtors		57,066	46,962	74,485	74,485	74,485	74,485	74,485	74,485	74,485	74,485
Less: Provision for debt impairment		(26,293)	(4,992)	(4,968)	(4,968)	(4,968)	(4,968)	(4,968)	(4,968)	(4,968)	(4,968)
Total Consumer debtors	2	**30,773**	**41,970**	**69,517**	**69,517**	**69,517**	**69,517**	**69,517**	**69,517**	**69,517**	**69,517**
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision		(26,293)	(31,237)	–	–	–	–	–	–	–	–
Bad debts written off											
Balance at end of year		**(26,293)**	**(31,237)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		5,050,148	3,093,183	3,141,856	3,141,856	3,141,856	3,156,581	3,156,581	3,141,856	3,141,856	3,141,856
Leases recognised as PPE	3	–	–	–	–	–	24,269	24,269	–	–	–
Less: Accumulated depreciation		3,299,343	1,551,688	1,634,380	1,634,380	1,634,380	1,701,930	1,701,930	1,634,380	1,634,380	1,634,380
Total Property, plant and equipment (PPE)	2	**1,750,805**	**1,541,495**	**1,507,476**	**1,507,476**	**1,507,476**	**1,478,920**	**1,478,920**	**1,507,476**	**1,507,476**	**1,507,476**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		–	1,381	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		–	–	–	–	–	–	–	–	–	–
Total Current liabilities - Borrowing		**–**	**1,381**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Trade and other payables											
Trade and other creditors		35,956	57,094	66,129	66,129	66,129	30,134	30,134	66,129	66,129	66,129
Unspent conditional transfers		33,505	6,310	5,245	5,245	5,245	14,411	14,411	5,245	5,245	5,245
VAT		(1,221)	(3,402)	–	–	–	(9,137)	(9,137)	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total Trade and other payables	2	**68,240**	**60,002**	**71,374**	**71,374**	**71,374**	**35,408**	**35,408**	**71,374**	**71,374**	**71,374**
Non current liabilities - Borrowing											
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Finance leases (including PPP asset element)		–	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Provisions - non-current											
Retirement benefits		47,173	36,565	62,275	62,275	62,275	65,859	65,859	62,275	62,275	62,275
List other major provision items											
Refuse landfill site rehabilitation		97,133	53,122	55,632	55,632	55,632	58,483	58,483	55,632	55,632	55,632
Other		–	–	–	7	7	–	–	7	7	7
Total Provisions - non-current		**144,306**	**89,687**	**117,907**	**117,914**	**117,914**	**124,342**	**124,342**	**117,914**	**117,914**	**117,914**
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1,790,670	1,547,502	1,469,437	1,469,437	1,469,437	1,467,358	1,467,358	1,469,437	1,469,437	1,469,437
GRAP adjustments											
Restated balance		1,790,670	1,547,502	1,469,437	1,469,437	1,469,437	1,467,358	1,467,358	1,469,437	1,469,437	1,469,437
Surplus/(Deficit)		(63,619)	20,304	(49,957)	3,894	(126,261)	43,481	503	(132,743)	(140,973)	(149,291)
Appropriations to Reserves		(2,771)	–	–	–	–	–	–	–	–	–
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	**1,724,279**	**1,567,806**	**1,419,480**	**1,473,331**	**1,343,176**	**1,510,839**	**1,467,861**	**1,336,694**	**1,328,464**	**1,320,146**
Reserves	-										
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–	–
Total Reserves	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL COMMUNITY WEALTH/EQUITY	2	**1,724,279**	**1,567,806**	**1,419,480**	**1,473,331**	**1,343,176**	**1,510,839**	**1,467,861**	**1,336,694**	**1,328,464**	**1,320,146**

Explanatory notes to KZN263 Table A3 - Budgeted Financial Performance (Revenue and Expenditure by municipal vote)

1. *Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.*

Table 20 Surplus/ (Deficit) calculations for the trading services

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote	1									
Vote 1 - Municipal Governance & Administration		6,161	6,909	1,049	9,018	9,013	942	16	17	18
Vote 2 - Budget & Treasury		115,747	154,317	206,917	167,262	162,340	180,288	180,288	192,578	204,779
Vote 3 - Corporate Services		697	2,837	3,797	332	907	160	167	178	188
Vote 4 -		–	–	–	–	–	–	–	–	–
Vote 5 - Community & Public Safety		9,221	16,941	15,975	11,812	9,552	13,219	10,351	10,918	11,495
Vote 6 - Technical Services		23,835	31,076	49,423	37,214	37,214	41,130	36,722	38,228	40,286
Vote 7 - Trading Services		202,099	234,535	233,674	283,965	264,567	258,882	285,030	310,289	337,961
Vote 8 - Other		100	50	–	100	100	50	100	100	100
Vote 9 - Planning and development		995	21,774	153	176	91	101	197	209	222
Total Revenue by Vote	2	**358,855**	**468,438**	**510,988**	**509,879**	**483,784**	**494,772**	**512,872**	**552,517**	**595,049**

None

2. *The electricity trading is showing signs of improvement over the 2016/17 MTREF from a deficit in the adjustment budget for 2015/16 of approximately R 50,9 million to a deficit of R 35,8 million in 2016/17 and increases in the outer two years. This is primarily as a result of the high increases in ESKOM bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers as well as additional requirements from the Section to upgrade the ageing infrastructure which is a non-cash item of depreciation.*

3. *The deficit on the water account remains relatively constant over the MTREF translating into a deficit of R 10,1 million and R 9,1 million for each of the respective outer financial years; and in the 2016/17 a deficit of R 10,8 million is forecast. This is mainly due to the non-cash item of depreciation.*

4. *Note that there is no longer surpluses on these trading accounts that can be utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure,* and are not used to cross-subsidise other municipal services.

Table 21 KZN263 Table A4 - Budgeted Financial Performance (Revenue and Expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	41,574	49,942	59,010	60,626	60,210	51,699	51,699	64,184	68,163	72,185
Property rates - penalties & collection charges		851	1,306	1,890	1,700	2,000	2,283	2,093	2,132	2,264	2,398
Service charges - electricity revenue	2	126,394	141,091	145,521	172,402	164,383	149,624	149,624	177,587	194,161	212,241
Service charges - water revenue	2	30,842	36,153	36,524	50,290	39,835	32,522	32,522	41,519	45,632	50,152
Service charges - sanitation revenue	2	16,411	19,208	25,914	24,685	24,025	20,960	20,960	26,428	29,070	31,977
Service charges - refuse revenue	2	12,232	13,986	15,946	18,238	17,724	15,608	15,608	19,496	21,446	23,591
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		800	1,189	1,297	1,387	1,159	743	1,063	1,463	1,542	–
Interest earned - external investments		3,970	4,369	3,166	3,406	1,835	551	1,584	1,956	2,077	2,200
Interest earned - outstanding debtors		9	5	–	–	15	–	–	16	17	18
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		1,982	9,375	8,297	3,506	2,007	4,713	3,982	1,713	1,819	1,927
Licences and permits		5,216	4,415	4,063	4,538	4,215	4,013	3,679	4,493	4,772	5,053
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		116,751	163,051	113,621	112,027	114,616	139,606	129,583	114,588	121,245	129,171
Other revenue	2	1,599	43,348	45,828	3,507	459	2,053	676	2,218	2,343	4,128
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**358,631**	**487,439**	**461,077**	**456,312**	**432,483**	**424,376**	**413,072**	**457,794**	**494,551**	**535,040**
Expenditure By Type											
Employee related costs	2	101,686	107,749	122,588	127,012	134,478	87,023	110,553	151,945	162,915	174,067
Remuneration of councillors		12,093	13,981	14,819	16,390	15,533	11,969	13,603	16,620	17,817	19,046
Debt impairment	3	4,599	7,128	16,848	1,698	7,000	10,592	9,709	7,461	7,924	8,392
Depreciation & asset impairment	2	96,241	108,415	92,546	21,994	104,088	104,088	104,088	110,958	117,838	124,790
Finance charges		2,325	3,079	1,623	650	900	238	238	959	1,019	1,079
Bulk purchases	2	112,200	122,108	127,786	154,400	145,350	117,736	117,736	159,013	173,960	190,312
Other materials	8	–	–	–	25,691	24,673	13,329	13,329	29,659	31,589	33,453
Contracted services		26,703	28,723	43,121	93,473	97,654	28,948	29,242	103,838	112,438	79,397
Transfers and grants		–	–	–	14,096	16,170	15,893	15,893	17,237	18,306	19,386
Other expenditure	4, 5	75,402	84,953	141,615	50,580	68,464	46,645	53,744	47,923	49,685	94,418

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 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 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**431,250**	**476,135**	**560,945**	**505,984**	**614,310**	**436,461**	**468,135**	**645,615**	**693,490**	**744,340**
Surplus/(Deficit)		**(72,619)**	**11,304**	**(99,868)**	**(49,672)**	**(181,827)**	**(12,085)**	**(55,063)**	**(187,821)**	**(198,939)**	**(209,300)**
Transfers recognised - capital		–	–								
Contributions recognised - capital	6	9,000	9,000	49,911	53,566	55,566	55,566	55,566	55,078	57,966	60,009
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**(63,619)**	**20,304**	**(49,957)**	**3,894**	**(126,261)**	**43,481**	**503**	**(132,743)**	**(140,973)**	**(149,291)**

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

1. *Total revenue is R 457,7 million in 2016/17 and escalates to R 545,1 million by 2018/19. This represents a year-on-year increase of 6,6% for the 2016/17 financial year and 5.9% for the 2018/19 financial year.*

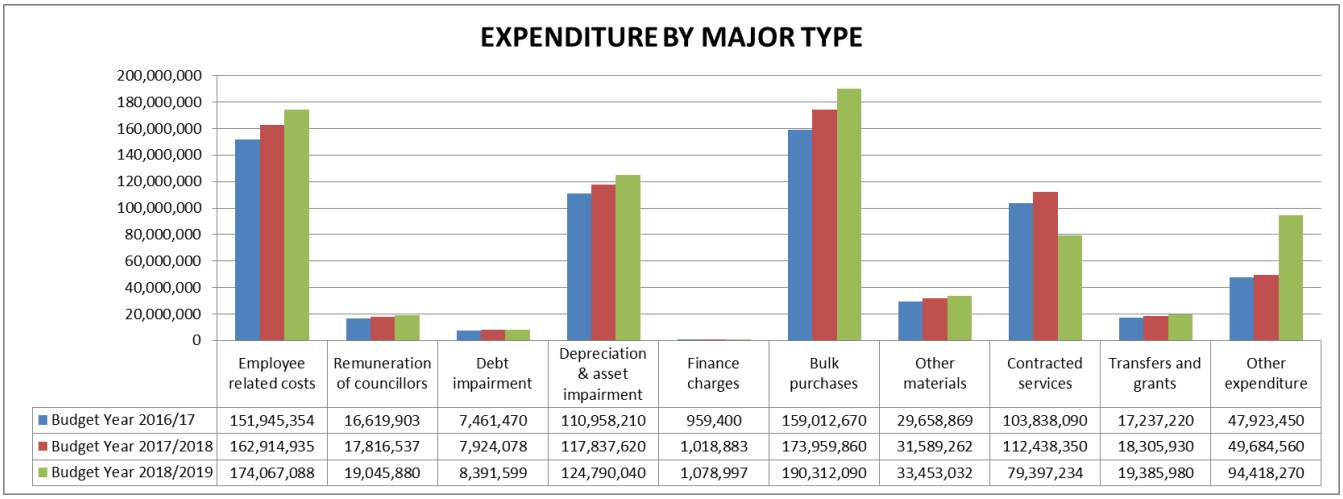
2. *Revenue to be generated from property rates is R 64,1 million in the 2016/17 financial year and increases to R 72,1 million by 2018/19 which represents 13,8% of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6,2% and 5,9% for each of the respective financial years of the MTREF.*

3. *Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R 265 million for the 2016/17 financial year and increasing to R 317,9 million by 2018/19. A notable trend is the growth in the total percentage revenue generated from services charges which remains constant at 6,6%, 6,2% and 5,9% in 2016/17, 2017/18 and 2018/19. This can be mainly attributed to the cost of bulk electricity increase in the Eskom tariffs for bulk electricity remaining at 10% in the outer two years.*

4. *Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 5,9 for the two outer years. The percentage share of this revenue source increases due to the new formula that was implemented for the Equitable Share allocation.*

5. *The following graph illustrates the major expenditure items per type.*

Figure 3 Expenditure by Major Type



	Employee related costs	Remuneration of councillors	Debt impairment	Depreciation & asset impairment	Finance charges	Bulk purchases	Other materials	Contracted services	Transfers and grants	Other expenditure
Budget Year 2016/17	151,945,354	16,619,903	7,461,470	110,958,210	959,400	159,012,670	29,658,869	103,838,090	17,237,220	47,923,450
Budget Year 2017/2018	162,914,935	17,816,537	7,924,078	117,837,620	1,018,883	173,959,860	31,589,262	112,438,350	18,305,930	49,684,560
Budget Year 2018/2019	174,067,088	19,045,880	8,391,599	124,790,040	1,078,997	190,312,090	33,453,032	79,397,234	19,385,980	94,418,270

6. *Bulk purchases have significantly increased over the 2015/16 to 2018/19 period escalating from R 145 million to R 190 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from ESKOM.*

7. *Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.*

Table 22 KZN263 Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 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 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Municipal Governance & Administration		–	–	–	–	–	–	–	–	–	–
Vote 2 - Budget & Treasury		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 4 -		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community & Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 6 - Technical Services		–	–	40,911	35,566	35,566	35,566	35,566	35,078	37,966	40,009
Vote 7 - Trading Services		9,000	9,000	9,000	18,000	20,000	20,000	20,000	20,000	20,000	20,000
Vote 8 - Other		–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**9,000**	**9,000**	**49,911**	**53,566**	**55,566**	**55,566**	**55,566**	**55,078**	**57,966**	**60,009**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Municipal Governance & Administration		–	–	–	–	–	–	–	–	–	–
Vote 2 - Budget & Treasury		49	63	38	600	400	365	365	426	453	480
Vote 3 - Corporate Services		63	110	275	770	770	126	126	821	872	923
Vote 4 -		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community & Public Safety		122	151	65	1,680	1,260	51	51	1,383	1,469	1,556
Vote 6 - Technical Services		33	130	39	285	310	–	–	330	351	372
Vote 7 - Trading Services		27	1,955	5,141	8,075	12,520	6,405	6,405	12,536	13,313	14,099
Vote 8 - Other		–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		–	251	–	40	40	40	40	43	45	48
Capital single-year expenditure sub-total		**294**	**2,660**	**5,558**	**11,450**	**15,300**	**6,987**	**6,987**	**15,539**	**16,503**	**17,477**
Total Capital Expenditure - Vote		**9,294**	**11,660**	**55,469**	**65,016**	**70,866**	**62,553**	**62,553**	**70,617**	**74,469**	**77,486**

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

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

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2016/17 R 55 million has been allocated of the total R 71, 3 million capital budgets, which total 77,1%. This allocation increases to R 57,9 million in 2017/18 and then increases to R 60 million in 2018/19

3. Single-year capital expenditure has been appropriated at R 15,5 million for the 2016/17 financial year and increases over the MTREF at levels of R 16, 5 million and R 17,4 million respectively for the two outer years.

4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

5. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. For 2016/17, capital transfers totals R 55 million and increases to R 60 million by 2018/19. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 23 KZN263 Table A6 - Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS											
Current assets											
Cash		83,211	53,151	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565
Call investment deposits	1	–	41,643	26,071	26,071	26,071	12,000	12,000	12,000	15,000	15,000
Consumer debtors	1	30,773	41,970	69,517	69,517	69,517	69,517	69,517	69,517	69,517	69,517
Other debtors		28,045	26,646	18,191	18,191	18,191	18,191	18,191	18,191	18,191	18,191
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	7,621	7,894	11,943	11,943	11,943	11,943	11,943	11,943	11,943	11,943
Total current assets		**149,650**	**171,304**	**136,287**	**136,287**	**136,287**	**122,216**	**122,216**	**122,216**	**125,216**	**125,216**
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		9,766	27,677	25,390	25,390	25,390	25,390	25,390	25,390	25,390	25,390
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	1,750,805	1,541,495	1,507,476	1,507,476	1,507,476	1,478,920	1,478,920	1,507,476	1,507,476	1,507,476
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		738	570	202	202	202	202	202	202	202	202
Other non-current assets		–	–	3,854	3,854	3,854	3,854	3,854	3,854	3,854	3,854
Total non current assets		**1,761,309**	**1,569,742**	**1,536,922**	**1,536,922**	**1,536,922**	**1,508,366**	**1,508,366**	**1,536,922**	**1,536,922**	**1,536,922**
TOTAL ASSETS		**1,910,959**	**1,741,046**	**1,673,209**	**1,673,209**	**1,673,209**	**1,630,582**	**1,630,582**	**1,659,138**	**1,662,138**	**1,662,138**
LIABILITIES											
Current liabilities	-										
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits		12,286	12,841	13,103	13,103	13,103	13,103	13,103	13,103	13,103	13,103
Trade and other payables	4	68,240	60,002	71,374	71,374	71,374	35,408	35,408	71,374	71,374	71,374
Provisions		0	–	1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381
Total current liabilities		**80,526**	**72,843**	**85,858**	**85,858**	**85,858**	**49,892**	**49,892**	**85,858**	**85,858**	**85,858**
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		144,306	89,687	117,907	117,914	117,914	124,342	124,342	117,914	117,914	117,914

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total non current liabilities		**144,306**	**89,687**	**117,907**	**117,914**	**117,914**	**124,342**	**124,342**	**117,914**	**117,914**	**117,914**
TOTAL LIABILITIES		**224,832**	**162,529**	**203,765**	**203,772**	**203,772**	**174,233**	**174,233**	**203,772**	**203,772**	**203,772**
NET ASSETS	5	**1,686,127**	**1,578,517**	**1,469,444**	**1,469,437**	**1,469,437**	**1,456,349**	**1,456,349**	**1,455,366**	**1,458,366**	**1,458,366**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,686,127	1,578,517	1,469,444	1,469,437	1,469,437	1,470,420	1,470,420	1,469,437	1,469,437	1,469,437
Reserves	4	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**1,686,127**	**1,578,517**	**1,469,444**	**1,469,437**	**1,469,437**	**1,470,420**	**1,470,420**	**1,469,437**	**1,469,437**	**1,469,437**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table 66 is supported by an extensive table of notes (SA3 which can be found on page 41) providing a detailed analysis of the major components of a number of items, including:

   - *Call investments deposits;*
   - *Consumer debtors;*
   - *Property, plant and equipment;*
   - *Trade and other payables;*
   - *Provisions non current;*
   - *Changes in net assets; and*
   - *Reserves*

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24 KZN263 Table A7 - Budgeted Cash Flow from Operating activities Statement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		16,270	38,866	60,900	56,758	62,210	58,896	58,896	66,316	70,427	74,583
Service charges		185,879	210,439	224,763	244,471	248,567	238,882	238,882	265,029	290,289	317,961
Other revenue		9,596	58,327	13,731	13,348	46,108	11,523	9,400	9,888	10,476	11,108
Government - operating	1	93,950	133,084	114,773	114,030	132,809	139,606	129,583	114,588	121,245	129,171
Government - capital	1	9,000	9,000	49,911	53,500	55,566	55,566	55,566	55,078	57,966	60,009
Interest		3,979	4,375	3,166	3,406	1,835	1,725	1,725	1,972	2,094	2,218
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(167,332)	(418,410)	(403,580)	(438,335)	(451,738)	(386,232)	(386,232)	(476,232)	(538,220)	(579,909)
Finance charges		(2,325)	(3,079)	(458)	–	(650)	(900)	(900)	(959)	(1,019)	(1,079)
Transfers and Grants	1	(19,155)	(33,798)	(15,610)	(14,096)	(34,952)	(15,757)	(15,757)	(17,237)	(18,306)	(19,386)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**129,862**	**(1,196)**	**47,596**	**33,082**	**59,755**	**103,308**	**91,162**	**18,443**	**(5,048)**	**(5,325)**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	677	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(9,000)	(9,000)	(59,670)	(64,995)	(55,566)	(55,566)	(55,566)	(55,078)	(57,966)	(60,009)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(9,000)**	**(9,000)**	**(58,994)**	**(64,995)**	**(55,566)**	**(55,566)**	**(55,566)**	**(55,078)**	**(57,966)**	**(60,009)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	(5,117)	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**(5,117)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**120,862**	**(10,196)**	**(16,515)**	**(31,913)**	**4,189**	**47,742**	**35,596**	**(36,635)**	**(63,014)**	**(65,334)**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash/cash equivalents at the year begin:	2	49,917	83,211	53,151	120	32,447	36,636	36,636	36,636	1	(63,013)
Cash/cash equivalents at the year end:	2	170,780	73,015	36,636	(31,793)	36,636	84,378	72,232	1	(63,013)	(128,347)

Table 25 KZN263 Table A8 - Cash & Investments Backed Reserves / Accumulated Surplus Reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash and investments available											
Cash/cash equivalents at the year end	1	170,780	73,015	36,636	(31,793)	36,636	84,378	72,232	1	(63,013)	(128,347)
Other current investments > 90 days		(87,569)	21,780	(0)	68,429	(0)	(61,813)	(49,667)	22,564	88,578	153,912
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**83,211**	**94,794**	**36,636**	**36,636**	**36,636**	**22,565**	**22,565**	**22,565**	**25,565**	**25,565**
Application of cash and investments											
Unspent conditional transfers		33,505	6,310	5,245	5,245	5,245	14,411	14,411	5,245	5,245	5,245
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(16,393)	(8,867)	(10,142)	(14,811)	(32,917)	(65,314)	(65,437)	(21,575)	(21,570)	(21,575)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**17,112**	**(2,557)**	**(4,897)**	**(9,566)**	**(27,672)**	**(50,903)**	**(51,026)**	**(16,330)**	**(16,325)**	**(16,330)**
Surplus(shortfall)		**66,098**	**97,351**	**41,533**	**46,202**	**64,308**	**73,468**	**73,591**	**38,895**	**41,890**	**41,895**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

3. It can be seen that the cash levels of the Municipality decreased significantly over the 2013/14 to 2014/15 period owing directly to a net decrease in cash for the 2015/16 financial year of R 53,1 million.

4. The approved 2015/16 MTREF provided for a net decrease in cash of R 20,1 million for the 2015/16 financial year, during the Adjustment Budget the resulting changed to an overall projected cash position of R84 million surplus at year end.

5. As part of the 2015/16 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.

6. The 2016/17 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

7. Cash and cash equivalents totals R 1 million cash surplus as at the end of the 2016/17 financial year and escalates to R 128 million deficit by 2018/19.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

4. Non-compliance with Section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

5. *From the table it can be seen that for the period 2016/17 to 2018/19 the surplus remains between R38,8 million and R 41,8 million.*

6. *As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to Section 18 of the MFMA.*

7. *As can be seen the budget has been modelled to a surplus of R 38,8 million in 2016/17 to surplus of R 41,8 million by 2018/19. These figures have been revisited before the tabling of the final budget in May 2016.*

Table 26 KZN263 Table A9 - Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CAPITAL EXPENDITURE										
Total New Assets	1	**9,294**	**11,660**	**55,469**	**65,016**	**70,866**	**62,553**	**70,617**	**74,469**	**77,486**
Infrastructure - Road transport		–	128	40,929	35,861	35,861	35,566	35,419	38,328	40,393
Infrastructure - Electricity		9,027	10,919	13,524	22,180	29,200	25,755	29,000	29,558	30,122
Infrastructure - Water		–	22	–	2,025	1,710	89	1,823	1,936	2,050
Infrastructure - Sanitation		–	14	591	1,550	1,550	561	1,652	1,755	1,858
Infrastructure - Other		–	–	26	320	60	–	61	64	68
Infrastructure		*9,027*	*11,083*	*55,070*	*61,936*	*68,381*	*61,971*	*67,955*	*71,641*	*74,491*
Community		122	151	65	1,670	1,250	51	1,376	1,461	1,547
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	145	426	334	1,410	1,235	531	1,287	1,366	1,447
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure	-	–	–	–	–	–	–	–	–	–
Community	-	–	–	–	–	–	–	–	–	–
Heritage assets	-	–	–	–	–	–	–	–	–	–
Investment properties	-	–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		–	128	40,929	35,861	35,861	35,566	35,419	38,328	40,393
Infrastructure - Electricity		9,027	10,919	13,524	22,180	29,200	25,755	29,000	29,558	30,122

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Infrastructure - Water		–	22	–	2,025	1,710	89	1,823	1,936	2,050
Infrastructure - Sanitation		–	14	591	1,550	1,550	561	1,652	1,755	1,858
Infrastructure - Other		–	–	26	320	60	–	61	64	68
Infrastructure		*9,027*	*11,083*	*55,070*	*61,936*	*68,381*	*61,971*	*67,955*	*71,641*	*74,491*
Community		122	151	65	1,670	1,250	51	1,376	1,461	1,547
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		145	426	334	1,410	1,235	531	1,287	1,366	1,447
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	**9,294**	**11,660**	**55,469**	**65,016**	**70,866**	**62,553**	**70,617**	**74,469**	**77,486**
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		685,644	682,026	178,543	739,627	178,543	178,543	178,543	178,543	178,543
Infrastructure - Electricity		623,358	596,992	572,862	623,672	572,862	572,862	572,862	572,862	572,862
Infrastructure - Water		310,864	299,714	290,010	298,444	290,010	290,010	290,010	290,010	290,010
Infrastructure - Sanitation		137,274	131,637	126,000	124,666	126,000	126,000	126,000	126,000	126,000
Infrastructure - Other		2,108	2,108	2,108	2,458	2,108	2,108	2,108	2,108	2,108
Infrastructure		*1,759,248*	*1,712,476*	*1,169,523*	*1,788,867*	*1,169,523*	*1,169,523*	*1,169,523*	*1,169,523*	*1,169,523*
Community		90,456	85,084	79,612	86,190	79,612	79,612	79,612	79,612	79,612
Heritage assets		3,074	3,074	3,855	3,074	3,855	3,855	3,855	3,855	3,855
Investment properties		9,766	27,677	25,390	25,390	25,390	25,390	25,390	25,390	25,390
Other assets		189,516	229,582	219,760	228,173	254,377	254,377	254,377	254,377	254,377
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		738	570	202	202	202	202	202	202	202
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**2,052,798**	**2,058,463**	**1,498,341**	**2,131,895**	**1,532,958**	**1,532,958**	**1,532,958**	**1,532,958**	**1,532,958**
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		96,241	108,415	92,546	21,994	104,088	104,088	110,958	117,838	124,790
Repairs and Maintenance by Asset Class	3	13,804	12,227	15,064	25,741	24,653	8,984	29,659	31,590	33,453
Infrastructure - Road transport		5,379	4,792	5,921	9,015	9,215	2,775	13,859	16,043	17,030
Infrastructure - Electricity		4,322	2,177	2,435	7,340	6,250	229	6,649	7,062	7,478
Infrastructure - Water		2,390	3,019	3,311	3,404	4,356	2,266	4,376	4,648	4,922
Infrastructure - Sanitation		1,437	997	1,982	1,810	1,910	1,662	2,010	2,135	2,261
Infrastructure - Other		–	21	–	500	200	–	213	266	240
Infrastructure		*13,528*	*11,006*	*13,649*	*22,069*	*21,931*	*6,932*	*27,108*	*30,154*	*31,931*

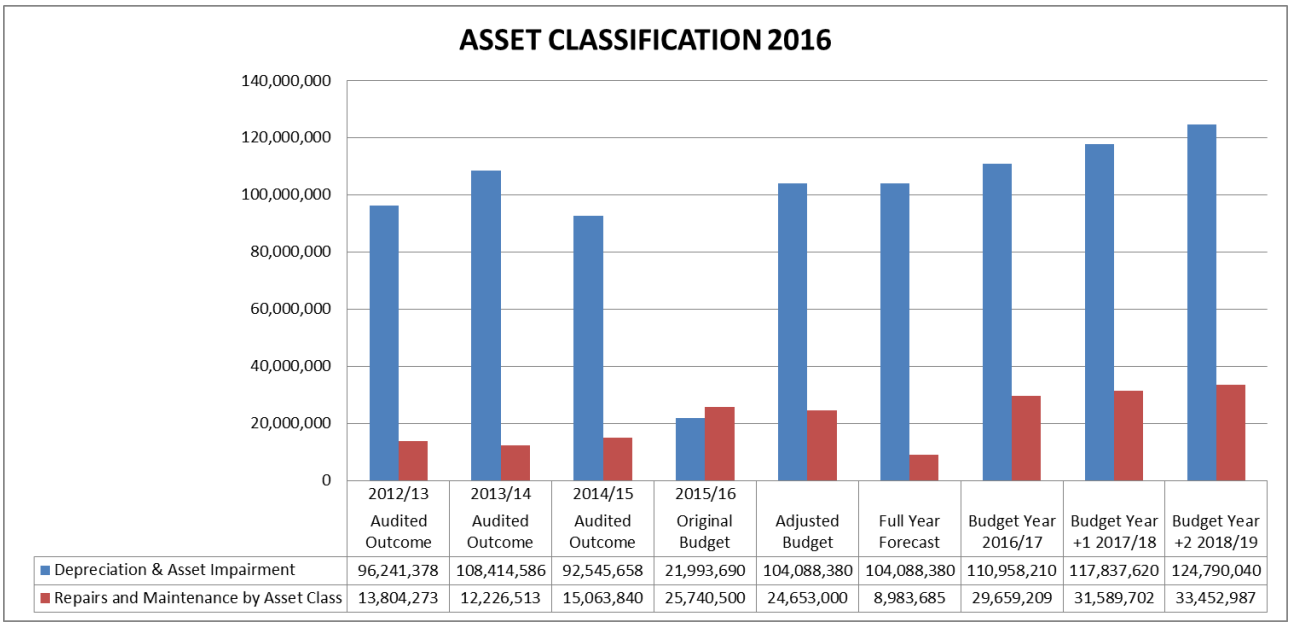
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Community		423	838	769	2,050	1,401	885	1,244	1,323	1,402
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	(146)	383	645	1,622	1,322	1,167	1,307	113	120
TOTAL EXPENDITURE OTHER ITEMS		**110,046**	**120,641**	**107,609**	**47,734**	**128,741**	**113,072**	**140,617**	**149,427**	**158,243**

Explanatory notes to Table A9 - Asset Management

1. *Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.*

2. *National Treasury has recommended that municipalities should allocate at least 40 % of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. The Municipality is not able to meet both these recommendations.*

3. *The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.*



	2012/13 Audited Outcome	2013/14 Audited Outcome	2014/15 Audited Outcome	2015/16 Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Depreciation & Asset Impairment	96,241,378	108,414,586	92,545,658	21,993,690	104,088,380	104,088,380	110,958,210	117,837,620	124,790,040
Repairs and Maintenance by Asset Class	13,804,273	12,226,513	15,063,840	25,740,500	24,653,000	8,983,685	29,659,209	31,589,702	33,452,987

Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

Table 27 KZN263 Table A10 - Basic Service Delivery Measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
Water:										
Piped water inside dwelling		17,237	17,237	17,237	67,076	67	67	67	67	67
Piped water inside yard (but not in dwelling)		14,020	14,020	14,020	64,999	65	65	65	65	65
Using public tap (at least min. service level)	2	–	–	14,024	14,024	14	14	14	14	14
Other water supply (at least min. service level)	4	12,204	12,204	7,396	7,396	7	7	7	7	7
Minimum Service Level and Above sub-total		43,461	43,461	52,677	153,495	153	153	153	153	153
Using public tap (< min. service level)	3	3,207	3,207	3,207	3,207	3,207	3,207	3,207	3,207	3,207
Other water supply (< min. service level)	4	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919
No water supply		40,232	40,232	40,232	40,232	40,232	40,232	40,232	40,232	40,232
Below Minimum Service Level sub-total		45,358	45,358	45,358	45,358	45,358	45,358	45,358	45,358	45,358
Total number of households	5	**88,819**	**88,819**	**98,035**	**198,853**	**45,511**	**45,511**	**45,511**	**45,511**	**45,511**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		17,723	17,723	68,157	68,157	68,157	68,157	68,157	68,157	68,157
Flush toilet (with septic tank)		1,226	1,226	4,506	4,506	4,506	4,506	4,506	4,506	4,506
Chemical toilet		2,241	2,241	11,208	11,208	11,208	11,208	11,208	11,208	11,208
Pit toilet (ventilated)		4,399	4,399	22,379	22,379	22,379	22,379	22,379	22,379	22,379
Other toilet provisions (> min. service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		25,589	25,589	106,250	106,250	106,250	106,250	106,250	106,250	106,250
Bucket toilet		200	200	919	919	919	919	919	919	919
Other toilet provisions (< min. service level)		10,219	10,219	53,876	53,876	53,876	53,876	53,876	53,876	53,876
No toilet provisions		5,512	5,512	28,842	28,842	28,842	28,842	28,842	28,842	28,842
Below Minimum Service Level sub-total		15,931	15,931	83,637	83,637	83,637	83,637	83,637	83,637	83,637
Total number of households	5	**41,520**	**41,520**	**189,887**	**189,887**	**189,887**	**189,887**	**189,887**	**189,887**	**189,887**
Energy:										
Electricity (at least min. service level)		31,223	31,223	19,781	19,781	19,781	19,781	19,781	19,781	19,781
Electricity - prepaid (min. service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		31,223	31,223	19,781	19,781	19,781	19,781	19,781	19,781	19,781
Electricity (< min. service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		11,886	11,886	3,243	3,243	3,243	3,243	3,243	3,243	3,243
Below Minimum Service Level sub-total		11,886	11,886	3,243	3,243	3,243	3,243	3,243	3,243	3,243
Total number of households	5	**43,109**	**43,109**	**23,024**	**23,024**	**23,024**	**23,024**	**23,024**	**23,024**	**23,024**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Refuse:										
Removed at least once a week		17,985	17,985	11,257	11,257	11,257	11,257	11,257	11,257	11,257
Minimum Service Level and Above sub-total		17,985	17,985	11,257	11,257	11,257	11,257	11,257	11,257	11,257
Removed less frequently than once a week		434	434	1,270	1,270	1,270	1,270	1,270	1,270	1,270
Using communal refuse dump		511	511	1,763	1,763	1,763	1,763	1,763	1,763	1,763
Using own refuse dump		20,764	20,764	105,738	105,738	105,738	105,738	105,738	105,738	105,738
Other rubbish disposal		868	868	3,816	3,816	3,816	3,816	3,816	3,816	3,816
No rubbish disposal		2,728	2,728	15,010	15,010	15,010	15,010	15,010	15,010	15,010
Below Minimum Service Level sub-total		25,305	25,305	127,597	127,597	127,597	127,597	127,597	127,597	127,597
Total number of households	5	**43,290**	**43,290**	**138,854**	**138,854**	**138,854**	**138,854**	**138,854**	**138,854**	**138,854**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50 kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Highest level of free service provided per household										
Property rates (R value threshold)		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissible values per section 17 of MPRA**)		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Property rates exemptions, reductions and rebates **and impermissible values in excess of section 17 of MPRA)**		–	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. *Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.*

2. *The Municipality continues to make good progress with the eradication of backlogs:*

    a. *Water services – backlog will remain the same in 2016/17 as in 2015/16. These households are largely found in 'rural areas' and will need to be moved to formal areas so that they can receive services.*

    b. *Sanitation services – backlog will remain the same over the MTREF*

    c. *Electricity services – backlogs will be reduced in ESKOM supplied areas*

    d. *Refuse services – backlog will be reduced in 2016/17, and in the outer two years of the MTREF. However it should be noted that this function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs.*

3. *The budget provides for all households applying as indigent in 2016/17 to be registered and on approval from EXCO be entitled to receive Free Basic Services. The number is set to increase given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.*

4. *It is anticipated that these Free Basic Services will cost the municipality R 17,2 million in 2016/17, increasing to R 19,3 million in 2018/19. This is covered by the municipality's equitable share allocation from national government.*

5. *In addition to the Free Basic Services, the Municipality also 'gives' households R 17,2 million in free services in 2016/17. This **"tax expenditure"** need to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the **"free services"** represent about 2,67% of total operating revenue.*

Overview of the Annual Budget Process

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

The Budget Steering Committee consists of EXCO and MANCOM of the municipality meeting under the chairpersonship of the Finance Portfolio.

The primary aim of the Budget Steering Committee is to ensure:

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

The above process was followed during the preparation of the budget.

Budget Process Overview

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

The Mayor tabled in Council the required the IDP and budget time schedule on 31 August 2015. Key dates applicable to the process were:

- ***August 2015**:*
- *Table IDP Process Plan to EXCO and Council for approval*
- *Submit Annual Performance Report to Treasury*

***September 2015**:*

- *1st IDP Representative Forum meeting*
- *Planning meeting and establishment of Budget Committee including review of IDP and budget policies as per Gazette 32141*
- ***October 2015 - Budget Framework***
- *IDP Steering Committee meeting to address 2015/2016 IDP MEC comments and consider analysis report*
- *CBP workshop*
- ***November 2015***
- ***Presentation of Departmental and Capital Budgets***
- *Departments to present budget requirements to Finance, including tariff proposals. Suggested amendments to Budget related Policies*
- ***31 March 2016 Draft Budget***
- *Submit Draft budget, tariffs, SDBIP's to EXCO for recommendation to Council Submit Draft IDP to EXCO for recommendation to Council*
- ***3 May – 17 May 2016** – Public consultation;*
- ***18 May 2016** – Balancing of budget*
- ***19 May 2016** - Closing date for written comments;*
- ***26 May 2016** - Tabling of the 2016/17 MTREF before Council for consideration and approval.*

IDP and Service Delivery and Budget Implementation Plan

The Abaqulusi Municipality implemented a new five-year IDP for the period July 2012 to June 2017 to inform and guide the current elected public representatives in their term of office. This document outlines the Municipality's intent in terms of the agreed six strategic focus areas that are required to overcome Abaqulusi challenges, achieve its vision, and give effect to its other strategic considerations

It started in October 2015 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2016/17 MTREF in August.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

Registration of community needs;

- *Compilation of departmental business plans including key performance indicators and targets;*
- *Financial planning and budgeting process;*
- *Public participation process;*
- *Compilation of the SDBIP, and*
- *The review of the performance management and monitoring processes.*

The IDP has been taken into a business and financial planning process leading up to the 2016/17 MTREF, based on the approved 2015/16 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2016/17 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2015/16 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modelling and Key Planning Drivers

Full compliance was done by the municipality during the compilation of the 2016/17 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016/17 MTREF:

- *Municipality growth*
- *Policy priorities and strategic objectives*
- *Asset maintenance*
- *Economic climate and trends (i.e. inflation, ESKOM increases, household debt, migration patterns)*
- *Performance trends*
- *The approved 2015/16 adjustments budget and performance against the SDBIP*
- *Cash Flow Management Strategy*
- *Debtor payment levels*
- *Loan and investment possibilities*
- *The need for tariff increases versus the ability of the community to pay for services;*
- *Improved and sustainable service delivery*

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 72, 74, 75, 78 and 79 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The draft 2016/167MTREF was tabled before Council on 31 March 2016 for community consultation and published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. The final is tabled before Council on the 26th of May 2016.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with Section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process and included public briefing sessions. The applicable dates and venue were published in all the local newspapers and an average attendance of 2,000 members of the community were catered for. Other stakeholders involved in the consultation included churches, non-governmental institutions, community-based organisations and taxi associations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects have been addressed, and where relevant considered as part of the finalisation of the 2016/17 MTREF. Feedback and responses to the submissions received will be available on request. The following are some of the issues and concerns raised as well as comments received during this year's consultation process:

- *Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The Municipality is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;*
- *Several complaints were received regarding poor service delivery, especially waste removal backlogs and the state of road infrastructure;*
- *Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;*
- *Issues were raised regarding the payment of bonuses to senior managers;*
- *Remuneration packages of council officials were criticized as being very high, relative their private sector counterparts within the Municipality;*
- *The affordability of tariff increases, especially electricity, was raised on numerous occasions. This concern was also raised by organized business as an obstacle to economic growth;*
- *Pensioners cannot afford the tariff increases due to low annual pension increases; and*
- *During the community consultation process large Sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.*

The changes affecting the final 2016/17 MTREF were compared to the draft 2016/17 MTREF that was tabled for community consultation included.

Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

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

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this cycle is to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2016/17 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 28 IDP Strategic Objectives

Key Performance Area : Service Delivery & Basic Infrastructure Development ***Strategic Goal:*** **To reduce levels of backlogs by providing Basic Services and Facilities to the people of Abaqulusi**		
Strategic Focus Area/ Goal	***Strategic Objectives***	***Development Strategy***
1. Roads	*To provide easy access and safe roads to the people of Abaqulusi by June 2017*	*Expand accessibility in various wards*
		Maintain existing Roads in rural & urban areas
2. Storm water	*To have a storm water system that is safe and reliable by June 2017*	*Ensure proper control of storm water*
		Maintenance of existing storm water network in urban and rural areas
3.Water	*To deliver safe and reliable water networks within Abaqulusi by June 2017*	*Improve accessibility in various wards*
		Maintenance of current Water infrastructure in rural & urban areas
4. Sanitation	*To have a sanitation system that is reliable and efficient by 2017*	*Ensure proper disposal of sanitation*
		Maintenance of current sewer lines network in urban and rural areas
5. Electricity	*To deliver safe and reliable electricity networks within Abaqulusi by June 2017*	*Improve accessibility in various wards*
		Maintenance of current electrical network in Rural and Urban Areas
6. Sustainable Human Settlements	*To provide Sustainable Human Settlements to people of Abaqulusi by June 2017*	*Implementation of the Housing Sector Plan*
		Strengthen relationship with the Department of Human Settlements and Implementing Agents

Key Performance Area : Service Delivery & Basic Infrastructure Development ***Strategic Goal:*** **To reduce levels of backlogs by providing Basic Services and Facilities to the people of Abaqulusi**		
Strategic Focus Area/ Goal	***Strategic Objectives***	***Development Strategy***
7. Refuse Removal (solid waste) and Landfill Sites	*To have a refuse removal system that is reliable and efficient by 2017*	*Ensure proper removal and disposal of refuse*
8. Cemeteries	*To ensure that there is sufficient burial space available to the people of Abaqulusi by June 2017*	*Identify cemeteries that require expansion*
9. Libraries	*To provide fully functioning libraries within Abaqulusi by June 2017*	*To expand library services to the whole of Abaqulusi Municipality*
10. Museums	*To ensure promotion of Abaqulusi history within the municipal jurisdiction and Zululand district by June 2017*	*Implementation of a Municipal History Promotion Plan*
11. Parks	*To ensure proper functioning and management of municipal parks within Abaqulusi by June 2017*	*Source funding for development and upgrading of municipal parks*
12. Halls	*To ensure proper functioning and management of municipal halls within Abaqulusi by June 2017*	*Source funding for development of new structure and upgrading of existing structures*

Key Performance Area: Municipal Transformation and Institutional Development ***Strategic Goal:*** **To be a municipality that has a fully qualified and competent staff compliment in order to execute all tasks as required by various legislations**		
Strategic Focus Area/ Goal	***Strategic Objectives***	***Development Strategy***
1. Human Resource Management	*To ensure that the municipality practice sound Human Resources management by June 2017*	*Implementation of HR Policies*
		Implementation of Employment Equity plan.
		Implementation of the adopted organizational structure.
		Ensure that employee benefits are implemented effectively and efficiently.
		To maintain and promote a sound Labour Relations in the municipality
		To maintain and update a sound records management system.
2. Human Resource Development	*To ensure that staff as well as councillors are exposed to capacity building initiatives by June 2017*	*Implementation of 5 year Workplace Skills Plan.*
		Implementation of Induction Plan.
		Implementation of annual Workplace Skills Plan.
		Functioning of OHS Committees and other HRD related committees.
		Implement terms of reference of the training committee.
		Implement a wellness programme.
3. Council Support	*To ensure that Council and its committee fulfil their executive and legislative functions and effective oversight roll over administration by June 2017.*	*Implementation of Rules of Order and Order of Delegations.*
		Monitoring of annual council programme.

4. Records Management	*To have a fully functional and effective record system by June 2017 which is fully compliant with National Archives and Records Services Act of 1996.*	*Implementation of the records management policy.*
5. Public Participation	*Improve public participation satisfaction by June 2017.*	*To ensure that communities participate in the overall planning (IDP) legislative (By laws and oversight) PMS by June 2017.*
6. Fleet Management	*Measure controls and fleet management system*	*Implementation of the Fleet policy.*
7. ITC	*To have a website that is easily accessible and informative by June 2017*	*Monitor Website on a daily basis*

Key Performance Area: Financial Viability & Management		
Strategic Focus Area	***Strategic Objectives (WHAT YO WANT TO ACHIEVE)***	***Development Strategy (HOW YOU GOING TO ACHIEVE IT)***
1. Revenue	*To improve and protect revenue collection of the municipality by June 2017*	*Implementation of current Revenue Policies*
		Monitor Indigent Register applications
2. Expenditure	*To ensure full compliance of the MFMA and Municipal Policies/Procedures by June 2017*	*Ensure payment of service providers within 30 days*
		Ensure reconciliations are performed
3. SCM	*To ensure full compliance of the MFMA, SCM Regulations and Municipal Policies/Procedures by June 2017*	*Implementation of a Procurement Plan*
		Implementation IUFW Register and S36/32 Register
		Implementation of SCM Policies
		Verify credibility of the SCM Database
		Monitor functionality of Municipal Stores
4. Asset Management	*To have a GRAP Compliant Assets Register by June 2016*	*Constant monitoring of all municipal assets*
5. Budget	*To ensure full compliance of the MFMA and Municipal Policies/Procedures by June 2016*	*Ensure stringent control over budget implementation*

Key Performance Area : Good Governance and Community Participation		
Strategic Focus Area	***Strategic Objectives***	***Development Strategy***
1. Fraud and Corruption	*Eradicate fraud and corruption by June 2017*	*Implementation of a fraud and corruption policy*
2. Communication and relationship building	*Improve communications between municipalities and its stakeholders by June 2017*	*Implementation of the Communication Strategy*
3. Customer care and satisfaction	*Improve current customer satisfaction by June 2017*	
5. IDP	*Promote integrated development planning by June 2017*	*Implementation of Municipal IDP Process Plan*
		Implementation of Municipal IDP
6. Back to Basics	*To be a municipality that primarily focuses on the Basics when rendering services*	*Implementation of the National Back to Basics Programme*

Key Performance Area: Local Economic Development and Social Development		
Strategic Focus Area	***Strategic Objectives***	***Development Strategy***
1. Job Creation	To increase employment opportunities in the municipality by June 2017	Promoting SMME, Entrepreneurial and Youth Development
2. Natural Resources	*Unleashing Agricultural Potential by June 2017*	*Support for and development of local farmers*
	To promote sustainability & ensure protection of municipal natural resources and heritage sites by June 2017	*Identification of Heritage sites and natural resources*
3. Tourism	*To promote tourism opportunities in the municipality by June 2017*	*Revitalise current tourism attractions and identify potential new ones*
4. Informal economy	*To ensure full functionality of Informal Traders within Abaqulusi*	*Support Informal Traders*
5. LED Strategy	*To address all economic sectors within Abaqulusi by June 2017*	*Implementation of the LED Strategy*
6. Public Safety	*To provide a fully functional public safety unit in Abaqulusi by June 2017*	*To ensure proper functioning of public safety unit*
7. Safety and security	*Enhancing safety and security by June 2017*	*Supporting the Community Policing Forum*
8. Special Groups	*Promote youth, disabled, elderly & women development*	*Implementation of a Special Groups Plan*
9. HIV/AIDS	*To reduce the impact of HIV/AIDS by June 2017*	*Support Department of Health and Social Development on their HIV/AIDS and STI's interventions*
10. Sport development	*To promote sports development by June 2017*	*To ensure proper functioning and management of sports facilities within Abaqulusi by June 2017*
11. Arts and culture	*To promote arts & culture within Abaqulusi by June 2017*	*To ensure proper functioning and management of arts, culture and recreation*

***Key Performance Area : Cross Cutting (*Spatial, Environment and Disaster Management)**		
Strategic Focus Area	***Strategic Objectives (WHAT YO WANT TO ACHIEVE)***	***Development Strategy (HOW YOU GOING TO ACHIEVE IT)***
1. LUMS	*To promote harmonious & co-ordinated land uses to achieve a sustainable environment by June 2017*	*Implementation and Enforcement of the Town Planning Scheme*
2. SDF	*To ensure effective management of current and desirable land uses by June 2016*	*Implementation of existing Municipal Spatial Development Framework*
		Implementation of existing Precinct Plans
3. Building Inspectorate	*To ensure compliance with the South African National Building Regulations and SANS 400*	*Implementation of SANS 400*
4. GIS	*To ensure that all GIS data is accessible and readily available to the municipal departments and members of the public by June 2017*	*Facilitate data exchange between municipal departments, ZDM and service providers.*
5. Fire and Disaster Management	*To establish a fully functional fire and disaster management unit in Abaqulusi by June 2017*	*Strengthen inter-governmental relations with Provincial and District Disaster Management Units* *Establishment of a fire and disaster management unit*

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

- *Low economic growth and unemployment*
- *Poor access to basic household services*
- *High levels of poverty*
- *Low levels of literacy and skills development*
- *The issue of HIV / AIDS and other diseases*
- *Exposure to unacceptably high level of crime and risk*
- *Unsustainable development practices*
- *Ineffective, inefficient, inward looking local government*

LOCAL PRIORITIES

- *To build a functionally efficient and local government structure*
- *To maintain financial stability and sustainability*
- *To create an integrated and efficient spatial structure*
- *To promote equitable access to infrastructure and basic services*
- *To improve the standard of living for the entire community of Abaqulusi municipality*
- *To facilitate economic development and growth*

2. Provision of quality basic services and infrastructure which includes, amongst others:

- *Provide electricity;*
- *Provide water;*
- *Provide sanitation;*
- *Provide waste removal;*
- *Provide housing;*
- *Provide roads and storm water;*
- *Provide municipality planning services; and*
- *Maintaining the infrastructure of the Municipality.*

3. Economic growth and development that leads to sustainable job creation by:

- *Ensuring the is a clear structural plan for the Municipality;*
- *Ensuring planning processes function in accordance with set timeframes;*
- *Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.*

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:

- *Effective implementation of the Indigent Policy;*
- *Working with the provincial department of health to provide primary health care services;*
- *Extending waste removal services and ensuring effective municipality cleansing;*
- *Ensuring all waste water treatment works are operating optimally;*
- *Working with strategic partners such as SAPS to address crime;*
- *Ensuring save working environments by effective enforcement of building and health regulations;*
- *Promote viable, sustainable communities through proper zoning; and*
- *Promote environmental sustainability by protecting wetlands and key open spaces.*

3.2 Integrated Social Services for empowered and sustainable communities

- *Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme*

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- *Optimising effective community participation in the ward committee system; and*
- *Implementing Batho Pele in the revenue management strategy.*

5.1 Promote sound governance through:

- *Publishing the outcomes of all tender processes on the municipal website*

5.2 Ensure financial sustainability through:

- *Reviewing the use of contracted services*
- *Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan*

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- *Review of the organizational structure to optimize the use of personnel;*

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- *Developing dormant areas;*
- *Enforcing hard development lines – so as to direct private investment;*
- *Maintaining existing urban areas;*
- *Strengthening key economic clusters;*
- *Building social cohesion;*
- *Strong developmental initiatives in relation to the municipal institution as a whole; and*
- *Sound financial fundamentals.*

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the new IDP, including:

- *Strengthening the analysis and strategic planning processes of the Municipality;*
- *Initiating zone planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;*
- *Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and*
- *Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.*

The 2016/17 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 29 KZN263 Table SA4 - Reconciliation between the IDP Strategic Objectives and Budgeted Revenue

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Basic Service Delivery	Electricity	133,874	157,854	154,577	190,752	184,383	171,862	197,587	214,141	232,241
	Water	36,082	39,988	37,238	50,290	39,835	36,364	41,519	45,632	50,152
	Sanitation	16,411	19,208	25,914	24,685	24,025	23,241	26,428	29,070	31,977
	Waste Management	15,732	17,486	15,946	18,238	17,724	17,414	19,496	21,446	23,591
Infrastructure	Roads	25,811	33,073	51,278	39,530	37,797	3,341	38,845	40,492	42,684
	Cemeteries	178	187	177	209	209	189	223	236	250
	Housing	–	–	177	–	–	–	–	–	–
	Community	1,815	2,939	3,265	3,565	3,528	3,528	3,930	4,099	4,274
Good Governance	Support Services & Fleet	697	2,837	3,797	332	907	160	177	180	190
	Planning & Development	995	21,774	153	176	91	101	197	209	222
	Financial Management	115,747	154,317	206,917	167,262	166,622	160,288	180,288	192,578	204,779
	Executive & Council	6,161	6,909	1,049	9,018	9,013	942	15	16	16
Safety & Security	Public Safety	5,210	11,783	10,499	5,722	3,815	6,896	4,067	4,319	4,574
Social Development	Culture & Sport	141	85	2	100	100	50	100	100	100
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)		**358,855**	**468,438**	**510,988**	**509,879**	**488,049**	**424,377**	**512,872**	**552,517**	**595,049**

Table 30 KZN263 Table SA5 - Reconciliation between the IDP Strategic Objectives and Budgeted Operating Expenditure

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Basic Service Delivery	Electricity	154,771	174,970	195,409	212,017	235,694	225,205	234,247	253,910	275,018
	Water	58,870	64,672	47,514	32,653	49,342	44,323	52,661	56,095	59,586
	Sanitation	24,312	27,653	40,454	33,423	41,259	38,893	44,159	47,212	50,351
	Waste Management	12,251	17,867	21,083	22,628	31,632	28,357	33,740	35,888	38,065
Infrastructure	Roads	60,105	54,878	61,551	45,333	65,452	52,662	72,409	75,893	79,073
	Cemeteries	1,350	1,461	1,363	1,779	2,805	1,581	2,996	3,199	3,407
	Housing	1,348	1,059	1,893	1,904	1,945	1,907	2,081	2,231	2,384
	Community	12,247	12,591	25,572	15,324	19,930	21,776	21,294	22,666	27,027
Good Governance	Support Services & Fleet	18,723	36,414	15,958	21,174	24,617	22,909	28,581	30,607	32,564
	Planning & Development	3,674	4,522	4,496	10,263	12,291	5,623	14,370	14,923	15,503
	Financial Management	22,642	24,235	35,887	27,035	33,478	28,813	35,842	38,219	40,822
	Executive & Council	44,048	39,353	79,252	50,624	63,333	62,099	68,089	72,545	77,076
Safety & Security	Public Safety	14,003	14,353	27,576	27,479	27,862	26,097	29,701	31,662	33,658
Social Development	Culture & Sport	2,905	2,108	2,936	4,350	4,671	4,637	5,444	8,440	9,805
Allocations to other priorities										
Total Expenditure		**431,250**	**476,135**	**560,945**	**505,984**	**614,310**	**564,882**	**645,615**	**693,490**	**744,340**

Table 31 KZN263 Table SA6 - Reconciliation between the IDP Strategic Objectives and Budgeted Capital Expenditure

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Basic Service Delivery	Electricity	9,027	10,919	13,524	22,180	29,200	25,755	29,000	29,558	30,122
	Water	–	22	–	2,025	1,710	89	1,823	1,936	2,050
	Waste Water	–	14	591	1,550	1,550	561	1,652	1,755	1,858
	Waste	–	–	26	320	60		61	64	68
	Community	122	151	65	1,670	1,250	51	1,372	1,458	1,544
Infrastructure	Roads	33	130	40,950	35,861	35,886	35,566	35,419	38,328	40,393
Good Governance	Planning & Development	–	251	–	40	40	40	43	45	48
	Support Services & Fleet	63	110	275	770	770	126	821	872	923
	Executive & Council	–	–	–	–	–	–	–	–	–
	Financial Management	49	63	38	600	400	365	426	453	480
Allocations to other priorities										
Total Capital Expenditure		**9,294**	**11,660**	**55,469**	**65,016**	**70,866**	**62,553**	**70,617**	**74,469**	**77,485**

Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

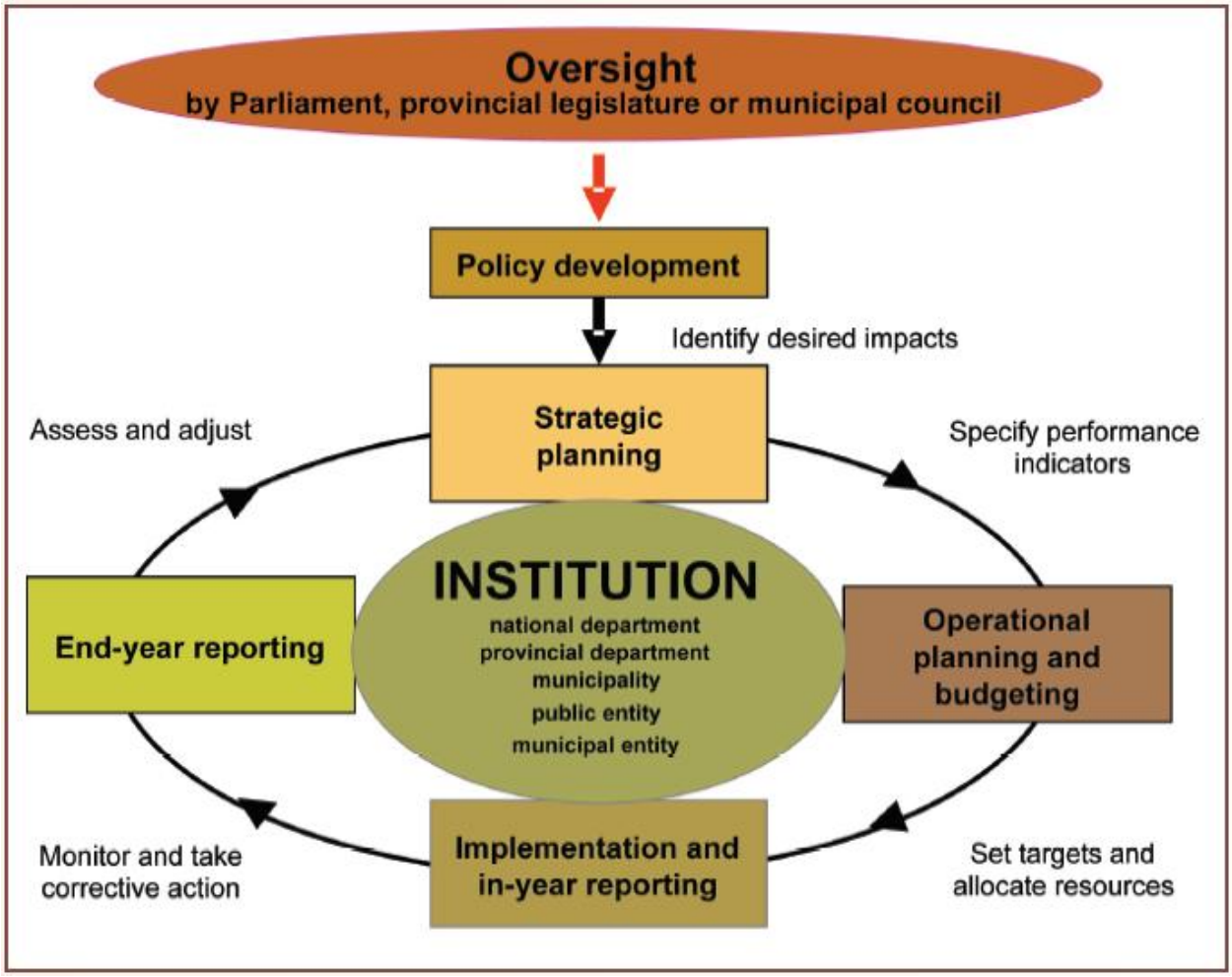


Figure 5 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- *Planning (setting goals, objectives, targets and benchmarks);*
- *Monitoring (regular monitoring and checking on the progress against plan);*
- *Measurement (indicators of success);*
- *Review (identifying areas requiring change and improvement);*
- *Reporting (what information, to whom, from whom, how often and for what purpose); and*
- *Improvement (making changes where necessary).*

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** *issued by the National Treasury:*

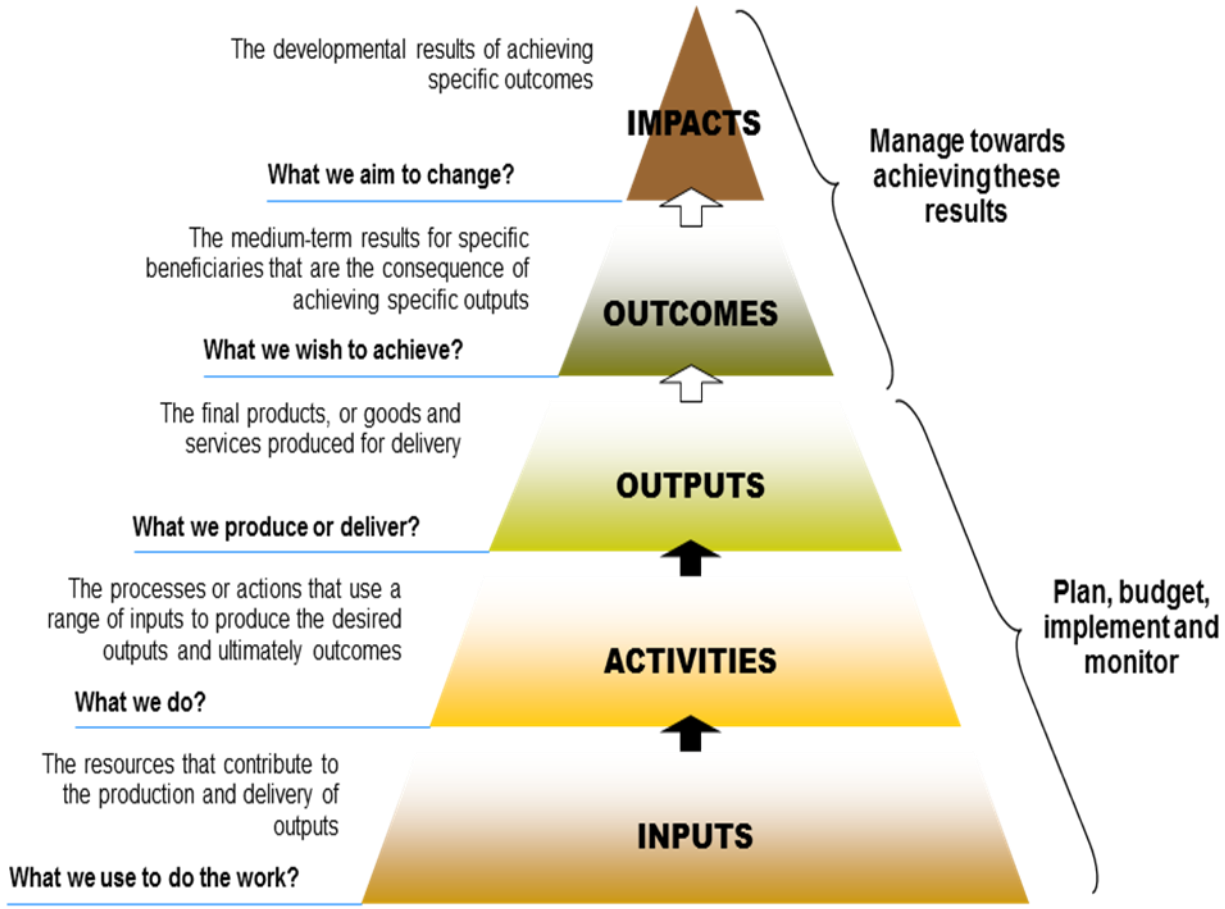


Figure 6 Definition of performance information concepts

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

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Table 32 KZN263 Table SA7 - Measurable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Vote 1 - vote name	**INFORMATION NOT AVAILABLE**									
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

The following table sets out the municipalities main performance objectives and benchmarks for the 2015/16 MTREF.

Table 33 KZN263 Table SA8 - Performance Indicators and Benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.5%	0.6%	1.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.0%	0.9%	1.9%	0.2%	0.3%	0.1%	0.1%	0.3%	0.3%	0.3%
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%
Safety of Capital											
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%
Liquidity											
Current Ratio	Current assets/current liabilities	1.9	2.4	1.6	1.6	1.6	2.4	2.4	1.4	1.5	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.9	2.4	1.6	1.6	1.6	2.4	2.4	1.4	1.5	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	1.0	1.3	0.4	0.4	0.4	0.5	0.5	0.3	0.3	0.3
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		88.5%	95.3%	100.3%	91.9%	100.8%	109.2%	109.3%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		88.5%	95.3%	100.3%	91.9%	100.8%	109.2%	109.3%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	16.4%	14.1%	19.0%	19.2%	20.3%	20.7%	21.2%	19.2%	17.7%	16.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		21.1%	78.2%	180.5%	-208.0%	180.5%	35.7%	41.7%	6646130.7%	-104.9%	-51.5%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)		32,269,451	49,287,701							
	Total Cost of Losses (Rand '000)	35,807	24,983	38,444							
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0							
Water Distribution Losses (2)	Total Volume Losses (kℓ)		5,209	5,669							
	Total Cost of Losses (Rand '000)		5,116,948	5,569,038							
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0							
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.4%	22.1%	26.6%	27.8%	31.1%	20.5%	26.8%	33.2%	32.9%	32.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.4%	26.7%	35.4%	32.1%	35.9%	23.3%		36.8%	36.5%	36.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.8%	2.5%	3.3%	5.6%	5.7%	2.1%		6.5%	6.4%	6.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	27.5%	22.9%	20.4%	5.0%	24.3%	24.6%	25.3%	24.4%	24.0%	23.5%
IDP regulation financial viability indicators	-										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	55.3	39.2	102.0	187.6	187.6	187.6	143.7	163.9	168.3	183.0

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	25.7%	26.1%	30.7%	26.6%	28.4%	32.1%	32.1%	26.4%	24.2%	22.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.1	2.8	1.2	(0.9)	1.0	3.6	2.8	0.0	(1.5)	(2.9)

Performance indicators and benchmarks

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Abaqulusi Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2016/17 MTREF:

- Borrowing to asset ratio *is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. This ratio is 0% and must not be considered a measure on borrowing capacity in isolation of other ratios and measures.*

- Capital charges to operating expenditure *are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has remained steady from 0, 1% in 2012/13 to 2015/16. It is estimated that the cost of borrowing as a percentage of the operating expenditure will remain at 0, 1 % in 2016/17 and will then remain at 0, 1 % at the end of the MTREF. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its prudential borrowing limits.*

- Borrowing funding of own capital expenditure *measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is 0 % which substantiates the above mentioned statement that the Municipality has reached its prudential borrowing limits.*

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2016/17 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

Safety of Capital

- The debt-to-equity ratio *is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. As part of the planning guidelines that informed the compilation of the 2016/17 MTREF ensuring proper cash-backing of reserves and funds has been considered a prudent financial sustainability objective, hence the ration remains at 0%.*

- The gearing ratio *is a measure of the total long term borrowings over funds and reserves. The ratio remains at 0%.*

Liquidity

- Current ratio *is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 MTREF the current ratio is 1, 4 in the 2016/17 financial year and remains at 1, 5 for the two outer years of the MTREF. Going forward the municipality will have to maintain the ratio above 1.*

- The liquidity ratio *is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2015/16 financial year the ratio was 0.3 and as part of the financial planning strategy it has been remained at 0.3 in the 2016/17 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.*

Revenue Management

- *As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.*

Creditors Management

- *The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100% compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.*

Other Indicators

- *The electricity distribution losses have increased from 30.46% to 46.88%. The initiatives to ensure these targets are controlled and lowered during the 2016/17 financial year include managing illegal connections and theft of electricity by auditing all systems, including prepaid meters.*

- *The water distribution losses continue to increase from 46% in 2014/15 to 60.87% in 2015/16. The municipality will have to introduce a water leakage report and action centre. Also areas currently not metered will have to have meters installed to ensure residents pay for water consumed. It is planned to further try and reduce distribution losses from 50% in 2016/17 to 20% by 2018/19.*

- *Employee costs as a percentage of operating revenue continues to increase over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.*

- *Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.*

Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services and all indigents must apply annually and these applications will be scrutinized to ensure they are genuine.

For the 2016/17 financial year registered indigents have been provided for in the budget with this figured increasing by 2018/19. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, 6 kl sanitation and free waste removal equivalent to 85ℓ once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 A10 (Basic Service Delivery Measurement) on page 75

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

Providing clean water and managing waste water

The Municipality is in the process of applying to the Department of Water Affairs to become the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. The water is generated from the Municipality's own water sources, such as boreholes and small dams.

The waste water plants will require renewals/upgrading to meet the minimum Green Drop certification standards. This has been prioritised as part of the 2016/17 medium term capital budget.

The following is briefly the main challenges facing the Municipality in this regard:

- *The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;*
- *Shortage of skilled personnel makes proper operations and maintenance difficult;*
- *There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.*

The following are some of the steps that need to be undertaken to address these challenges:

- *Infrastructure shortcomings will be addressed through the capital budget in terms of a 5-year upgrade plan;*
- *The filling of vacancies has commenced and the Waste Water Section will embark on an in-house training programme, especially for operational personnel;*
- *The Section is working in consultation with the Department of Water Affairs to address catchment management.*

Overview of budget related-policies

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

Review of credit control and debt collection procedures/policies

The policy adopted last year is credible, sustainable, manageable and informed by affordability and value for money. During the 2016/17 financial year there will be a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, an Integrated Indigent Exit Programme will have to be developed to link the registered indigent households to development, skills and job opportunities. The programme will further seek to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2016/17 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 92% on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. An Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy will prescribe the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

Supply Chain Management Policy

The amended Supply Chain Management Policy must be adopted by Council in May 2016. The amendments must be extensively consulted on before the adoption in May 2016.

Budget and Virements Policy

The Budget and Virements Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Budget and Virements Policy was approved by Council in May 2011 in respect of both Operating and Capital Budget Fund Transfers.

Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy needs to be approved by Council in May 2016. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and a cash equivalent required at any point in time and introduces time frames to achieve certain benchmarks. The amendment is to ensure the policy is GRAP compliant.

Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy will be compiled during the 2016/17 MTREF with the emphasis on affordability and long-term sustainability. The policy will dictate the approach to longer term financial modelling. The outcomes will then be filtered into the budget process. The model and scenario planning outcomes will be taken to Council every November and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy will be the emphasis on financial sustainability. Amongst others, the following will be modelled as part of the financial modelling and scenario planning process:

- *Approved 2015/16 Adjustments Budget;*
- *Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);*
- *Economic climate and trends (i.e. Inflation, household debt levels, indigent factors, growth, recessionary implications);*
- *Loan and investment possibilities;*
- *Performance trends;*
- *Tariff Increases;*
- *The ability of the community to pay for services (affordability);*
- *Policy priorities;*
- *Improved and sustainable service delivery; and*
- *Debtor payment levels.*

All the above existing policies are available on the Municipality's website, and all new policies will be placed on the website once adopted by Council. These include the following budget related policies:

- *Property Rates Policy;*
- *Funding and Reserves Policy;*
- *Borrowing Policy;*
- *Budget Policy; and*
- *Basic Social Services Package (Indigent Policy).*

Overview of budget assumptions

External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2016/17 MTREF:

- *National Government macro economic targets;*
- *The general inflationary outlook and the impact on Municipality's residents and businesses;*
- *The impact of municipal cost drivers;*
- *The increase in prices for bulk electricity; and*
- *The increase in the cost of remuneration. Employee related costs comprise 23,53% of total operating expenditure in the 2016/17 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget*

Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions.

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (92%) of annual billings. Cash flow is assumed to be 92% of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only is considered a source of additional cash in-flow once the performance has been carefully monitored.

Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

Salary increases

The multi-year Salary and Wage Collective Agreement from SALGBC has advised that municipality's budget for an annual increase of 7 % for the 2016/17 financial year and for the two outer years 6.8%.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- *Creating jobs;*
- *Enhancing education and skill development;*
- *Improving Health services;*
- *Rural development and agriculture; and*
- *Fighting crime and corruption.*

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 % is achieved on operating expenditure and 98% on the capital programme for the 2016/17 MTREF of which performance has been factored into the cash flow budget.

Overview of budget funding

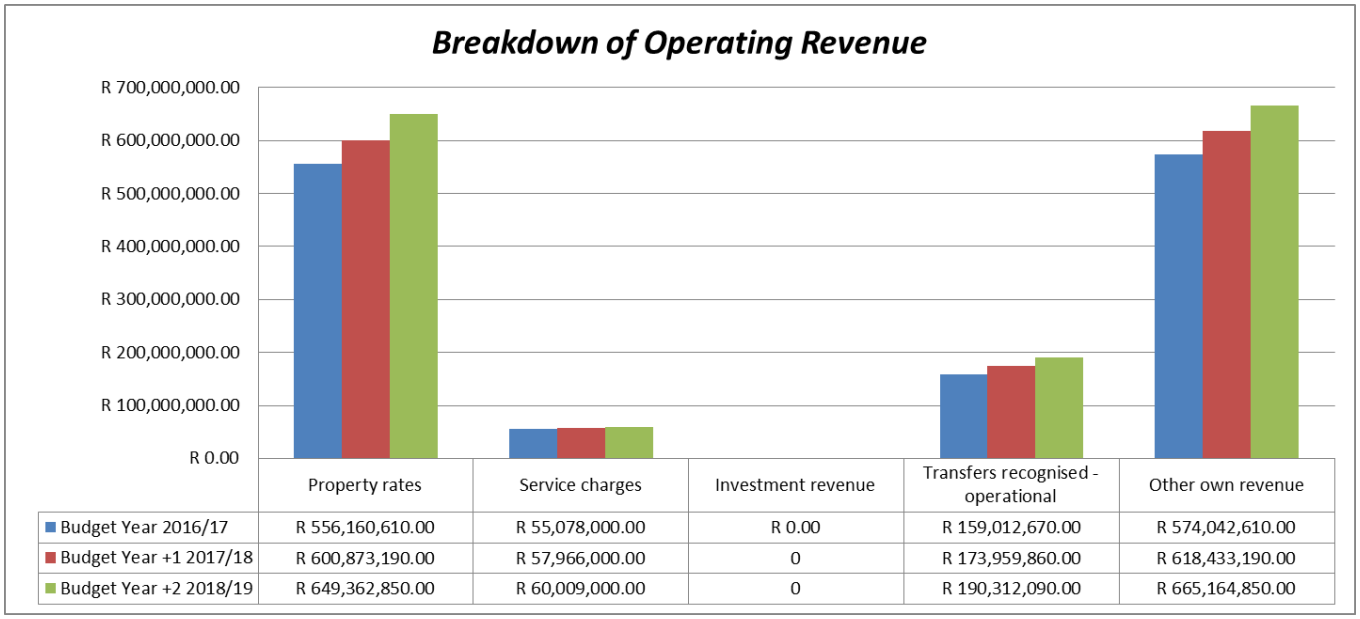
Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 34 Breakdown of the Operating Revenue over the Medium-Term Revenue & Expenditure Framework

Description	2016/17 Medium Term Revenue & Expenditure Framework					
R thousands	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Financial Performance						
Property rates	R 556,160,610.00	41.37%	R 600,873,190.00	41.40%	R 649,362,850.00	41.50%
Service charges	R 55,078,000.00	4.10%	R 57,966,000.00	3.99%	R 60,009,000.00	55.14%
Investment revenue	R 0.00	0.00%	R -	0.00%	R -	0.65%
Transfers recognised - operational	R 159,012,670.00	11.83%	R 173,959,860.00	11.99%	R 190,312,090.00	19.81%
Other own revenue	R 574,042,610.00	42.70%	R 618,433,190.00	42.61%	R 665,164,850.00	12.64%
Total Revenue (excluding capital transfers and contributions)	**R 1,344,293,890.00**	**100.00%**	**R 1,451,232,240.00**	**100.00%**	**R 1,564,848,790.00**	**100.00%**

The following graph is a breakdown of the operational revenue per main category for the 2016/17 financial year.



	Property rates	Service charges	Investment revenue	Transfers recognised - operational	Other own revenue
Budget Year 2016/17	R 556,160,610.00	R 55,078,000.00	R 0.00	R 159,012,670.00	R 574,042,610.00
Budget Year +1 2017/18	R 600,873,190.00	R 57,966,000.00	0	R 173,959,860.00	R 618,433,190.00
Budget Year +2 2018/19	R 649,362,850.00	R 60,009,000.00	0	R 190,312,090.00	R 665,164,850.00

Figure 7 Breakdown of operating revenue over the 2016/17 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- *Growth in the municipality and economic development;*
- *Revenue management and enhancement;*
- *Achievement of a 92 % annual collection rate for consumer revenue;*
- *National Treasury guidelines;*
- *Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;*
- *Achievement of full cost recovery of specific user charges;*
- *Determining tariff escalation rate by establishing/calculating revenue requirements;*
- *The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and*
- *And the ability to extend new services and obtain cost recovery levels.*

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2016/17 MTREF on the different revenue categories are:

Table 35 Proposed tariff increases over the medium-term – Revenue Category

Description	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source							
Property rates	60 626 240	60 210 000	51 699 477	51 699 477	64 183 860	68 163 260	72 184 890
Electricity revenue	172 402 400	164 382 750	149 623 773	149 623 773	177 587 432	194 160 606	212 240 597
Water revenue	50 290 500	39 835 000	32 522 293	32 522 293	41 518 500	45 632 350	50 152 043
Sanitation revenue	24 685 800	24 025 000	20 959 749	20 959 749	26 427 500	29 070 250	31 977 275
Refuse revenue	18 238 240	17 724 000	15 607 755	15 607 755	19 496 400	21 446 040	23 590 644
TOTAL	**326 243 180**	**306 176 750**	**270 413 047**	**270 413 047**	**329 213 692**	**358 472 506**	**390 145 449**

Revenue to be generated from property rates is R 64,1 million in the 2016/17 financial year and increases to R72,1 million by 2018/19 which represents 12,5% of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality is still in a process of further data verification and validation relating to the valuation roll. As the levying of property rates is considered strategic revenue source further supplementary valuation processes will be undertaken during the 2016/17 financial year. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R 265 million for the 2016/17 financial year and increasing to R 317,9 million by 2018/19. For the 2016/17 financial year services charges amount to 57,89% of the total revenue base and remains constant over the medium-term.

Operational grants and subsidies amount to R 114,5 million, R 121,2 million and R 129,1 million for each of the respective financial years of the MTREF, or 24,7% , 24,1% and 23,7% of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R1, 9 million, R2 million and R 2, 2 million for the respective three financial years of the 2016/17 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 36 KZN263 SA15 – Detail Investment Particulars by type

Investment type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		78,084	41,643	26,071	26,071	26,071	12,000	12,000	15,000	15,000
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	**78,084**	**41,643**	**26,071**	**26,071**	**26,071**	**12,000**	**12,000**	**15,000**	**15,000**
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:		**78,084**	**41,643**	**26,071**	**26,071**	**26,071**	**12,000**	**12,000**	**15,000**	**15,000**

Table 37 KZN263 SA16 – Investment Particulars by Maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	C
Parent municipality										
ABSA (Notice Deposit)										
ABSA (Guarantee ESKOM)										
ABSA (Call)										
ABSA (Call)										
ABSA (Call)										
ABSA (Call)										
SIMS										
FIRST NATIONAL										
INVESTEC BANK										
STANDARD BANK										
STANDARD BANK										
NEDBANK										
Municipality sub-total										
Entities										
Entities sub-total										
TOTAL INVESTMENTS AND INTEREST	1									

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The draft MTREF therefore provides for a budgeted deficit of R 132, 7 million and then R 140, 9 million and R149, 2 in each of the financial years. The municipality is seriously busy with an exercise of remodelling the tariffs for electricity in the 2016/17 financial year as the ESKOM increases of the past years which have been significantly more than the percentage the municipality was allowed to increase the tariffs is having a negative impact on the cash flow

Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2016/17 medium-term capital programme:

Table 38 Sources of Capital Revenue over the MTREF – Medium Term Revenue & Expenditure Framework A5 Capital

Vote Description	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Pre-audit outcome	%	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Funded by:										
National Government	9,000,000		55,566,000		55,078,000		57,966,000		60,009,000	
Provincial Government	–		–							
District Municipality	–		–							
Other transfers and grants	–		–							
Transfers recognised - capital	**9,000,000**	**100%**	**55,566,000**	**100%**	**55,078,000**	**100%**	**57,966,000**	**100%**	**60,009,000**	**100%**
Public contributions & donations	–	0%								
Borrowing	–	0%								
Internally generated funds	294,000	22%	15,300,000		15,539,080		16,502,507		17,476,160	
Total Capital Funding	**294,000**	**3.27**	**15,300,000**	**27.53**	**15,539,080**	**28.21**	**16,502,507**	**28.47**	**17,476,160**	**29.12**

The above table is graphically represented as follows for the 2015/16 financial year.

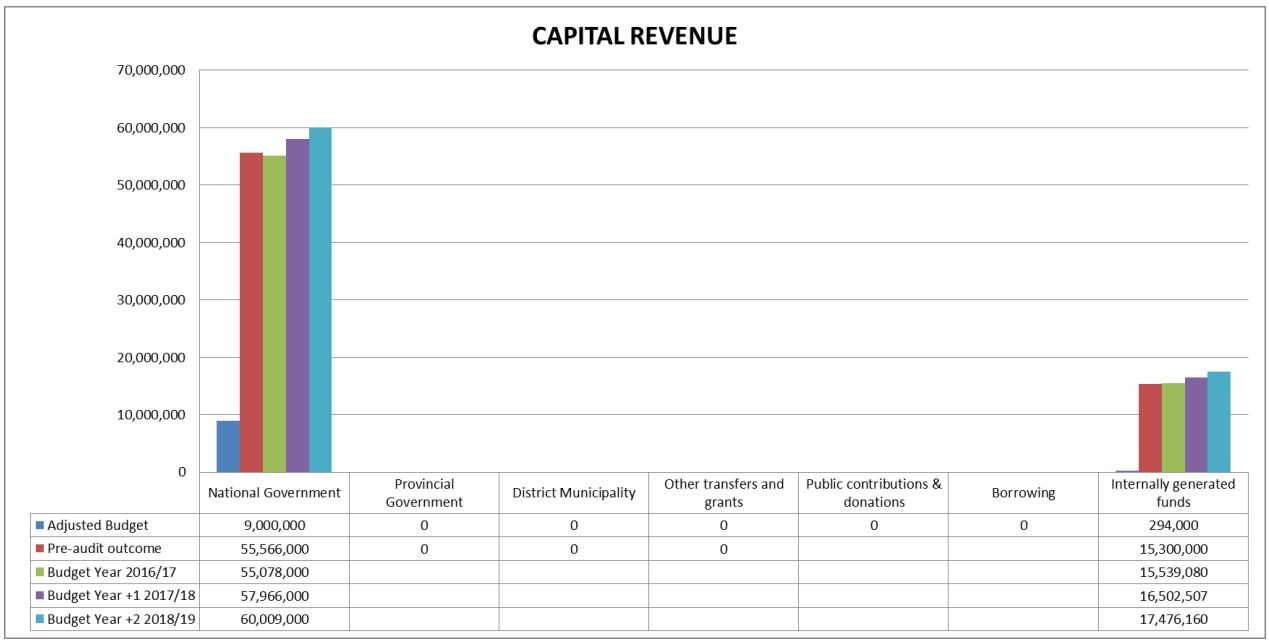


Figure 8 Sources of capital revenue for the 2016/17 financial year

Capital grants and receipts represents R 15, 53 million from own funding and R55 million from grant funding for the 2016/17 financial year.

The following table is a detailed analysis of the Municipality's borrowing liability. (SA 17)

Table 39 KZN263 Table SA 17 - Detail of Borrowings Categorised by Type

Borrowing - Categorised by type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases					–	–	–			
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	–	–	–	–	–	–	–	–	–

Figure 9 Growth in outstanding borrowing (long-term liabilities)

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below.

Table 40 KZN263 Table SA 18 - Capital transfers and Grant Receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**96,444**	**101,839**	**109,287**	**128,640**	**130,640**	**132,382**	**130,907**	**137,410**	**145,177**
Local Government Equitable Share		84,293	89,399	96,203	106,693	106,693	106,097	107,884	115,710	123,222
		–	–	–	–	–	–	–	–	–
Finance Management		1,500	1,550	1,698	1,600	1,600	1,600	1,625	1,700	1,955
Municipal Systems Improvement		800	890	1,010	930	930	930	–	–	–
EPWP Incentive		851	1,000	1,376	1,417	1,417	1,417	1,398	–	–
Integrated National Electrification Programme		9,000	9,000	9,000	18,000	20,000	22,338	20,000	20,000	20,000
Other transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		**1,565**	**5,497**	**4,353**	**3,295**	**4,045**	**4,045**	**3,681**	**3,835**	**3,994**
Sport and Recreation		134	143	151	166	166	166	175	184	193
Provincial Library Grant		1,234	2,592	2,700	2,789	2,789	2,789	3,148	3,274	3,405
Cyber Cadet Grant		197	240	252	340	340	340	358	377	396
Thusong Centre			2,522	1,250	–	750	750	–	–	–
Other transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		**100**	**50**	**–**	**100**	**100**	**100**	**100**	**100**	**100**
[insert description]		–	–	–	–	–	–	–	–	–
ZDM		100	50	–	100	100	100	100	100	100
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	**98,109**	**107,386**	**113,640**	**132,035**	**134,785**	**136,527**	**134,688**	**141,345**	**149,271**
Capital Transfers and Grants										
National Government:		**22,801**	**29,907**	**34,158**	**35,566**	**35,566**	**35,566**	**35,078**	**37,966**	**40,009**
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant (MIG)		22,801	29,907	34,158	35,566	35,566	35,566	35,078	37,966	40,009
Provincial Government:		**–**	**61**	**152**	**–**	**–**	**–**	**–**	**–**	**–**
Other capital transfers/grants [insert description]		–	61	152	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	**22,801**	**29,967**	**34,310**	**35,566**	**35,566**	**35,566**	**35,078**	**37,966**	**40,009**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**120,909**	**137,353**	**147,950**	**167,601**	**170,351**	**172,093**	**169,766**	**179,311**	**189,280**

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- *Clear separation of receipts and payments within each cash flow category;*
- *Clear separation of capital and operating receipts from government, which also enables cash from "Ratepayers and other" to be provide for as cash inflow based on actual performance. In other words the* actual collection rate *of billed revenue., and*
- *Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).*

Table 41 KZN263 Table A7 - Budget Cash Flow from Operating Activities Statement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		16,270	38,866	60,900	56,758	62,210	58,896	58,896	66,316	70,427	74,583
Service charges		185,879	210,439	224,763	244,471	248,567	238,882	238,882	265,029	290,289	317,961
Other revenue		9,596	58,327	13,731	13,348	46,108	11,523	9,400	9,888	10,476	11,108
Government - operating	1	93,950	133,084	114,773	114,030	132,809	139,606	129,583	114,588	121,245	129,171
Government - capital	1	9,000	9,000	49,911	53,500	55,566	55,566	55,566	55,078	57,966	60,009
Interest		3,979	4,375	3,166	3,406	1,835	1,725	1,725	1,972	2,094	2,218
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(167,332)	(418,410)	(403,580)	(438,335)	(451,738)	(386,232)	(386,232)	(476,232)	(538,220)	(579,909)
Finance charges		(2,325)	(3,079)	(458)	–	(650)	(900)	(900)	(959)	(1,019)	(1,079)
Transfers and Grants	1	(19,155)	(33,798)	(15,610)	(14,096)	(34,952)	(15,757)	(15,757)	(17,237)	(18,306)	(19,386)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**129,862**	**(1,196)**	**47,596**	**33,082**	**59,755**	**103,308**	**91,162**	**18,443**	**(5,048)**	**(5,325)**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	677	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(9,000)	(9,000)	(59,670)	(64,995)	(55,566)	(55,566)	(55,566)	(55,078)	(57,966)	(60,009)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(9,000)**	**(9,000)**	**(58,994)**	**(64,995)**	**(55,566)**	**(55,566)**	**(55,566)**	**(55,078)**	**(57,966)**	**(60,009)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	(5,117)	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	(5,117)	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		120,862	(10,196)	(16,515)	(31,913)	4,189	47,742	35,596	(36,635)	(63,014)	(65,334)
Cash/cash equivalents at the year begin:	2	49,917	83,211	53,151	120	32,447	36,636	36,636	36,636	1	(63,013)
Cash/cash equivalents at the year end:	2	170,780	73,015	36,636	(31,793)	36,636	84,378	72,232	1	(63,013)	(128,347)

The above table shows that cash and cash equivalents of the Municipality were largely depleted between the 2012/13 and 2015/16 financial year moving from a positive cash balance of R 53,1 million to a balance of R 36,6 million with the approved 2015/16 MTREF. With the 2015/16 adjustments budget various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition the Municipality will have to undertake an extensive debt collection process to boost cash levels in the 2016/17 financial year. These initiatives and interventions still translate into a negative cash position for the Municipality and it is projected that cash and cash equivalents on hand will decrease by the financial year end. For the 2016/17 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to increase in 2016/17 and steadily increase by 2018/19. This schedule will be revisited before the final draft is presented in May 2016.

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with Sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- *What are the predicted cash and investments that are available at the end of the budget year?*
- *How are those funds used?*
- *What is the net funds available or funding shortfall?*

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with Section 18 of the MFMA requirement that the municipality's budget must be "funded". Non-compliance with Section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 42 KZN263 Table A8 - Cash backed reserves / accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash and investments available											
Cash/cash equivalents at the year end	1	170,780	73,015	36,636	(31,793)	36,636	84,378	72,232	1	(63,013)	(128,347)
Other current investments > 90 days		(87,569)	21,780	(0)	68,429	(0)	(61,813)	(49,667)	22,564	88,578	153,912
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**83,211**	**94,794**	**36,636**	**36,636**	**36,636**	**22,565**	**22,565**	**22,565**	**25,565**	**25,565**
Application of cash and investments											
Unspent conditional transfers		33,505	6,310	5,245	5,245	5,245	14,411	14,411	5,245	5,245	5,245
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(16,393)	(8,867)	(10,142)	(14,811)	(32,917)	(65,314)	(65,437)	(21,575)	(21,570)	(21,575)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**17,112**	**(2,557)**	**(4,897)**	**(9,566)**	**(27,672)**	**(50,903)**	**(51,026)**	**(16,330)**	**(16,325)**	**(16,330)**
Surplus(shortfall)		**66,098**	**97,351**	**41,533**	**46,202**	**64,308**	**73,468**	**73,591**	**38,895**	**41,890**	**41,895**

From the above table it can be seen that the cash and investments available total R 13 million in the 2016/17 financial year and increases to R 15 million by 2018/19, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- *Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. For the 2016/17 financial year no provision has been made for this liability as the municipality has no unspent conditional grants liability that needs to be factored into the 2016/17 capital programme of the Municipality. The Municipality will not have to apply for the necessary roll-over approval from the National Treasury.*

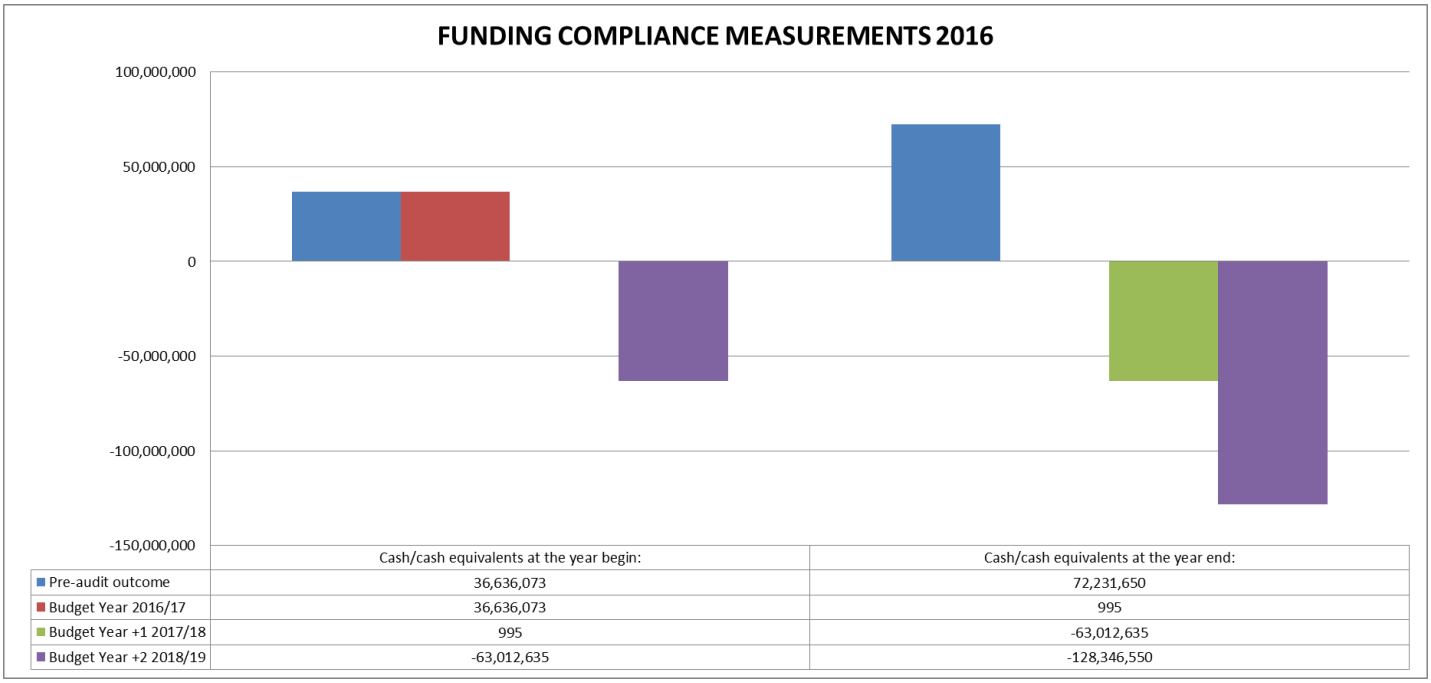
- *There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project.*

- *Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations. The municipality will not have a liability as VAT is normally claimed from SARS.*

- *The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, as was experienced by the Municipality in 2015/16 resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.*

The 2016/17 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is not funded as expenditure is more than the anticipated revenue. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



	Cash/cash equivalents at the year begin:	Cash/cash equivalents at the year end:
Pre-audit outcome	36,636,073	72,231,650
Budget Year 2016/17	36,636,073	995
Budget Year +1 2017/18	995	-63,012,635
Budget Year +2 2018/19	-63,012,635	-128,346,550

Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 43 KZN263 SA10 – Funding compliance measurement

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	170,780	73,015	36,636	(31,793)	36,636	84,378	72,232	1	(63,013)	(128,347)
Cash + investments at the yr end less applications - R'000	18(1)b	2	66,098	97,351	41,533	46,202	64,308	73,468	73,591	38,895	41,890	41,895
Cash year end/monthly employee/supplier payments	18(1)b	3	7.1	2.8	1.2	(0.9)	1.0	3.6	2.8	0.0	(1.5)	(2.9)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(63,619)	20,304	(49,957)	3,894	(126,261)	43,481	503	(132,743)	(140,973)	(149,291)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	8.6%	2.8%	9.1%	(12.0%)	(17.5%)	(6.1%)	1.5%	2.9%	2.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	89.0%	96.1%	87.0%	92.3%	112.9%	108.8%	109.0%	100.0%	100.0%	100.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	2.0%	2.7%	5.9%	0.5%	2.3%	3.9%	3.6%	2.3%	2.2%	2.1%
Capital payments % of capital expenditure	18(1)c;19	8	96.8%	77.2%	107.6%	100.0%	78.4%	88.8%	88.8%	78.0%	77.8%	77.4%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	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.	16.7%	27.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.8%	0.8%	1.0%	1.7%	1.6%	0.6%	2.0%	2.0%	2.1%	2.2%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Supporting indicators	-	-	-	-								
% incr *total service charges (incl prop rates)*	18(1)a			14.6%	8.8%	15.1%	(6.0%)	(11.5%)	(0.1%)	7.5%	8.9%	8.8%
% incr Property Tax	18(1)a			20.8%	18.8%	2.3%	(0.2%)	(13.2%)	(0.4%)	6.6%	6.2%	5.9%
% incr Service charges - electricity revenue	18(1)a			11.6%	3.1%	18.5%	(4.7%)	(9.0%)	0.0%	8.0%	9.3%	9.3%
% incr Service charges - water revenue	18(1)a			17.2%	1.0%	37.7%	(20.8%)	(18.4%)	0.0%	4.2%	9.9%	9.9%
% incr Service charges - sanitation revenue	18(1)a			17.0%	34.9%	(4.7%)	(2.7%)	(12.8%)	0.0%	10.0%	10.0%	10.0%
% incr Service charges - refuse revenue	18(1)a			14.3%	14.0%	14.4%	(2.8%)	(11.9%)	0.0%	10.0%	10.0%	10.0%
% incr in Service charges - other	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		228,305	261,686	284,805	327,941	308,177	272,696	272,506	331,346	360,737	392,543
Service charges			228,305	261,686	284,805	327,941	308,177	272,696	272,506	331,346	360,737	392,543
Property rates			42,426	51,248	60,900	62,326	62,210	53,982	53,792	66,316	70,427	74,583
Service charges - electricity revenue			126,394	141,091	145,521	172,402	164,383	149,624	149,624	177,587	194,161	212,241
Service charges - water revenue			30,842	36,153	36,524	50,290	39,835	32,522	32,522	41,519	45,632	50,152
Service charges - sanitation revenue			16,411	19,208	25,914	24,685	24,025	20,960	20,960	26,428	29,070	31,977

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Service charges - refuse removal			12,232	13,986	15,946	18,238	17,724	15,608	15,608	19,496	21,446	23,591
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			800	1,189	1,297	1,387	1,159	743	1,063	1,463	1,542	–
Capital expenditure excluding capital grant funding			294	2,660	5,558	11,450	15,300	6,987	6,987	15,539	16,503	17,477
Cash receipts from ratepayers	18(1)a		211,745	307,632	299,394	314,577	356,885	309,301	307,177	341,233	371,192	403,651
Ratepayer & Other revenue	18(1)a		237,910	320,018	344,290	340,880	316,032	284,219	281,905	341,250	371,229	403,669
Change in consumer debtors (current and non-current)			14,529	9,798	19,092	(0)	–	–	–	–	0	–
Operating and Capital Grant Revenue	18(1)a		116,751	163,051	113,621	112,027	114,616	139,606	129,583	114,588	121,245	129,171
Capital expenditure - total	20(1)(vi)		9,294	11,660	55,469	65,016	70,866	62,553	62,553	70,617	74,469	77,486
Capital expenditure - renewal	20(1)(vi)		–	–	–	–	–	–		–	–	–
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										–	–	–
Average annual collection rate (arrears inclusive)												

Cash/cash equivalent position

*The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A "***positive***" cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.*

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with Section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2016 / 17 MTREF shows a surplus of R 61 million for each respective financial year.

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 68. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. As indicated above the Municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2016/17 MTREF the indicative outcome is a surplus of R1 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 5.6% – 5.9 %). The result is intended to be an approximation of the real increase in revenue. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

Cash receipts as a percentage of ratepayer and other revenue

*This factor is a macro measure of the rate at which funds are "*collected*". This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 100% for each of the respective financial years. Given that the assumed collection rate was based on a 92% performance target, the cash flow statement has been conservatively determined. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.*

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 0% over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been be excluded. It can

be seen that borrowing equates to 0% of own funded capital. Further details relating to the borrowing strategy of the Municipality can be found on page 104.

Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 % could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors' accounts within 30 days.

Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 KZN263 SA34C on page 155.

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 SA34b on page 152

Expenditure on grants and reconciliations of unspent funds

Table 45 KZN263 SA19 – Expenditure on Transfers and Grant Programmes

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**96,444**	**101,839**	**109,287**	**128,640**	**130,640**	**132,382**	**130,907**	**137,410**	**145,177**
Local Government Equitable Share		84,293	89,399	96,203	106,693	106,693	106,097	107,884	115,710	123,222
Finance Management		1,500	1,550	1,698	1,600	1,600	1,600	1,625	1,700	1,955
Municipal Systems Improvement		800	890	1,010	930	930	930	–	–	–
EPWP Incentive		851	1,000	1,376	1,417	1,417	1,417	1,398	–	–
Integrated National Electrification Programme		9,000	9,000	9,000	18,000	20,000	22,338	20,000	20,000	20,000
Other transfers/grants [insert description]										
Provincial Government:		**1,565**	**5,497**	**4,353**	**3,295**	**4,045**	**4,045**	**3,681**	**3,835**	**3,994**
Sport and Recreation		134	143	151	166	166	166	175	184	193
Provincial Library Grant		1,234	2,592	2,700	2,789	2,789	2,789	3,148	3,274	3,405
Cyber Cadet Grant		197	240	252	340	340	340	358	377	396
Thusong Centre			2,522	1,250	–	750	750	–	–	–
Other transfers/grants [insert description]										
District Municipality:		**100**	**50**	**–**	**100**	**100**	**100**	**100**	**100**	**100**
ZDM		100	50	–	100	100	100	100	100	100
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total operating expenditure of Transfers and Grants:		**98,109**	**107,386**	**113,640**	**132,035**	**134,785**	**136,527**	**134,688**	**141,345**	**149,271**
Capital expenditure of Transfers and Grants										
National Government:		**22,801**	**29,907**	**34,158**	**35,566**	**35,566**	**35,566**	**35,078**	**37,966**	**40,009**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Municipal Infrastructure Grant (MIG)		22,801	29,907	34,158	35,566	35,566	35,566	35,078	37,966	40,009
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		**22,801**	**29,907**	**34,158**	**35,566**	**35,566**	**35,566**	**35,078**	**37,966**	**40,009**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**120,909**	**137,293**	**147,798**	**167,601**	**170,351**	**172,093**	**169,766**	**179,311**	**189,280**

Table 44 KZN263 SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		243								
Current year receipts		86,185	98,005	109,287	128,640	130,640		130,907	137,410	145,177
Conditions met - transferred to revenue		**86,185**	**93,594**	**109,287**	**128,640**	**130,640**	**–**	**130,907**	**137,410**	**145,177**
Conditions still to be met - transferred to liabilities		243	4,411							
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		1,565	5,497	4,353	3,295	4,045		3,681	3,835	3,994
Conditions met - transferred to revenue		**1,565**	**5,497**	**4,353**	**3,295**	**4,045**	**–**	**3,681**	**3,835**	**3,994**
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year		100	100		100	100		100	100	100
Current year receipts										
Conditions met - transferred to revenue		**100**	**100**	**–**	**100**	**100**	**–**	**100**	**100**	**100**
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		**87,850**	**99,191**	**113,640**	**132,035**	**134,785**	**–**	**134,688**	**141,345**	**149,271**
Total operating transfers and grants - CTBM	2	**243**	**4,411**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		8,336	7,125							
Current year receipts		21,589	38,982	40,911	35,566	35,566		35,078	37,966	40,099
Conditions met - transferred to revenue		**29,925**	**46,107**	**40,911**	**35,566**	**35,566**	**–**	**35,078**	**37,966**	**40,099**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		5,868	5,786							
Current year receipts										
Conditions met - transferred to revenue		**5,868**	**5,786**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		35,793	51,893	40,911	35,566	35,566	–	35,078	37,966	40,099
Total capital transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		123,643	151,084	154,551	167,601	170,351	–	169,766	179,311	189,370
TOTAL TRANSFERS AND GRANTS - CTBM		243	4,411	–	–	–	–	–	–	–

Councillor and employee benefits

Table 45 KZN263 SA22 - Summary of Councillor and Staff Benefits

Summary of Employee and Councillor remuneration	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
-	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12,093	13,981	14,819	16,390	15,533	11,969	16,620	17,817	19,046
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		–	–	–	–	–	–	–	–	–
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		**12,093**	**13,981**	**14,819**	**16,390**	**15,533**	**11,969**	**16,620**	**17,817**	**19,046**
% increase	4		**15.6%**	**6.0%**	**10.6%**	**(5.2%)**	**(22.9%)**	**38.9%**	**7.2%**	**6.9%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3,949	5,715	4,660	6,284	5,977	–	7,647	8,198	8,763
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	905	–	–	1,114	1,190	1,272
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	88	95	6	–	–	–	–	–	–
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 Municipality		**4,037**	**5,810**	**4,666**	**7,189**	**5,977**	**–**	**8,761**	**9,388**	**10,035**
% increase	4		**43.9%**	**(19.7%)**	**54.1%**	**(16.9%)**	**(100.0%)**	**–**	**7.2%**	**6.9%**
Other Municipal Staff										
Basic Salaries and Wages		57,446	61,465	71,717	68,886	68,945	55,285	73,771	79,082	84,539
Pension and UIF Contributions		12,162	12,464	13,366	15,485	15,053	1,972	16,107	17,267	18,458

Summary of Employee and Councillor remuneration	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Medical Aid Contributions		4,080	4,589	4,942	5,677	5,643	266	6,038	6,473	6,919
Overtime		10,403	8,996	12,348	9,633	16,812	12,991	17,989	19,284	20,615
Performance Bonus		4,315	4,590	4,810	5,771	5,575	718	5,965	6,394	6,836
Motor Vehicle Allowance	3	6,839	10,554	5,784	7,269	7,176	2,517	7,679	8,231	8,799
Cellphone Allowance	3	581	444	498	583	571	7,950	611	655	700
Housing Allowances	3	342	262	250	334	1,035	1,755	1,108	1,187	1,269
Other benefits and allowances	3	1,944	2,270	2,055	2,703	4,017	–	4,298	4,608	4,926
Payments in lieu of leave		3,743	2,298	2,304	2,848	3,579	1,192	3,815	4,051	4,291
Long service awards		28	29	32	36	29	460	31	34	36
Post-retirement benefit obligations	6	1,944	2,270	25,796	3,636	5,402	1,917	5,758	6,115	6,476
Sub Total - Other Municipal Staff		**103,827**	**110,229**	**143,902**	**122,861**	**133,836**	**87,023**	**143,169**	**153,381**	**163,863**
% increase	4		**6.2%**	**30.5%**	**(14.6%)**	**8.9%**	**(35.0%)**	**64.5%**	**7.1%**	**6.8%**
Total Parent Municipality		**119,957**	**130,020**	**163,387**	**146,440**	**155,346**	**98,992**	**168,550**	**180,586**	**192,944**
			8.4%	**25.7%**	**(10.4%)**	**6.1%**	**(36.3%)**	**70.3%**	**7.1%**	**6.8%**
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		–	–	–	–	–	–	–	–	–

Summary of Employee and Councillor remuneration	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cell phone 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	–	–	–	–	–	–	–	–	–
Cell phone 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		**119,957**	**130,020**	**163,387**	**146,440**	**155,346**	**98,992**	**168,550**	**180,586**	**192,944**
% increase	4		**8.4%**	**25.7%**	**(10.4%)**	**6.1%**	**(36.3%)**	**70.3%**	**7.1%**	**6.8%**
TOTAL MANAGERS AND STAFF	5,7	**107,864**	**116,039**	**148,568**	**130,050**	**139,814**	**87,023**	**151,930**	**162,769**	**173,898**

Table 46 KZN263 SA23 – Disclosure - Salaries, allowances and benefits (Political Office Bearers / Councillors / Senior Managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		716,900					716,900
Chief Whip			655,375					655,375
Executive Mayor			877,400					877,400
Deputy Executive Mayor			716,900					716,900
Executive Committee			4,587,625					4,587,625
Total for all other councillors			7,978,420					7,978,420
Total Councillors	8	–	**15,532,620**	–	–			**15,532,620**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,441,200			272,101		1,713,301
Chief Finance Officer			1,241,200			168,290		1,409,490
Director Technical Services			1,241,200			168,290		1,409,490
Director Corporate Services			1,241,200			168,290		1,409,490
Director Community Services			1,241,200			168,290		1,409,490
Director Development Planning			1,241,200			168,290		1,409,490
List of each official with packages >= senior manager								
								–
								–
Total Senior Managers of the Municipality	8,10	–	**7,647,200**	–	–	**1,113,551**		**8,760,751**
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	–	**23,179,820**	–	–	**1,113,551**		**24,293,371**

Table 47 KZN263 SA24 – Summary of personnel numbers

Summary of Personnel Numbers	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
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)		44	44		44	44		44	44	
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6		6	6		6	6		6
Other Managers	7	20	20							
Professionals		*82*	–	–	*82*	–	–	*82*	–	–
Finance		66			66			66		
Spatial/town planning		8			8			8		
Information Technology		4			4			4		
Roads		4			4			4		
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		*151*	–	–	*151*	–	–	*151*	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads		29			29			29		
Electricity		40			40			40		
Water		40			40			40		
Sanitation		40			40			40		
Refuse		2			2			2		
Other										
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		21			21			21		
Elementary Occupations		295			295			295		
TOTAL PERSONNEL NUMBERS	9	**619**	**64**	**6**	**599**	**44**	**6**	**599**	**44**	**6**

Monthly targets for revenue, expenditure and cash flow

Table 48 KZN263 SA25 - Budgeted monthly Revenue and Expenditure

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source															
Property rates	5,326	5,326	5,326	5,326	5,326	5,326	5,326	5,326	5,326	5,326	5,326	5,602	64,184	68,163	72,185
Property rates - penalties & collection charges	178	178	178	178	178	178	178	178	178	178	178	178	2,132	2,264	2,398
Service charges - electricity revenue	15,123	15,123	15,123	15,123	15,123	15,123	15,123	15,123	15,123	15,123	15,123	11,230	177,587	194,161	212,241
Service charges - water revenue	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	1,351	41,519	45,632	50,152
Service charges - sanitation revenue	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	26,428	29,070	31,977
Service charges - refuse revenue	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	19,496	21,446	23,591
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	122	122	122	122	122	122	122	122	122	122	122	122	1,463	1,542	–
Interest earned - external investments	163	163	163	163	163	163	163	163	163	163	163	163	1,956	2,077	2,200
Interest earned - outstanding debtors	1	1	1	1	1	1	1	1	1	1	1	1	16	17	18
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	143	143	143	143	143	143	143	143	143	143	143	143	1,713	1,819	1,927
Licences and permits	381	381	381	381	381	381	381	381	381	381	381	298	4,493	4,772	5,053
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	44,863	–	–	–	34,863	–	–	–	34,863	–	–	(0)	114,588	121,245	129,171
Other revenue	185	185	185	185	185	185	185	185	185	185	185	185	2,218	2,343	4,128
Gains on disposal of PPE	–		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**73,963**	**29,101**	**29,101**	**29,101**	**63,963**	**29,101**	**29,101**	**29,101**	**63,964**	**29,101**	**29,101**	**23,099**	**457,794**	**494,551**	**535,040**
Expenditure By Type															
Employee related costs	12,661	12,661	12,661	12,661	12,661	12,661	12,661	12,661	12,661	12,661	12,661	12,676	151,945	162,915	174,067
Remuneration of councillors	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	16,620	17,817	19,046
Debt impairment	–	–	1,865	–	–	1,865	–	–	1,865	–	–	1,866	7,461	7,924	8,392
Depreciation & asset impairment	9,247	9,247	9,247	9,247	9,247	9,247	9,247	9,247	9,247	9,247	9,247	9,247	110,958	117,838	124,790
Finance charges	–	–	–	–	–	–	–	–	–	–	–	959	959	1,019	1,079
Bulk purchases	20,000	20,000	11,001	11,001	11,001	11,001	11,001	11,001	11,001	11,001	11,001	20,000	159,013	173,960	190,312

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	**July**	**August**	**Sept.**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**	**Budget Year 2016/17**	**Budget Year +1 2017/18**	**Budget Year +2 2018/19**
Other materials	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	5,550	29,659	31,589	33,453
Contracted services	8,358	8,358	8,358	8,358	8,358	8,358	8,358	8,358	8,358	8,358	8,358	11,899	103,838	112,438	79,397
Transfers and grants	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,437	17,237	18,306	19,386
Other expenditure	4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007	3,846	47,923	49,685	94,418
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**59,286**	**59,286**	**52,152**	**50,287**	**50,287**	**52,152**	**50,287**	**50,287**	**52,152**	**50,287**	**50,287**	**68,864**	**645,615**	**693,490**	**744,340**
Surplus/(Deficit)	**14,678**	**(30,185)**	**(23,052)**	**(21,187)**	**13,676**	**(23,052)**	**(21,187)**	**(21,187)**	**11,811**	**(21,187)**	**(21,187)**	**(45,764)**	**(187,821)**	**(198,939)**	**(209,300)**
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital	18,359	–	–	–	18,359	–	–	–	18,359	–	–	0	55,078	57,966	60,009
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**33,037**	**(30,185)**	**(23,052)**	**(21,187)**	**32,035**	**(23,052)**	**(21,187)**	**(21,187)**	**30,171**	**(21,187)**	**(21,187)**	**(45,764)**	**(132,743)**	**(140,973)**	**(149,291)**
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**33,037**	**(30,185)**	**(23,052)**	**(21,187)**	**32,035**	**(23,052)**	**(21,187)**	**(21,187)**	**30,171**	**(21,187)**	**(21,187)**	**(45,764)**	**(132,743)**	**(140,973)**	**(149,291)**

Table 49 KZN263 SA26 - Budgeted monthly Revenue and Expenditure (Municipal Vote)

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Novembe r	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote															
Vote 1 - Municipal Governance & Administration	15	–	–	–	–	–	–	–	–	–	–	1	16	17	18
Vote 2 - Budget & Treasury	41,859	7,523	5,898	5,898	41,859	5,898	5,898	5,898	41,859	5,898	5,898	5,899	180,288	192,578	204,779
Vote 3 - Corporate Services	14	14	14	14	14	14	14	14	14	14	14	14	167	178	188
Vote 4 -												–	–	–	–
Vote 5 - Community & Public Safety	885	885	3,685	1,685	885	885	885	885	885	885	885	(2,983)	10,351	10,918	11,495
Vote 6 - Technical Services	12,010	24	24	24	12,010	24	24	24	12,010	24	24	504	36,722	38,228	40,286
Vote 7 - Trading Services	29,269	22,602	22,602	22,602	29,269	22,602	22,602	22,602	29,269	22,602	22,602	16,409	285,030	310,289	337,961
Vote 8 - Other	–	100	–	–	–	–	–	–	–	–	–	–	100	100	100
Vote 9 - Planning and development	5	5	21	18	18	18	18	18	18	18	18	19	197	209	222
Total Revenue by Vote	**84,057**	**31,153**	**32,244**	**30,241**	**84,055**	**29,441**	**29,441**	**29,441**	**84,055**	**29,441**	**29,441**	**19,863**	**512,872**	**552,517**	**595,049**
Expenditure by Vote to be appropriated															
Vote 1 - Municipal Governance & Administration	5,574	5,574	5,574	5,574	6,074	5,574	6,274	5,574	5,574	5,574	5,574	5,776	68,291	72,761	77,306
Vote 2 - Budget & Treasury	2,687	2,987	2,987	2,987	3,287	2,987	2,987	2,987	2,987	2,987	2,987	2,591	35,447	37,147	40,036
Vote 3 - Corporate Services	2,337	2,337	2,337	2,337	2,737	2,337	2,337	2,337	2,337	2,337	2,337	2,474	28,581	30,607	32,564
Vote 4 -												–	–	–	–
Vote 5 - Community & Public Safety	5,054	5,054	5,054	5,054	5,544	5,054	5,054	5,054	5,054	5,054	5,054	6,121	62,202	65,893	70,060
Vote 6 - Technical Services	5,730	5,730	5,730	5,730	8,500	5,730	5,730	5,730	5,730	5,730	5,730	6,607	72,409	75,651	79,073
Vote 7 - Trading Services	45,401	45,401	25,401	25,401	25,401	25,401	25,401	25,401	25,401	25,401	25,401	44,284	363,692	395,848	429,101
Vote 8 - Other	53	53	53	53	53	53	53	53	53	53	53	46	624	660	697
Vote 9 - Planning and development	1,158	1,158	1,158	1,158	1,158	1,637	1,158	1,158	1,158	1,158	1,158	1,158	14,370	14,923	15,503
Total Expenditure by Vote	**67,992**	**68,292**	**48,292**	**48,292**	**52,752**	**48,772**	**48,992**	**48,292**	**48,292**	**48,292**	**48,292**	**69,058**	**645,615**	**693,490**	**744,340**
Surplus/(Deficit) before assoc.	**16,065**	**(37,139)**	**(16,049)**	**(18,052)**	**31,302**	**(19,331)**	**(19,552)**	**(18,852)**	**35,762**	**(18,852)**	**(18,852)**	**(49,195)**	**(132,743)**	**(140,973)**	**(149,290)**
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	**16,065**	**(37,139)**	**(16,049)**	**(18,052)**	**31,302**	**(19,331)**	**(19,552)**	**(18,852)**	**35,762**	**(18,852)**	**(18,852)**	**(49,195)**	**(132,743)**	**(140,973)**	**(149,290)**

Table 50 KZN263 SA27 - Budgeted monthly Revenue and Expenditure (Standard Classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard	-															
Governance and administration		**41,888**	**7,537**	**5,912**	**5,912**	**41,873**	**5,912**	**5,912**	**5,912**	**41,873**	**5,912**	**5,912**	**5,915**	**180,472**	**192,772**	**204,986**
Executive and council		15	–	–	–	–	–	–	–	–	–	–	1	16	17	18
Budget and treasury office		41,859	7,523	5,898	5,898	41,859	5,898	5,898	5,898	41,859	5,898	5,898	5,899	180,288	192,578	204,779
Corporate services		14	14	14	14	14	14	14	14	14	14	14	14	167	178	188
Community and public safety		**378**	**378**	**378**	**3,884**	**553**	**378**	**378**	**378**	**378**	**378**	**378**	**378**	**8,219**	**8,654**	**9,098**
Community and social services		39	39	39	3,545	214	39	39	39	39	39	39	39	4,152	4,335	4,524
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		339	339	339	339	339	339	339	339	339	339	339	339	4,067	4,319	4,574
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**12,365**	**206**	**206**	**206**	**12,365**	**206**	**206**	**206**	**12,365**	**206**	**206**	**307**	**39,051**	**40,701**	**42,905**
Planning and development		8	8	8	8	8	8	8	8	8	8	8	108	197	209	222
Road transport		12,357	198	198	198	12,357	198	198	198	12,357	198	198	198	38,854	40,492	42,684
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**29,269**	**22,602**	**22,602**	**22,602**	**29,269**	**22,602**	**22,602**	**22,602**	**29,269**	**22,602**	**22,602**	**16,408**	**285,030**	**310,289**	**337,961**
Electricity		21,790	15,123	15,123	15,123	21,790	15,123	15,123	15,123	21,790	15,123	15,123	11,230	197,587	214,141	232,241
Water		3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	1,351	41,519	45,632	50,152
Waste water management		2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	26,428	29,070	31,977
Waste management		1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	19,496	21,446	23,591
Other		**–**	**–**	**–**	**–**	**–**	**–**	**100**	**–**	**–**	**–**	**–**	**–**	**100**	**100**	**100**
Total Revenue - Standard		**83,900**	**30,724** 45,894	**29,099** 44,269	**32,605** 51,281	**84,060** 106,072	**29,099** 44,269	**29,199** 44,369	**29,099** 44,269	**83,885** 105,722	**29,099** 44,269	**29,099** 44,269	**23,007**	**512,872**	**552,517**	**595,049**
Expenditure - Standard	-															
Governance and administration		**10,798**	**10,798**	**10,798**	**10,798**	**10,798**	**10,798**	**10,798**	**10,798**	**10,798**	**10,798**	**10,798**	**13,541**	**132,318**	**140,515**	**149,906**
Executive and council		5,674	5,674	5,674	5,674	5,674	5,674	5,674	5,674	5,674	5,674	5,674	5,876	68,291	72,761	77,306
Budget and treasury office		2,987	2,987	2,987	2,987	2,987	2,987	2,987	2,987	2,987	2,987	2,987	2,591	35,447	37,147	40,036
Corporate services		2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	5,074	28,581	30,607	32,564
Community and public safety		**5,044**	**5,044**	**5,044**	**5,044**	**5,044**	**5,044**	**5,044**	**5,044**	**5,044**	**5,044**	**5,044**	**5,457**	**60,938**	**64,538**	**68,611**
Community and social services		2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,395	2,373	28,720	30,608	32,529
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,510	29,736	31,699	33,698
Housing		173	173	173	173	173	173	173	173	173	173	173	574	2,481	2,231	2,384
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Economic and environmental services		**6,930**	**6,930**	**6,930**	**6,930**	**6,930**	**6,930**	**6,930**	**6,930**	**6,930**	**6,930**	**6,930**	**11,811**	**88,043**	**91,929**	**96,024**
Planning and development		1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	2,191	14,370	14,923	15,503
Road transport		5,823	5,823	5,823	5,823	5,823	5,823	5,823	5,823	5,823	5,823	5,823	9,620	73,673	77,006	80,521
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**35,401**	**35,401**	**28,734**	**28,734**	**28,734**	**28,734**	**28,734**	**28,734**	**28,734**	**28,734**	**28,734**	**34,285**	**363,692**	**395,848**	**429,101**
Electricity		24,521	24,521	17,854	17,854	17,854	17,854	17,854	17,854	17,854	17,854	17,854	23,700	233,427	256,967	281,431
Water		4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,122	52,395	55,812	59,286
Waste water management		3,680	3,680	3,680	3,680	3,680	3,680	3,680	3,680	3,680	3,680	3,680	3,655	44,134	47,184	50,322
Waste management		2,812	2,812	2,812	2,812	2,812	2,812	2,812	2,812	2,812	2,812	2,812	2,809	33,737	35,884	38,061
Other		**53**	**53**	**53**	**53**	**53**	**53**	**53**	**53**	**53**	**53**	**53**	**46**	**624**	**660**	**697**
Total Expenditure - Standard		**58,225**	**58,225**	**51,558**	**51,558**	**51,558**	**51,558**	**51,558**	**51,558**	**51,558**	**51,558**	**51,558**	**65,141**	**645,615**	**693,490**	**744,340**
Surplus/(Deficit) before assoc.		**25,675**	**(27,501)**	**(22,460)**	**(18,954)**	**32,502**	**(22,460)**	**(22,360)**	**(22,460)**	**32,327**	**(22,460)**	**(22,460)**	**(42,133)**	**(132,743)**	**(140,973)**	**(149,290)**
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	**1**	**25,675**	**(27,501)**	**(22,460)**	**(18,954)**	**32,502**	**(22,460)**	**(22,360)**	**(22,460)**	**32,327**	**(22,460)**	**(22,460)**	**(42,133)**	**(132,743)**	**(140,973)**	**(149,290)**

Table 51 KZN263 SA28 - Budgeted monthly Capital Expenditure (Municipal Vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Framework	
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18
Multi-year expenditure ***to be appropriated***	1														
Vote 1 - Municipal Governance & Administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Budget & Treasury		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Community & Public Safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Technical Services		2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,923	35,078	37,966
Vote 7 - Trading Services				2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000	20,000
Vote 8 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**2,923**	**2,923**	**4,923**	**4,923**	**4,923**	**4,923**	**4,923**	**4,923**	**4,923**	**4,923**	**4,923**	**4,923**	**55,078**	**57,966**
Single-year expenditure ***to be appropriated***															
Vote 1 - Municipal Governance & Administration													–	–	–
Vote 2 - Budget & Treasury					100		100		126		100		0	426	453
Vote 3 - Corporate Services						700		121					(0)	821	872
Vote 4 -													–	–	–
Vote 5 - Community & Public Safety				20		1,000			103	110	100		51	1,383	1,469
Vote 6 - Technical Services					–		300		20	10			0	330	351
Vote 7 - Trading Services			–	1,000	1,500	2,000	750	1,096	2,500	1,000	1,500	1,000	190	12,536	13,313
Vote 8 - Other													–	–	–
Vote 9 - Planning and development													43	43	45
Capital single-year expenditure sub-total	2	**–**	**–**	**1,020**	**1,600**	**3,700**	**1,150**	**1,217**	**2,749**	**1,120**	**1,700**	**1,000**	**284**	**15,539**	**16,503**
Total Capital Expenditure	2	**2,923**	**2,923**	**5,943**	**6,523**	**8,623**	**6,073**	**6,140**	**7,672**	**6,043**	**6,623**	**5,923**	**5,207**	**70,617**	**74,469**

Table 52 KZN263 SA29 - Budgeted monthly Capital Expenditure (Standard Classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard	1															
Governance and administration		–	–	–	100	700	100	121	126	–	100	–	1	1,247	1,325	1,403
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Budget and treasury office		–	–	–	100	–	100	–	126	–	100	–	0	426	453	480
Corporate services		–	–	–	–	700	–	121	–	–	–	–	0	821	872	923
Community and public safety		–	–	20	–	1,000	–	–	100	110	100	–	43	1,373	1,458	1,544
Community and social services		–	–	20	–	1,000	–	–	50	83	73	–	43	1,269	1,348	1,428
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	50	27	27	–	(0)	103	110	116
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		2,923	2,923	2,923	2,953	2,923	3,223	2,923	2,943	2,937	2,923	2,923	2,945	35,462	38,374	40,441
Planning and development		–	–	–	20	–	–	–	13	–	–	–	10	43	45	48
Road transport		2,923	2,923	2,923	2,933	2,923	3,223	2,923	2,930	2,937	2,923	2,923	2,935	35,419	38,328	40,393
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		–	2,000	3,000	3,500	3,000	2,750	3,093	4,500	3,000	3,500	3,000	1,193	32,536	33,313	34,099
Electricity		–	2,000	2,000	3,000	2,700	2,730	2,000	3,877	3,000	3,500	3,000	1,193	29,000	29,558	30,122
Water		–	–	1,000	500	300	–	–	23	–	–	–	0	1,823	1,936	2,050
Waste water management		–	–	–	–	–	20	1,032	600	–	–	–	0	1,652	1,755	1,858
Waste management		–	–	–	–	–	–	61	–	–	–	–	(0)	61	64	68
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	2	2,923	4,923	5,943	6,553	7,623	6,073	6,137	7,669	6,047	6,623	5,923	4,182	70,617	74,469	77,486
Funded by:																
National Government		18,359				18,359				18,359			0	55,078	57,966	60,009
Provincial Government													–	–	–	–
District Municipality													–	–	–	–
Other transfers and grants													–	–	–	–
Transfers recognised - capital		18,359	–	–	–	18,359	–	–	–	18,359	–	–	0	55,078	57,966	60,009
Public contributions & donations													–	–	–	–
Borrowing													–	–	–	–

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Internally generated funds		1,359	1,359	1,359	1,359	1,359	1,359	1,359	1,359	1,359	1,359	1,359	588	15,539	16,503	17,476
Total Capital Funding		**19,719**	**1,359**	**1,359**	**1,359**	**19,719**	**1,359**	**1,359**	**1,359**	**19,718**	**1,359**	1,359	589	70,617	74,469	77,485

Table 53 KZN263 SA30 - Budgeted Monthly Cash Flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source													1		
Property rates	5,349	5,349	5,349	5,349	5,349	5,349	5,349	5,349	5,349	5,349	5,349	5,349	64,184	68,163	72,185
Property rates - penalties & collection charges	178	178	178	178	178	178	178	178	178	178	178	178	2,132	2,264	2,398
Service charges - electricity revenue	15,123	15,123	15,123	15,123	15,123	15,123	15,123	15,123	15,123	15,123	15,123	11,230	177,587	194,141	212,241
Service charges - water revenue	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	3,652	1,351	41,519	45,632	50,152
Service charges - sanitation revenue	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	2,202	26,428	29,070	31,977
Service charges - refuse revenue	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	19,496	21,446	23,591
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	122	122	122	122	122	122	122	122	122	122	122	122	1,463	1,542	–
Interest earned - external investments	163	163	163	163	163	163	163	163	163	163	163	163	1,956	2,077	2,200
Interest earned - outstanding debtors	1	1	1	1	1	1	1	1	1	1	1	1	16	17	18
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	143	143	143	143	143	143	143	143	143	143	143	143	1,713	1,819	1,927
Licences and permits	374	374	374	374	374	374	374	374	374	374	374	375	4,493	4,772	5,053
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operational	44,863	–	–	–	34,863	–	–	–	34,863	–	–	–	114,588	121,245	129,171
Other revenue	185	185	185	185	185	185	185	185	185	185	185	185	2,218	2,343	4,128
Cash Receipts by Source	**73,979**	**29,117**	**29,117**	**29,117**	**63,979**	**29,117**	**29,117**	**29,117**	**63,979**	**29,117**	**29,117**	**22,922**	**457,793**	**494,532**	**535,040**
Other Cash Flows by Source															
Transfer receipts - capital	18,359	–	–	–	18,359	–	–	–	18,359	–	–	0	55,078	57,966	60,009
Contributions recognised - capital & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
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	**92,339**	**29,117**	**29,117**	**29,117**	**82,339**	**29,117**	**29,117**	**29,117**	**82,339**	**29,117**	**29,117**	**22,922**	**512,871**	**552,498**	**595,049**

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Payments by Type															
Employee related costs	12,661	12,661	12,661	12,661	12,661	12,661	12,661	12,661	12,661	12,661	12,661	1,911	141,180	152,732	163,283
Remuneration of councillors	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	16,620	17,817	19,046
Finance charges	–	–	–	–	–	–	–	–	–	–	–	959	959	1,019	1,079
Bulk purchases - Electricity	20,000	20,000	11,001	11,001	11,001	11,001	11,001	11,001	11,001	11,001	11,001	15,000	154,013	173,960	190,312
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	2,192	5,550	29,659	31,589	33,453
Contracted services	8,358	8,358	8,358	8,358	8,358	8,358	8,358	8,358	8,358	8,358	8,358	1,899	93,838	112,438	79,397
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,602	17,237	18,306	19,386
Other expenditure	3,407	3,407	3,407	3,407	3,407	3,407	3,407	3,407	3,407	3,407	3,407	3,444	40,922	49,685	94,418
Cash Payments by Type	**49,424**	**49,424**	**40,426**	**40,426**	**40,426**	**40,426**	**40,426**	**40,426**	**40,426**	**40,426**	**40,426**	**31,750**	**494,428**	**557,545**	**600,374**
Other Cash Flows/Payments by Type															
Capital assets	18,359	–	–	–	18,359	–	–	–	18,359	–	–	0	55,078	57,966	60,009
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–			
Total Cash Payments by Type	**67,783**	**49,424**	**40,426**	**40,426**	**58,785**	**40,426**	**40,426**	**40,426**	**58,785**	**40,426**	**40,426**	**31,750**	**549,506**	**615,511**	**660,383**
NET INCREASE/(DECREASE) IN CASH HELD	**24,555**	**(20,307)**	**(11,309)**	**(11,309)**	**23,554**	**(11,309)**	**(11,309)**	**(11,309)**	**23,554**	**(11,309)**	**(11,309)**	**(8,828)**	**(36,635)**	**(63,014)**	**(65,334)**
Cash/cash equivalents at the month/year begin:	36,636	61,191	40,884	29,575	18,266	41,820	30,511	19,202	7,893	31,447	20,138	8,829	36,636	1	(63,013)
Cash/cash equivalents at the month/year end:	61,191	40,884	29,575	18,266	41,820	30,511	19,202	7,893	31,447	20,138	8,829	1	1	(63,013)	(128,347)

Annual Budgets and SDBIPs – Internal Departments

Water Services Department

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

Table 54 SA2 - Water Services Department - Operating Revenue by source, Expenditure by type and total Capital Expenditure

Description R thousand	Ref 1	Vote 1 - Municipal Governance & Administration	Vote 2 - Budget & Treasury	Vote 3 - Corporate Services	Vote 4 -	Vote 5 - Community & Public Safety	Vote 6 - Technical Services	Vote 7 - Trading Services	Vote 8 - Other	Vote 9 - Planning and development	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
Revenue By Source																	
Property rates		–	64,184	–	–	–	–	–	–	–	–	–	–	–	–	–	**64,184**
Property rates - penalties & collection charges		–	2,132	–	–	–	–	–	–	–	–	–	–	–	–	–	**2,132**
Service charges - electricity revenue		–	–	–	–	–	–	171,419	–	–	–	–	–	–	–	–	**171,419**
Service charges - water revenue		–	–	–	–	–	–	41,519	–	–	–	–	–	–	–	–	**41,519**
Service charges - sanitation revenue		–	–	–	–	–	–	26,428	–	–	–	–	–	–	–	–	**26,428**
Service charges - refuse revenue		–	–	–	–	–	–	19,496	–	–	–	–	–	–	–	–	**19,496**
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Rental of facilities and equipment		–	858	167	–	211	–	–	–	–	–	–	–	–	–	–	**1,237**
Interest earned - external investments		–	1,956	–	–	–	–	–	–	–	–	–	–	–	–	–	**1,956**
Interest earned - outstanding debtors		–	16	–	–	–	–	–	–	–	–	–	–	–	–	–	**16**
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Fines		–	–	–	–	1,606	–	–	–	–	–	–	–	–	–	–	**1,606**
Licences and permits		–	–	–	–	2,468	2,131	–	–	–	–	–	–	–	–	–	**4,599**
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Other revenue		15	1,633	–	–	252	246	6,170	–	197	–	–	–	–	–	–	**8,514**
Transfers recognised - operational		–	109,509	–	–	3,681	36,476	20,000	100	–	–	–	–	–	–	–	**169,766**
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contributions)		**15**	**180,288**	**167**	**–**	**8,219**	**38,853**	**285,032**	**100**	**197**	**–**	**–**	**–**	**–**	**–**	**–**	**512,871**
Expenditure By Type																	
Employee related costs		6,919	18,082	12,691	–	24,763	15,927	59,084	391	4,515	–	–	–	–	–	–	**142,372**
Remuneration of councillors		16,620	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**16,620**
Debt impairment		7,461	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**7,461**
Depreciation & asset impairment		4,527	507	4,398	–	6,637	26,081	68,771	–	38	–	–	–	–	–	–	**110,958**
Finance charges		–	693	–	–	–	–	–	–	–	–	–	–	–	–	–	**693**
Bulk purchases		–	–	–	–	–	–	159,013	–	–	–	–	–	–	–	–	**159,013**
Other materials		–	20	1,307	–	1,632	13,642	13,249	2	–	–	–	–	–	–	–	**29,850**
Contracted services		5,328	7,880	3,465	–	20,940	14,711	21,863	–	–	–	–	–	–	–	–	**74,186**
Transfers and grants		–	1,625	–	–	–	1,398	15,457	100	–	–	–	–	–	–	–	**18,580**
Other expenditure		27,436	6,640	6,720	–	6,966	1,915	26,256	131	9,817	–	–	–	–	–	–	**85,881**
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**

Description R thousand	Ref 1	Vote 1 - Municipal Governance & Administration	Vote 2 - Budget & Treasury	Vote 3 - Corporate Services	Vote 4 -	Vote 5 - Community & Public Safety	Vote 6 - Technical Services	Vote 7 - Trading Services	Vote 8 - Other	Vote 9 - Planning and development	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
Total Expenditure		**68,291**	**35,447**	**28,581**	**–**	**60,938**	**73,673**	**363,692**	**624**	**14,370**	**–**	**–**	**–**	**–**	**–**	**–**	**645,614**
Surplus/(Deficit)		**(68,276)**	**144,841**	**(28,413)**	**–**	**(52,719)**	**(34,820)**	**(78,660)**	**(524)**	**(14,173)**	**–**	**–**	**–**	**–**	**–**	**–**	**(132,743)**
Transfers recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(68,276)**	**144,841**	**(28,413)**	**–**	**(52,719)**	**(34,820)**	**(78,660)**	**(524)**	**(14,173)**	**–**	**–**	**–**	**–**	**–**	**–**	**(132,743)**

Table 55 Water Services Department – Performance objectives and indicators

None

There are currently unfilled positions in the structure of the Water Services Section. The top management structure consists of the Director Technical Services and Manager Water. As part of the performance objectives for the 2016/17 financial year, the expansion of the functional water demand management unit will require an amendment to the departmental organogram and the subsequent filling of vacancies.

Significant capital projects to be undertaken over the medium term includes, amongst others:

- *Replacement and upgrading of deficient reticulation infrastructure; and*
- *Purification plant upgrades.*

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance of R 4, 6 million, R 4, 9 million and R5, 2 million in each of the respective financial years of the MTREF.

The departmental revenue base is primarily informed by the sale of water of which budget appropriation for the 2016/17 financial year is R 43, 8 million and increases to R53 million by 2018/19 and has been informed by a collection rate of 92% and distribution losses of 50%, as well as ensuring that all areas currently not metered have water meters installed this will increase the collection rate, reduce the losses and allow for more funds to be allocated to repairing the infrastructure.

The reduction of distribution losses is considered a priority and hence the departmental objectives and targets provide for a 1% efficiency gain per annum. In relation to this target, past performance has been irregular with a total distribution loss of 46 % in 2014/15; increasing to 60.87% in the 2015/16 adjustment budget and budgeted for 2016/17 at 50% for the year.

Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 56 KZN263 SA34a - Capital Expenditure on new Assets by Asset Class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**9,027**	**11,083**	**55,070**	**61,936**	**68,381**	**61,971**	**67,955**	**71,641**	**74,491**
Infrastructure - Road transport		–	128	40,929	35,861	35,861	35,566	35,419	38,328	40,393
Roads, Pavements & Bridges		–	128	40,929	35,861	35,861	35,566	35,419	38,328	40,393
Storm water		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		9,027	10,919	13,524	22,180	29,200	25,755	29,000	29,558	30,122
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		9,027	10,919	13,524	22,180	29,200	25,755	29,000	29,558	30,122
Street Lighting		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	22	–	2,025	1,710	89	1,823	1,936	2,050
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		–	22	–	2,025	1,710	89	1,823	1,936	2,050
Reticulation		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	14	591	1,550	1,550	561	1,652	1,755	1,858
Reticulation		–	–	–	–	–	–	–	–	–
Sewerage purification		–	14	591	1,550	1,550	561	1,652	1,755	1,858
Infrastructure - Other		–	–	26	320	60	–	61	64	68
Waste Management		–	–	26	320	60	–	61	64	68
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–
Community		**122**	**151**	**65**	**1,670**	**1,250**	**51**	**1,376**	**1,461**	**1,547**
Parks & gardens		–	54	–	–	–	–	–	–	–
Sports fields & stadia		–	–	–	–	–	–	–	–	–
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		108	67	65	50	50	50	53	57	60
Libraries		–	–	–	50	50	1	53	57	60
Recreational facilities		–	–	–	–	–	–	–	–	–
Fire, safety & emergency		14	30	–	450	100	–	103	110	116
Security and policing		–	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Buses	7	–	–	–	–	–	–	–	–	–
Clinics		–	–	–	–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–	–	–	–
Cemeteries		–	–	–	1,120	1,050	–	1,166	1,238	1,311
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		145	426	334	1,410	1,235	531	1,287	1,366	1,447
General vehicles		–	–	–	–	–	–	–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		–	–	–	–	–	–	–	–	–
Computers - hardware/equipment		42	85	234	700	700	126	746	792	839
Furniture and other office equipment		103	341	100	710	535	405	540	574	608
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	–	–	–	–	–	–	–
Other Buildings		–	–	–	–	–	–	–	–	–
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming		–	–	–	–	–	–	–	–	–
Other *(list sub-class)*		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**9,294**	**11,660**	**55,469**	**65,016**	**70,866**	**62,553**	**70,617**	**74,469**	**77,486**

Table 57 KZN263 SA34b - Capital Expenditure on the Renewal of existing Assets by Asset Class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
- **Infrastructure**		–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Roads, Pavements & Bridges		–	–	–	–	–	–	–	–	–
Storm water		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		–	–	–	–	–	–	–	–	–
Street Lighting		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Sewerage purification		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Waste Management		–	–	–	–	–	–	–	–	–
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–
Community		–	–	–	–	–	–	–	–	–
Parks & gardens		–	–	–	–	–	–	–	–	–
Sports fields & stadia		–	–	–	–	–	–	–	–	–
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Recreational facilities		–	–	–	–	–	–	–	–	–
Fire, safety & emergency		–	–	–	–	–	–	–	–	–
Security and policing		–	–	–	–	–	–	–	–	–
Buses	7	–	–	–	–	–	–	–	–	–
Clinics		–	–	–	–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–	–	–	–
Cemeteries		–	–	–	–	–	–	–	–	–
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
General vehicles		–	–	–	–	–	–	–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		–	–	–	–	–	–	–	–	–
Computers - hardware/equipment		–	–	–	–	–	–	–	–	–
Furniture and other office equipment		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	–	–	–	–	–	–	–
Other Buildings		–	–	–	–	–	–	–	–	–
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
List sub-class		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming		–	–	–	–	–	–	–	–	–
Other *(list sub-class)*		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	1	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Table 58 KZN263 SA34c - Repairs and Maintenance Expenditure by Asset Class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Repairs and maintenance expenditure by Asset Class/Sub-class										
- **Infrastructure**		**13,528**	**11,006**	**13,649**	**22,069**	**21,931**	**6,932**	**27,108**	**30,154**	**31,931**
Infrastructure - Road transport		5,379	4,792	5,921	9,015	9,215	2,775	13,859	16,043	17,030
Roads, Pavements & Bridges		5,379	4,792	5,921	9,015	9,215	2,775	13,859	16,043	17,030
Storm water		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		4,322	2,177	2,435	7,340	6,250	229	6,649	7,062	7,478
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		3,655	1,592	1,549	6,340	5,250	229	5,583	5,930	6,279
Street Lighting		667	585	886	1,000	1,000	0	1,066	1,132	1,199
Infrastructure - Water		2,390	3,019	3,311	3,404	4,356	2,266	4,376	4,648	4,922
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		2,390	3,019	3,311	3,404	4,356	2,266	4,376	4,648	4,922
Reticulation		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		1,437	997	1,982	1,810	1,910	1,662	2,010	2,135	2,261
Reticulation		1,437	997	1,982	1,810	1,910	1,662	2,010	2,135	2,261
Sewerage purification		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	21	–	500	200	–	213	266	240
Waste Management		–	21	–	500	200	–	213	266	240
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–
Community		**423**	**838**	**769**	**2,050**	**1,401**	**885**	**1,244**	**1,323**	**1,402**
Parks & gardens		42	63	93	250	200	455	250	266	281
Sports fields & stadia		–	–	–	–	–	–	–	–	–
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		–	–	–	–	–	–	–	–	–
Libraries		30	190	39	340	340	0	350	372	394
Recreational facilities		–	–	–	–	–	–	–	–	–
Fire, safety & emergency		–	–	–	–	–	–	–	–	–
Security and policing		234	345	313	780	476	430	501	532	563

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Buses	7	–	–	–	–	–	–	–	–	–
Clinics		–	–	–	–	–	–	–	–	–
Museums & Art Galleries		4	30	29	120	120	–	128	138	147
Cemeteries		2	43	3	50	15	–	15	16	17
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		110	166	291	510	250	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		**(146)**	**383**	**645**	**1,622**	**1,322**	**1,167**	**1,307**	**113**	**120**
General vehicles		(494)	–	–	–	–	–	–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		–	–	–	–	–	–	–	–	–
Computers - hardware/equipment		191	(31)	176	100	100	75	107	113	120
Furniture and other office equipment		16	51	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	–	–	–	–	–	–	–
Other Buildings		141	362	469	1,522	1,222	1,092	1,200	–	–
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming		–	–	–	–	–	–	–	–	–
Other *(list sub-class)*		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	**13,804**	**12,227**	**15,064**	**25,741**	**24,653**	**8,984**	**29,659**	**31,590**	**33,453**

Table 59 KZN263 SA34d - Future Financial Implications of the Capital Budget (Depreciation by Asset Class)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Depreciation by Asset Class/Sub-class										
Infrastructure		**69,556**	**14,177**	**62,259**	**18,917**	**88,979**	**88,979**	**94,852**	**100,733**	**106,676**
Infrastructure - Road transport		35,922	4,944	6,309	6,238	24,466	24,466	26,081	27,698	29,332
Roads, Pavements & Bridges		35,922	4,944	6,309	6,238	24,466	24,466	26,081	27,698	29,332
Storm water		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		12,585	3,278	31,413	4,520	31,661	31,661	33,750	35,843	37,957
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		12,585	3,278	31,413	4,520	31,661	31,661	33,750	35,843	37,957
Street Lighting		–	–	–	–	–	–	–	–	–
Infrastructure - Water		16,443	1,967	13,777	2,741	13,928	13,928	14,847	15,767	16,698
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		16,443	1,967	13,777	2,741	13,928	13,928	14,847	15,767	16,698
Reticulation		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		4,607	3,987	10,759	5,419	11,056	11,056	11,786	12,516	13,255
Reticulation		4,607	3,987	10,759	5,419	11,056	11,056	11,786	12,516	13,255
Sewerage purification		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	7,869	7,869	8,388	8,908	9,434
Waste Management		–	–	–	–	7,869	7,869	8,388	8,908	9,434
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–
Community		**1,475**	**430**	**13,191**	**877**	**6,226**	**6,226**	**6,637**	**7,048**	**7,464**
Parks & gardens		–	–	–	–	–	–	–	–	–
Sports fields & stadia		–	–	–	–	–	–	–	–	–
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		1,440	368	13,152	835	6,184	6,184	6,592	7,000	7,414
Libraries		–	–	–	–	–	–	–	–	–
Recreational facilities		–	–	–	–	–	–	–	–	–
Fire, safety & emergency		35	63	40	42	42	42	45	48	50
Security and policing		–	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Buses	7	–	–	–	–	–	–	–	–	–
Clinics		–	–	–	–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–	–	–	–
Cemeteries		–	–	–	–	–	–	–	–	–
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		**25,210**	**93,807**	**17,096**	**2,199**	**8,883**	**8,883**	**9,470**	**10,057**	**10,651**
General vehicles		–	–	–	–	–	–	–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		–	–	–	–	–	–	–	–	–
Computers - hardware/equipment		426	197	231	245	476	476	507	539	570
Furniture and other office equipment		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		123	1,348	1,899	1,736	4,126	4,126	4,398	4,671	4,946
Other Buildings		–	–	–	–	–	–	–	–	–
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		24,661	92,263	14,965	218	4,282	4,282	4,565	4,848	5,134
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming		–	–	–	–	–	–	–	–	–
Other *(list sub-class)*		–	–	–	–	–	–	–	–	–
Total Depreciation	1	**96,242**	**108,414**	**92,546**	**21,994**	**104,088**	**104,088**	**110,958**	**117,838**	**124,790**

Table 60 KZN263 SA35 - Future Financial Implications of the Capital Budget

Vote Description	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
Capital expenditure	1							
Vote 1 - Municipal Governance & Administration		–	–	–				
Vote 2 - Budget & Treasury		426	453	480				
Vote 3 - Corporate Services		821	872	923				
Vote 4 -		–	–	–				
Vote 5 - Community & Public Safety		1,383	1,469	1,556				
Vote 6 - Technical Services		35,408	38,317	40,381				
Vote 7 - Trading Services		32,536	33,313	34,099				
Vote 8 - Other		–	–	–				
Vote 9 - Planning and development		43	45	48				
List entity summary if applicable								
Total Capital Expenditure		**70,617**	**74,469**	**77,486**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Municipal Governance & Administration								
Vote 2 - Budget & Treasury								
Vote 3 - Corporate Services								
Vote 4 -								
Vote 5 - Community & Public Safety								
Vote 6 - Technical Services								
Vote 7 - Trading Services								
Vote 8 - Other								
Vote 9 - Planning and development								
List entity summary if applicable								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								

Vote Description	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
List other revenues sources if applicable *List entity summary if applicable*								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		**70,617**	**74,469**	**77,486**	**–**	**–**	**–**	**–**

Table 61 KZN263 SA36 - Detailed Capital Budget per Municipal Vote

Municipal Vote/Capital project R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	T P Es
Parent municipality: *List all capital projects grouped by Municipal Vote*									
Parent Capital expenditure	1								
Entities: *List all capital projects grouped by Entity*									
Entity A Water project A **Entity B** Electricity project B									
Entity Capital expenditure									
Total Capital expenditure									

Table 62 KZN263 SA37 - Projects delayed from previous financial year

Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
							Year	Original Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality: *List all capital projects grouped by Municipal Vote*				*Examples*	*Examples*							
Entities: *List all capital projects grouped by Municipal Entity*												
Entity Name *Project name*												

Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. ***In year reporting***

   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. ***Internship programme***

   The Municipality is participating in the Municipal Financial Management Internship programme and has advertised for the employment of five interns to undergo training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained interns through this programme and a majority of them were appointed either in the Municipality or other municipalities.

3. ***Budget and Treasury Office***

   The Budget and Treasury Office has been established in accordance with the MFMA.

4. ***Audit Committee***

   An Audit Committee has been established and is fully functional.

5. ***Service Delivery and Implementation Plan***

   The detail SDBIP document is at a draft stage and will be finalised after approval of the 2016/17 MTREF in June 2016 directly aligned and informed by the 2016/17 MTREF.

6. ***Annual Report***

   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. ***MFMA Training***

   The MFMA training module in electronic format is presented for the Municipality's internal employees and training is on-going.

   Policies

   An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

Other supporting documents

Table 63 KZN263 Table SA1 - Supporting detail to Budgeted Financial Performance

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		41,574	49,942	59,010	60,626	60,210	51,699	51,699	64,184	68,163	72,185
less Revenue Foregone ***(exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)***											
Net Property Rates		**41,574**	**49,942**	**59,010**	**60,626**	**60,210**	**51,699**	**51,699**	**64,184**	**68,163**	**72,185**
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		126,394	141,091	145,521	172,402	164,383	149,624	149,624	177,587	194,161	212,241
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		**126,394**	**141,091**	**145,521**	**172,402**	**164,383**	**149,624**	**149,624**	**177,587**	**194,161**	**212,241**
Service charges - water revenue	6										
Total Service charges - water revenue		**30,842**	**36,153**	**36,524**	**50,290**	**39,835**	**32,522**	**32,522**	**41,519**	**45,632**	**50,152**
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		**30,842**	**36,153**	**36,524**	**50,290**	**39,835**	**32,522**	**32,522**	**41,519**	**45,632**	**50,152**
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		**16,411**	**19,208**	**25,914**	**24,685**	**24,025**	**20,960**	**20,960**	**26,428**	**29,070**	**31,977**
less Revenue Foregone ***(in excess of free sanitation service to indigent households)***											

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - sanitation revenue		**16,411**	**19,208**	**25,914**	**24,685**	**24,025**	**20,960**	**20,960**	**26,428**	**29,070**	**31,977**
Service charges - refuse revenue	6										
Total refuse removal revenue		12,232	13,986	15,946	18,238	17,724	15,608	15,608	19,496	21,446	23,591
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		**12,232**	**13,986**	**15,946**	**18,238**	**17,724**	**15,608**	**15,608**	**19,496**	**21,446**	**23,591**
Other Revenue by source											
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Other Revenue		–	–	–	2,577	–	–	–	1,729	1,823	3,578
Burial fees		–	–	–	180	180	–	–	192	204	216
Encroachment fees		1,599	43,348	45,828	53	53	2,053	676	57	60	64
Photostat Copies		–	–	–	46	21	–	–	23	24	25
Special Consent		–	–	–	–	40	–	–	43	45	48
Gate fees		–	–	–	–	1	–	–	1	1	1
Building Plan fees					53	15			16	17	18
SETA					197	–			–	–	–
Tender deposits					300	60			64	68	72
Rates Clearances					73	60			64	68	72
Monument Fees	3				29	29			31	32	34
Total 'Other' Revenue	1	**1,599**	**43,348**	**45,828**	**3,507**	**459**	**2,053**	**676**	**2,218**	**2,343**	**4,128**
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	57,446	61,465	73,915	72,132	71,355	55,285	58,753	81,434	87,426	93,472
Pension and UIF Contributions		603	612	647	15,485	15,053	1,972	575	16,107	17,267	18,458
Medical Aid Contributions		4,080	4,589	4,942	5,677	5,643	266	5,104	6,038	6,473	6,919
Overtime		10,403	8,996	12,348	9,633	16,812	12,991	14,259	17,989	19,284	20,615

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Performance Bonus		4,315	4,590	4,810	6,676	5,575	718	5,427	7,078	7,585	8,107
Motor Vehicle Allowance		6,839	10,554	8,751	7,269	7,176	2,517	9,266	7,679	8,231	8,799
Cellphone Allowance		11,943	12,085	12,839	583	571	7,950	11,922	611	655	700
Housing Allowances		342	262	250	334	1,035	1,755	857	1,108	1,187	1,269
Other benefits and allowances		1,944	2,270	2,052	2,703	2,248	1,917	2,215	4,298	4,608	4,926
Payments in lieu of leave		3,743	2,298	2,002	2,848	3,579	1,192	2,155	3,815	4,051	4,291
Long service awards		28	29	32	36	29	460	20	31	34	36
Post-retirement benefit obligations	4	–	–	–	3,636	5,402	–	–	5,758	6,115	6,476
sub-total	5	**101,686**	**107,749**	**122,588**	**127,012**	**134,478**	**87,023**	**110,553**	**151,945**	**162,915**	**174,067**
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	**101,686**	**107,749**	**122,588**	**127,012**	**134,478**	**87,023**	**110,553**	**151,945**	**162,915**	**174,067**
Contributions recognised - capital											
MIG				40,911	35,566	35,566	35,566	35,566	35,078	37,966	40,009
INEG		9,000	9,000	9,000	18,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Contributions recognised - capital		**9,000**	**9,000**	**49,911**	**53,566**	**55,566**	**55,566**	**55,566**	**55,078**	**57,966**	**60,009**
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		96,145	88,655	82,095	21,994	104,088	104,088	104,088	110,958	117,838	124,790
Lease amortisation		–	19,664	9,058	–	–	–	–	–	–	–
Capital asset impairment		96	96	1,393	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	10	–	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	**96,241**	**108,415**	**92,546**	**21,994**	**104,088**	**104,088**	**104,088**	**110,958**	**117,838**	**124,790**
Bulk purchases											
Electricity Bulk Purchases		112,200	122,108	127,786	154,400	145,350	117,736	117,736	159,013	173,960	190,312
Water Bulk Purchases		–	–	–	–	–	–	–	–	–	–
Total bulk purchases	1	**112,200**	**122,108**	**127,786**	**154,400**	**145,350**	**117,736**	**117,736**	**159,013**	**173,960**	**190,312**
Transfers and grants											
Cash transfers and grants		–	–	–	105	170	95	95	181	192	204
Non-cash transfers and grants		–	–	–	13,991	16,000	15,798	15,798	17,056	18,113	19,182
Total transfers and grants	1	**–**	**–**	**–**	**14,096**	**16,170**	**15,893**	**15,893**	**17,237**	**18,306**	**19,386**

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Contracted services											
List services provided by contract		26,703	28,723	43,121	35,292	38,574	28,948	29,242	36,517	41,704	5,907
Internal Audit					2,000	2,000			2,132	2,264	2,398
Meter Reading					2,000	2,600			2,772	2,943	3,117
Computer Services					720	550			586	623	659
VAT Consultant					–	900			500	–	–
Parks					6,665	6,150			6,556	6,962	7,373
Security					12,000	12,100			12,899	13,698	14,507
Refuse Removal					10,500	10,400			11,086	11,774	12,468
Steiner					12	22			23	25	26
Digging of Graves					50	50			53	57	60
Electricity-Engineer					1,200	500			533	566	599
WSSA					370	370			394	419	444
Munsoft					1,000	1,500			1,599	1,698	1,798
Infrastructure Plan					1,000	1,000			1,066	1,132	–
Shoba Township Establishment									1,500	1,500	1,500
Shared Services					500	500			533	566	599
Land Use Scheme									1,100	1,168	1,237
Forensic Auditors					220	720			768	815	863
LED WARD Project									2,200	2,200	2,200
Total client services											
Commission on vendor sales					1,089	1,089			1,161	1,233	1,306
Photocopiers & faxes					750	600			640	679	719
Lease of vehicles					17,105	16,850			17,962	19,076	20,201
Telephones					1,000	1,180			1,258	1,336	1,415
sub-total	1	**26,703**	**28,723**	**43,121**	**93,473**	**97,654**	**28,948**	**29,242**	**103,838**	**112,438**	**79,397**
Allocations to organs of state:											
Electricity		–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total contracted services		**26,703**	**28,723**	**43,121**	**93,473**	**97,654**	**28,948**	**29,242**	**103,838**	**112,438**	**79,397**
Other Expenditure By Type	-										
Collection costs		6,586	–	57,183	–	–	3,960	3,960	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Contributions to 'other' provisions		68	(135)	–	–	–	–	–	–	–	–
Consultant fees		532	672	1,522	1,050	850	434	434	1,108	1,169	–
Audit fees		1,283	2,482	5,234	2,000	2,000	1,945	1,783	2,132	2,264	2,398
General expenses	3	66,933	81,933	77,677	20,241	34,913	40,306	47,568	11,856	11,495	55,222
List Other Expenditure by Type		–	–	–	–	–	–	–	–	–	–
Ward Committee Members		–	–	–	2,800	2,400	–	–	2,558	2,717	2,877
Newsletter & Radio Slot		–	–	–	150	150	–	–	160	170	171
Advertisements & Notices		–	–	–	500	350	–	–	373	396	420
Allowances & Pensioners Contributions		–	–	–	1,746	1,400	–	–	1,492	1,585	1,678
Banking Services		–	–	–	1,550	1,350	–	–	1,439	1,528	1,619
Brochures & Postcards		–	–	–	10	10	–	–	111	11	12
Cartage & Railage					75	75			80	85	90
Chemicals					2,575	3,525			3,758	3,991	4,226
Cleaning Materials					437	404			431	457	484
Conference Fees & Travelling					3,020	3,128			3,334	3,541	3,750
Municipal Services					6,655	7,132			7,603	8,074	8,550
Compensation Commissioner					550	550			586	623	659
Strategic Planning Sessions & Refreshments					187	192			205	217	230
Budget Road show					500	650			693	736	779
First Aid Supplies					16	16			17	18	19
Council Community Projects					1,000	1,000			1,066	1,132	1,199
LED Projects & Poverty Alleviation					3,300	5,400			5,756	6,113	6,474
Spluma					1,000	1,000			1,066	1,132	1,199
Indigent Burials					220	220			235	249	264
Insurances					1,000	1,750			1,866	1,981	2,098
Total 'Other' Expenditure	1	**75,402**	**84,953**	**141,615**	**50,580**	**68,464**	**46,645**	**53,744**	**47,923**	**49,685**	**94,418**

Table 64 KZN263 Table SA2 – Matrix Financial Performance Budget (Revenue Source / Expenditure type and Department)

Description R thousand	Vote 1 - Municipal Governance & Administration	Vote 2 - Budget & Treasury	Vote 3 - Corporate Services	Vote 4 -	Vote 5 - Community & Public Safety	Vote 6 - Technical Services	Vote 7 - Trading Services	Vote 8 - Other	Vote 9 - Planning and development	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
Revenue By Source																
Property rates	–	64,184	–	–	–	–	–	–	–	–	–	–	–	–	–	**64,184**
Property rates - penalties & collection charges	–	2,132	–	–	–	–	–	–	–	–	–	–	–	–	–	**2,132**
Service charges - electricity revenue	–	–	–	–	–	–	171,419	–	–	–	–	–	–	–	–	**171,419**
Service charges - water revenue	–	–	–	–	–	–	41,519	–	–	–	–	–	–	–	–	**41,519**
Service charges - sanitation revenue	–	–	–	–	–	–	26,428	–	–	–	–	–	–	–	–	**26,428**
Service charges - refuse revenue	–	–	–	–	–	–	19,496	–	–	–	–	–	–	–	–	**19,496**
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Rental of facilities and equipment	–	858	167	–	211	–	–	–	–	–	–	–	–	–	–	**1,237**
Interest earned - external investments	–	1,956	–	–	–	–	–	–	–	–	–	–	–	–	–	**1,956**
Interest earned - outstanding debtors	–	16	–	–	–	–	–	–	–	–	–	–		–	–	**16**
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Fines	–	–	–	–	1,606	–	–	–	–	–	–	–	–	–	–	**1,606**
Licences and permits	–	–	–	–	2,468	2,131	–	–	–	–	–	–	–	–	–	**4,599**
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Other revenue	15	1,633	–	–	252	246	6,170	–	197	–	–	–	–	–	–	**8,514**
Transfers recognised - operational	–	109,509	–	–	3,681	36,476	20,000	100	–	–	–	–	–	–	–	**169,766**
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contributions)	**15**	**180,288**	**167**	**–**	**8,219**	**38,853**	**285,032**	**100**	**197**	**–**	**–**	**–**	**–**	**–**	**–**	**512,871**
Expenditure By Type																
Employee related costs	6,919	18,082	12,691	–	24,763	15,927	59,084	391	4,515	–	–	–	–	–	–	**142,372**
Remuneration of councillors	16,620	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**16,620**
Debt impairment	7,461	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**7,461**
Depreciation & asset impairment	4,527	507	4,398	–	6,637	26,081	68,771	–	38	–	–	–	–	–	–	**110,958**
Finance charges	–	693	–	–	–	–	–	–	–	–	–	–	–	–	–	**693**

Bulk purchases	–	–	–	–	–	–	159,013	–	–	–	–	–	–	–	–	**159,013**
Other materials	–	20	1,307	–	1,632	13,642	13,249	2	–	–	–	–	–	–	–	**29,850**
Contracted services	5,328	7,880	3,465	–	20,940	14,711	21,863	–	–	–	–	–	–	–	–	**74,186**
Transfers and grants	–	1,625	–	–	–	1,398	15,457	100	–	–	–	–	–	–	–	**18,580**
Other expenditure	27,436	6,640	6,720	–	6,966	1,915	26,256	131	9,817	–	–	–	–	–	–	**85,881**
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Total Expenditure	**68,291**	**35,447**	**28,581**	**–**	**60,938**	**73,673**	**363,692**	**624**	**14,370**	**–**	**–**	**–**	**–**	**–**	**–**	**645,614**
Surplus/(Deficit)	**(68,276)**	**144,841**	**(28,413)**	**–**	**(52,719)**	**(34,820)**	**(78,660)**	**(524)**	**(14,173)**	**–**	**–**	**–**	**–**	**–**	**–**	**(132,743)**
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Surplus/(Deficit) after capital transfers & contributions	**(68,276)**	**144,841**	**(28,413)**	**–**	**(52,719)**	**(34,820)**	**(78,660)**	**(524)**	**(14,173)**	**–**	**–**	**–**	**–**	**–**	**–**	**(132,743)**

Table 65 KZN263 Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS											
Call investment deposits											
Call deposits < 90 days		–	41,643	26,071	26,071	26,071	26,071	26,071	26,071	26,071	26,071
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Total Call investment deposits	2	**–**	**41,643**	**26,071**	**26,071**	**26,071**	**26,071**	**26,071**	**26,071**	**26,071**	**26,071**
Consumer debtors											
Consumer debtors		57,066	46,962	74,485	74,485	74,485	74,485	74,485	74,485	74,485	74,485
Less: Provision for debt impairment		(26,293)	(4,992)	(4,968)	(4,968)	(4,968)	(4,968)	(4,968)	(4,968)	(4,968)	(4,968)
Total Consumer debtors	2	**30,773**	**41,970**	**69,517**	**69,517**	**69,517**	**69,517**	**69,517**	**69,517**	**69,517**	**69,517**
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision		(26,293)	(31,237)	–	–	–	–	–	–	–	–
Bad debts written off											
Balance at end of year		**(26,293)**	**(31,237)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		5,050,148	3,093,183	3,141,856	3,141,856	3,141,856	3,141,856	3,141,856	3,141,856	3,141,856	3,141,856
Leases recognised as PPE	3	–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		3,299,343	1,551,688	1,634,380	1,634,380	1,634,380	1,634,380	1,634,380	1,634,380	1,634,380	1,634,380
Total Property, plant and equipment (PPE)	2	**1,750,805**	**1,541,495**	**1,507,476**	**1,507,476**	**1,507,476**	**1,507,476**	**1,507,476**	**1,507,476**	**1,507,476**	**1,507,476**
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		–	1,381	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		–	–	–	–	–	–	–	–	–	–
Total Current liabilities - Borrowing		**–**	**1,381**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Trade and other payables											
Trade and other creditors		35,956	57,094	66,129	66,129	66,129	66,129	66,129	66,129	66,129	66,129
Unspent conditional transfers		33,505	6,310	5,245	5,245	5,245	5,245	5,245	5,245	5,245	5,245
VAT		(1,221)	(3,402)	–	–	–	–	–	–	–	–

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total Trade and other payables	2	**68,240**	**60,002**	**71,374**	**71,374**	**71,374**	**71,374**	**71,374**	**71,374**	**71,374**	**71,374**
Non current liabilities - Borrowing											
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Finance leases (including PPP asset element)		–	3,195	7	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing		**–**	**3,195**	**7**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Provisions - non-current											
Retirement benefits		47,173	36,565	62,275	62,275	62,275	62,275	62,275	62,275	62,275	62,275
List other major provision items											
Refuse landfill site rehabilitation		97,133	53,122	55,632	55,632	55,632	55,632	55,632	55,632	55,632	55,632
Other		–	–	–	7	7	7	7	7	7	7
Total Provisions - non-current		**144,306**	**89,687**	**117,907**	**117,914**	**117,914**	**117,914**	**117,914**	**117,914**	**117,914**	**117,914**
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1,790,670	1,547,502	1,469,437	1,469,437	1,469,437	1,469,437	1,469,437	1,469,437	1,469,437	1,469,437
GRAP adjustments											
Restated balance		1,790,670	1,547,502	1,469,437	1,469,437	1,469,437	1,469,437	1,469,437	1,469,437	1,469,437	1,469,437
Surplus/(Deficit)		(72,395)	(7,696)	(49,957)	3,894	(125,661)	(80,186)	(58,889)	(119,745)	(122,997)	(126,578)
Appropriations to Reserves		(2,771)	–	–	–	–	–	–	–	–	–
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	**1,715,503**	**1,539,806**	**1,419,480**	**1,473,331**	**1,343,776**	**1,389,251**	**1,410,548**	**1,349,692**	**1,346,440**	**1,342,859**
Reserves	-										
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–	–
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1,715,503**	**1,539,806**	**1,419,480**	**1,473,331**	**1,343,776**	**1,389,251**	**1,410,548**	**1,349,692**	**1,346,440**	**1,342,859**

Table 66 KZN263 Table SA9 – Social, Economic and Demographic Statistics and Assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population											
Females aged 5 - 14											
Males aged 5 - 14											
Females aged 15 - 34											
Males aged 15 - 34											
Unemployment											
Monthly household income (no. of households)	-										
No income	-										
R1 - R1 600											
R1 601 - R3 200											
R3 201 - R6 400											
R6 401 - R12 800											
R12 801 - R25 600											
R25 601 - R51 200											
R52 201 - R102 400											
R102 401 - R204 800											
R204 801 - R409 600											
R409 601 - R819 200											
> R819 200											
Poverty profiles (no. of households)											
< R2 060 per household per month											
Insert description											
Household/demographics (000)											
Number of people in municipal area											
Number of poor people in municipal area											
Number of households in municipal area											
Number of poor households in municipal area											

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Definition of poor household (R per month)											
- **Housing statistics**											
Formal											
Informal											
Total number of households		-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality											
Dwellings provided by province/s											
Dwellings provided by private sector											
Total new housing dwellings		-	-	-	-	-	-	-	-	-	-
Economic											
Inflation/inflation outlook (CPIX)											
Interest rate - borrowing											
Interest rate - investment		-	-	-							
Remuneration increases											
Consumption growth (electricity)											
Consumption growth (water)											
Collection rates											
Property tax/service charges											
Rental of facilities & equipment											
Interest - external investments											
Interest - debtors											
Revenue from agency services											

Total municipal services		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Household service targets (000)									
	Water:									
	Piped water inside dwelling	17,237	17,237	68,522,142	75,900,000	(9,900,000)	66,000,000	67	67	67
	Piped water inside yard (but not in dwelling)	14,020	14,020	–	–	–	–	65	65	65
	Using public tap (at least min.service level)	–	–	14,024	14,024	14	14	14	14	14
	Other water supply (at least min.service level)	12,204	12,204	200,000	264,000	16,000	280,000	7	7	7
	Minimum Service Level and Above sub-total	43,461	43,461	68,736,166	76,178,024	(9,883,986)	66,280,014	153	153	153
	Using public tap (< min.service level)	3,207	3,207	3,207	3,207	3,207	3,207	3,207	3,207	3,207
	Other water supply (< min.service level)	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919
	No water supply	40,232	40,232	40,232	40,232	40,232	40,232	40,232	40,232	40,232
	Below Minimum Service Level sub-total	45,358	45,358	45,358	45,358	45,358	45,358	45,358	45,358	45,358
	Total number of households	**88,819**	**88,819**	**68,781,524**	**76,223,382**	**(9,838,628)**	**66,325,372**	**45,511**	**45,511**	**45,511**
	Sanitation/sewerage:									
	Flush toilet (connected to sewerage)	17,723	17,723	21,911,157	24,484,157	(547,843)	23,868,157	68,157	68,157	68,157
	Flush toilet (with septic tank)	1,226	1,226	4,506	4,506	4,506	4,506	4,506	4,506	4,506
	Chemical toilet	2,241	2,241	11,208	11,208	11,208	11,208	11,208	11,208	11,208
	Pit toilet (ventilated)	4,399	4,399	22,379	22,379	22,379	22,379	22,379	22,379	22,379
	Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
	Minimum Service Level and Above sub-total	25,589	25,589	21,949,250	24,522,250	(509,750)	23,906,250	106,250	106,250	106,250
	Bucket toilet	200	200	919	919	919	919	919	919	919
	Other toilet provisions (< min.service level)	10,219	10,219	53,876	53,876	53,876	53,876	53,876	53,876	53,876
	No toilet provisions	5,512	5,512	28,842	28,842	28,842	28,842	28,842	28,842	28,842
	Below Minimum Service Level sub-total	15,931	15,931	83,637	83,637	83,637	83,637	83,637	83,637	83,637
	Total number of households	**41,520**	**41,520**	**22,032,887**	**24,605,887**	**(426,113)**	**23,989,887**	**189,887**	**189,887**	**189,887**
	Energy:									
	Electricity (at least min.service level)	31,223	31,223	19,781	19,781	19,781	19,781	19,781	19,781	19,781
	Electricity - prepaid (min.service level)	–	–	79,780,000	90,000,000	(6,000,000)	84,000,000	–	–	–
	Minimum Service Level and Above sub-total	31,223	31,223	79,799,781	90,019,781	(5,980,219)	84,019,781	19,781	19,781	19,781
	Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
	Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–

Total municipal services		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Other energy sources	11,886	11,886	–	–	–	–	3,243	3,243	3,243
	Below Minimum Service Level sub-total	11,886	11,886	–	–	–	–	3,243	3,243	3,243
	Total number of households	**43,109**	**43,109**	**79,799,781**	**90,019,781**	**(5,980,219)**	**84,019,781**	**23,024**	**23,024**	**23,024**
	Refuse:									
	Removed at least once a week	17,985	17,985	11,257	11,257	11,257	11,257	11,257	11,257	11,257
	Minimum Service Level and Above sub-total	17,985	17,985	11,257	11,257	11,257	11,257	11,257	11,257	11,257
	Removed less frequently than once a week	434	434	31,811,140	36,028,480	(1,028,480)	35,000,000	1,270	1,270	1,270
	Using communal refuse dump	511	511	1,763	1,763	1,763	1,763	1,763	1,763	1,763
	Using own refuse dump	20,764	20,764	105,738	105,738	105,738	105,738	105,738	105,738	105,738
	Other rubbish disposal	868	868	3,816	3,816	3,816	3,816	3,816	3,816	3,816
	No rubbish disposal	2,728	2,728	15,010	15,010	15,010	15,010	15,010	15,010	15,010
	Below Minimum Service Level sub-total	25,305	25,305	31,937,467	36,154,807	(902,153)	35,126,327	127,597	127,597	127,597
	Total number of households	**43,290**	**43,290**	**31,948,724**	**36,166,064**	**(890,896)**	**35,137,584**	**138,854**	**138,854**	**138,854**

Municipal in-house services		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Household service targets (000)									
	Water:									
	Piped water inside dwelling	17,237	17,237	34,261,071	37,950,000	(4,950,000)	33,000,000	67	67	67
	Piped water inside yard (but not in dwelling)	14,020	14,020	–	–	–	–	65	65	65
	Using public tap (at least min.service level)			14,024	14,024	14	14	14	14	14
	Other water supply (at least min.service level)	12,204	12,204	100,000	132,000	8,000	140,000	7	7	7
	Minimum Service Level and Above sub-total	43,461	43,461	34,375,095	38,096,024	(4,941,986)	33,140,014	153	153	153
	Using public tap (< min.service level)	3,207	3,207	3,207	3,207	3,207	3,207	3,207	3,207	3,207
	Other water supply (< min.service level)	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919
	No water supply	40,232	40,232	40,232	40,232	40,232	40,232	40,232	40,232	40,232
	Below Minimum Service Level sub-total	45,358	45,358	–	–	–	–	45,358	45,358	45,358
	Total number of households	**88,819**	**88,819**	**34,375,095**	**38,096,024**	**(4,941,986)**	**33,140,014**	**45,511**	**45,511**	**45,511**
	Sanitation/sewerage:									
	Flush toilet (connected to sewerage)	17,723	17,723	68,157	68,157	68,157	68,157	68,157	68,157	68,157
	Flush toilet (with septic tank)	1,226	1,226	4,506	4,506	4,506	4,506	4,506	4,506	4,506
	Chemical toilet	2,241	2,241	11,208	11,208	11,208	11,208	11,208	11,208	11,208
	Pit toilet (ventilated)	4,399	4,399	22,379	22,379	22,379	22,379	22,379	22,379	22,379
	Other toilet provisions (> min.service level)									
	Minimum Service Level and Above sub-total	25,589	25,589	106,250	106,250	106,250	106,250	106,250	106,250	106,250
	Bucket toilet	200	200	919	919	919	919	919	919	919
	Other toilet provisions (< min.service level)	10,219	10,219	53,876	53,876	53,876	53,876	53,876	53,876	53,876
	No toilet provisions	5,512	5,512	28,842	28,842	28,842	28,842	28,842	28,842	28,842
	Below Minimum Service Level sub-total	15,931	15,931	83,637	83,637	83,637	83,637	83,637	83,637	83,637
	Total number of households	**41,520**	**41,520**	**189,887**	**189,887**	**189,887**	**189,887**	**189,887**	**189,887**	**189,887**
	Energy:									
	Electricity (at least min.service level)	31,223	31,223	19,781	19,781	19,781	19,781	19,781	19,781	19,781
	Electricity - prepaid (min.service level)			39,890,000	45,000,000	(3,000,000)	42,000,000			
	Minimum Service Level and Above sub-total	31,223	31,223	39,909,781	45,019,781	(2,980,219)	42,019,781	19,781	19,781	19,781
	Electricity (< min.service level)									
	Electricity - prepaid (< min. service level)									

Municipal in-house services		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Other energy sources	11,886	11,886	–	–	–	–	3,243	3,243	3,243
	Below Minimum Service Level sub-total	11,886	11,886	–	–	–	–	3,243	3,243	3,243
	Total number of households	**43,109**	**43,109**	**39,909,781**	**45,019,781**	**(2,980,219)**	**42,019,781**	**23,024**	**23,024**	**23,024**
	Refuse:									
	Removed at least once a week	17,985	17,985	11,257	11,257	11,257	11,257	11,257	11,257	11,257
	Minimum Service Level and Above sub-total	17,985	17,985	11,257	11,257	11,257	11,257	11,257	11,257	11,257
	Removed less frequently than once a week	434	434	15,905,570	18,014,240	(514,240)	17,500,000	1,270	1,270	1,270
	Using communal refuse dump	511	511	1,763	1,763	1,763	1,763	1,763	1,763	1,763
	Using own refuse dump	20,764	20,764	105,738	105,738	105,738	105,738	105,738	105,738	105,738
	Other rubbish disposal	868	868	3,816	3,816	3,816	3,816	3,816	3,816	3,816
	No rubbish disposal	2,728	2,728	15,010	15,010	15,010	15,010	15,010	15,010	15,010
	Below Minimum Service Level sub-total	25,305	25,305	15,905,570	18,014,240	(514,240)	17,500,000	127,597	127,597	127,597
	Total number of households	**43,290**	**43,290**	**15,916,827**	**18,025,497**	**(502,983)**	**17,511,257**	**138,854**	**138,854**	**138,854**

Municipal entity services		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Household service targets (000)									
	Water:									
	Piped water inside dwelling			34,261,071	37,950,000	(4,950,000)	33,000,000			
	Piped water inside yard (but not in dwelling)									
	Using public tap (at least min.service level)									
	Other water supply (at least min.service level)			100,000	132,000	8,000	140,000			
	Minimum Service Level and Above sub-total	–	–	34,361,071	38,082,000	(4,942,000)	33,140,000	–	–	–
	Using public tap (< min.service level)									
	Other water supply (< min.service level)									
	No water supply									
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
	Total number of households	**–**	**–**	**34,361,071**	**38,082,000**	**(4,942,000)**	**33,140,000**	**–**	**–**	**–**
	Sanitation/sewerage:									
	Flush toilet (connected to sewerage)			21,843,000	24,416,000	(616,000)	23,800,000			
	Flush toilet (with septic tank)									
	Chemical toilet									
	Pit toilet (ventilated)									
	Other toilet provisions (> min.service level)									
	Minimum Service Level and Above sub-total	–	–	21,843,000	24,416,000	(616,000)	23,800,000	–	–	–
	Bucket toilet									
	Other toilet provisions (< min.service level)									
	No toilet provisions									
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
	Total number of households	**–**	**–**	**21,843,000**	**24,416,000**	**(616,000)**	**23,800,000**	**–**	**–**	**–**
	Energy:									
	Electricity (at least min.service level)									
	Electricity - prepaid (min.service level)			39,890,000	45,000,000	(3,000,000)	42,000,000			
	Minimum Service Level and Above sub-total	–	–	39,890,000	45,000,000	(3,000,000)	42,000,000	–	–	–
	Electricity (< min.service level)									
	Electricity - prepaid (< min. service level)									
	Other energy sources									
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
	Total number of households	**–**	**–**	**39,890,000**	**45,000,000**	**(3,000,000)**	**42,000,000**	**–**	**–**	**–**

Municipal entity services		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Refuse:									
	Removed at least once a week									
	Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	Removed less frequently than once a week			15,905,570	18,014,240	(514,240)	17,500,000			
	Using communal refuse dump									
	Using own refuse dump									
	Other rubbish disposal									
	No rubbish disposal									
	Below Minimum Service Level sub-total	–	–	15,905,570	18,014,240	(514,240)	17,500,000	–	–	–
	Total number of households	**–**	**–**	**15,905,570**	**18,014,240**	**(514,240)**	**17,500,000**	**–**	**–**	**–**

	Services provided by 'external mechanisms'	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Household service targets (000)									
	Water:									
	Piped water inside dwelling									
	Piped water inside yard (but not in dwelling)									
	Using public tap (at least min.service level)									
	Other water supply (at least min.service level)									
	Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	Using public tap (< min.service level)									
	Other water supply (< min.service level)									
	No water supply									
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
	Total number of households	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Sanitation/sewerage:									
	Flush toilet (connected to sewerage)									
	Flush toilet (with septic tank)									
	Chemical toilet									
	Pit toilet (ventilated)									

	Services provided by 'external mechanisms'	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Other toilet provisions (> min.service level)									
	Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	Bucket toilet									
	Other toilet provisions (< min.service level)									
	No toilet provisions									
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
	Total number of households	–	–	–	–	–	–	–	–	–
	Energy:									
	Electricity (at least min.service level)									
	Electricity - prepaid (min.service level)									
	Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	Electricity (< min.service level)									
	Electricity - prepaid (< min. service level)									
	Other energy sources									
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
	Total number of households	–	–	–	–	–	–	–	–	–
	Refuse:									
	Removed at least once a week									
	Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	Removed less frequently than once a week									
	Using communal refuse dump									
	Using own refuse dump									
	Other rubbish disposal									
	No rubbish disposal									
	Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
	Total number of households	–	–	–	–	–	–	–	–	–

Detail of Free Basic Services (FBS) provided		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Electricity	***Location of households for each type of FBS***									
List type of FBS service	**Formal settlements - (50 kwh per indigent household per month R'000)** *Number of HH receiving this type of FBS*		2,698,000	2,000,000	2,000,000	(500,000)	1,500,000			
	Informal settlements (R'000) *Number of HH receiving this type of FBS*									
	Informal settlements targeted for upgrading (R'000) *Number of HH receiving this type of FBS*									
	Living in informal backyard rental agreement (R'000) *Number of HH receiving this type of FBS*									
	Other (R'000) *Number of HH receiving this type of FBS*									
	Total cost of FBS - Electricity for informal settlements	–	–	–	–	–	–	–	–	–
Water	***Location of households for each type of FBS***									
List type of FBS service	**Formal settlements - (6 kilolitre per indigent household per month R'000)** *Number of HH receiving this type of FBS*		2,091,364	2,580,000	2,800,000	200,000	3,000,000			
	Informal settlements (R'000) *Number of HH receiving this type of FBS*									
	Informal settlements targeted for upgrading (R'000) *Number of HH receiving this type of FBS*									
	Living in informal backyard rental agreement (R'000) *Number of HH receiving this type of FBS*									
	Other (R'000) *Number of HH receiving this type of FBS*									
	Total cost of FBS - Water for informal settlements	–	–	–	–	–	–	–	–	–
Sanitation	***Location of households for each type of FBS***									
List type of FBS service	**Formal settlements - (free sanitation service to indigent households)** *Number of HH receiving this type of FBS*		3,631,980	4,700,000	4,500,000	1,100,000	5,600,000			
	Informal settlements (R'000)									

Detail of Free Basic Services (FBS) provided		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (R'000) *Number of HH receiving this type of FBS*									
	Living in informal backyard rental agreement (R'000) *Number of HH receiving this type of FBS*									
	Other (R'000) *Number of HH receiving this type of FBS*									
	Total cost of FBS - Sanitation for informal settlements	–	–	–	–	–	–	–	–	–
Refuse Removal	***Location of households for each type of FBS***									
List type of FBS service	**Formal settlements - (removed once a week to indigent households)** *Number of HH receiving this type of FBS*		2,702,300	3,500,000	3,500,000	900,000	4,400,000			
	Informal settlements (R'000) *Number of HH receiving this type of FBS*									
	Informal settlements targeted for upgrading (R'000) *Number of HH receiving this type of FBS*									
	Living in informal backyard rental agreement (R'000) *Number of HH receiving this type of FBS*									
	Other (R'000) *Number of HH receiving this type of FBS*									
	Total cost of FBS - Refuse Removal for informal settlements	–	–	–	–	–	–	–	–	–

Table 67 KZN263 SA32 – List of External Mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Dolphin Coast			Refuse Removal		7,072
Zamakhumalo			Refuse Removal		2,454
BJM Plant Hire			Refuse Dump		3,600
ADM Security			Security		6,787
Sharks			Security		3,110
RIS Motors			Car Rental		4,600
DDP Valuars			Valuation Roll		360
Quantum Leap Investments			Grass cutting & cleaning		6,238
Shalom Security			Caretakers at dam		89
Smart Office Connection			Office Machine Rental		238
Centrafin			Office Machine Rental		63
Konica Minolta			Office Machine Rental		258
G4S Cash Solutions			Cash Collection		308
Munsoft			IT Rental		1,007
Payday			Payroll Support		84
Total Client Services			Traffic Summons System		81
Nashua			Office Machine Rental		63
Otis			Office Machine Rental		15
Link Up Security			After Hours Monitoring		547
KD Electrical			Meter Reading		290
Municipal Incorp			Meter Reading		1,000
KEV			Meter Reading		1,006
Aqua Transport			Leasing of Graders		7,815
Wesbank Vehicle Hire			Car Rental		6,050
Steiner Hygiene			Hygiene suppliers		90
Brandfin			Speed Fine Machine Rental		145

Our Ref.:
Your Ref.

Enquiries:
Dept.: Finance

UMASIPALA
MUNICIPALITY
MUNISIPALITEIT

57, VRYHEID 3100

c/o, Mark & High Street

(034) 982-2133

Fax: (034) 982-1939

E-mail: finance@Abaqulusi.gov.za

QUALITY CERTIFICATE

I, **A B MNIKATHI**, *Acting Municipal Manager of* ***ABAQULUSI MUNICIPALITY****, hereby certify that: (mark as appropriate)*

- ☐ *The monthly budget statement*
- ☐ *Quarterly report on the implementation of the budget and financial state of affairs to the municipality*
- ☐ *Mid-year budget and performance assessment*
- ■ *Medium Term Budget*

For the Medium Term Budget for 2016/17 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

A B MNIKATHI
ACTING MUNICIPAL MANAGER
ABAQULUSI MUNICIPALITY
KZN263

SIGNATURE: _____

DATE: _____

Annexure A - Tariffs

DRAFT

TARIFF OF CHARGES

2016/2019

Adopted xx March 2016 by Council

Abaqulusi Municipality

The Council of the AbaQulusi Municipality, acting under the authority of Systems Act (No 32 of 2000) hereby published the subjoined tariffs of charges as made by the municipality of the said Township at its meeting held on , which tariffs shall come into operation on 1 July 2015

ACTING MUNICIPAL MANAGER

TARIFFS OF CHARGES - 2016					
	RATES ARE CHARGED ON MARKET VALUE OF LAND AND BUILDINGS	**APPROVED TARIFFS**	**DRAFT TARIFFS**	**DRAFT TARIFFS**	**DRAFT TARIFFS**
		2015/2016	**2016/2017**	**2017/2018**	**2018/2019**
		7.0%	**6.6%**	**6.2%**	**5.9%**
1	All registered properties on which a single dwelling has been erected and used as such, excluding properties registered in the name of the State or State Departments	0.0070753	0.0075422	0.0075139	0.0079573
2	All erven registered in the name of the Municipality excluding properties used for residential purposes	0.0000000	0.0000000	0.0000000	0.0000000
2a	State Owned Properties - 0%	0.0176882	0.0188556	0.0187848	0.0198931

3	Business & Commercial	0.0176882	0.0188556	0.0187848	0.0198931
4	Industrial Property	0.0176882	0.0188556	0.0187848	0.0198931
5	Vacant land	0.0176882	0.0188556	0.0187848	0.0198931
6	Agricultural	0.0017689	0.0018857	0.0018786	0.0019894
7	Specified public benefit activity	0.0017689	0.0018857	0.0018786	0.0019894
8	Specialised Non-Market properties	0.0017688	0.0018856	0.0018785	0.0019893
9	**Reductions:**				
	Residential - on property value	R 15,000	R 15,990	R 16,981	R 17,983
10	**Rebates**				
	The following rebate in respect of assessment rates be allowed :				
a	Residential rebate	R 0.00	0.0000000	R 0.00	R 0.00
b	Indigent, pensioners, persons with disability grants, child headed households - equivalent to R65,000	R 459.80	R 490.15	R 520.54	R 551.25
c	All erven zoned as town lands - **100%**	0.000000	0.0000000	0.000000	0.000000
d	All erven zoned as agricultural - **0%**	0.000000	0.0000000	0.000000	0.000000
e	Public Service Infrastructure - **30%**	0.000000	0.0000000	0.000000	0.000000
f	State Owned Properties - **0%**	0.0000000	0.0000000	0.000000	0.000000
11	**Bhekuzulu** - All registered properties on which a single dwelling has been erected and used as such, excluding properties registered in the name of the State or State departments.	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE

12	**Louwsburg** - All registered properties, excluding properties registered in the name of the State or State departments.	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE
13	**Mzamo** - All registered properties, excluding properties registered in the name of the State or State departments.	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE
14	**Hlobane Area -**				
a	All registered properties on which a single dwelling has been erected as used as such excluding State properties :				
	- Hlobane	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE
	- Vaalbank	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE
	- Thutukani	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE
b	Businesses : refer to all other properties				
15	**eMondlo :**				
a	All registered properties on which a single dwelling has been erected and used as such, excluding state properties.	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE	SAME AS 1,3,5 AND 6 ABOVE
b	Businesses vacant land	SAME AS 3 ABOVE	SAME AS 3 ABOVE	SAME AS 3 ABOVE	SAME AS 3 ABOVE
	State Properties : Refer to all other properties				
	Vat Zero rated on rates				

Issue of bidding documents	R 365.80	R 389.94	R 414.11	R 438.55
The fee for a copy of a bidding document based on price	Cost +10%	Cost +10%	Cost +10%	Cost +10%
Certificate, per application per property, in accordance with section 118 (1) of the Systems Act, No 32 of 2000	R 34.26	R 36.52	R 38.78	R 41.07
PENALTY INTEREST ON OUTSTANDING RATES - Section Local Govt Municipal Property Rates Act, No 6 of 2004	PRIME BANK RATE PLUS 1%	PRIME BANK RATE PLUS 1%	PRIME BANK RATE PLUS 1%	PRIME BANK RATE PLUS 1%
INTEREST ON OUTSTANDING ACCOUNTS - OTHER THAN RATES	PRIME BANK RATE PLUS 1%	PRIME BANK RATE PLUS 1%	PRIME BANK RATE PLUS 1%	PRIME BANK RATE PLUS 1%
EXTENSION ON PAYMENT OF CONSUMER ACCOUNT	R 170.24	R 181.48	R 192.73	R 204.10
BANK COSTS (R/D cheques)	R 137.00	R 146.04	R 155.10	R 164.25
ELECTRONIC BANK TRANSFER REFUSAL	R 279.23	R 297.66	R 316.11	R 334.76
SEARCH FEES	R 28.29	R 30.16	R 32.03	R 33.92
VALUATION CERTIFICATE	R 16.21	R 17.28	R 18.35	R 19.43
REQUEST FOR REASONS FROM VALUER - OBJECTIONS (Section 53(2) of Municipal Property Rates Act, No 6 of 2004)	R 342.53	R 365.14	R 387.77	R 410.65
RATES CLEARANCE CERTIFICATE – Electronic Application	R 125.34	R 133.61	R 141.90	R 150.27
RATES CLEARANCE CERTIFICATE – Manual Application	R 304.83	R 324.95	R 345.10	R 365.46
VALUATION ROLL	R 950.71	R 1,013.45	R 1,076.29	R 1,139.79
PREPAYMENT PER TRANSACTION	R 1.10	R 1.17	R 1.25	R 1.32

PRE-PAYMENT CARDS (PER CARD)	R 55.12	R 58.75	R 62.40	R 66.08

VAT INCLUSIVE WHERE NOT SPECIFIED

CORPORATE SERVICES				
DESCRIPTION	**APPROVED TARIFFS 2015/2016 6.0%**	**DRAFT TARIFFS 2016/2017 6.6%**	**DRAFT TARIFFS 2017/2018 6.2%**	**DRAFT TARIFFS 2018/2019 5.9%**
Voters Roll (Per ward)	**R 221.50**	**R 236.10**	**R 250.70**	**R 266.20**
Accessing the Records from the Council				
Hardcopies per A4	**R 1.40**	**R 1.50**	**R 1.60**	**R 1.70**
Hardcopies per A3	**R 2.00**	**R 2.10**	**R 2.20**	**R 2.30**
Electronic Copies per				
Stiffy/CD	**R 29.50**	**R 31.40**	**R 33.30**	**R 35.40**
Fees for Access to Information - Public Bodies				
The fee for a copy of the manual for every photocopy of an A4 size page or part thereof	**R 1.50**	**R 1.60**	**R 1.70**	**R 1.80**
The fees for reproduction of an A4 size page or part therefor	**R 1.50**	**R 1.60**	**R 1.70**	**R 1.80**
For every printed copy of an A4 size page or part thereof held on a computer or in electronic or machine readable from	**R 0.50**	**R 0.50**	**R 0.50**	**R 0.50**
For a copy in a computer readable from a compact disc	**R 53.30**	**R 56.80**	**R 60.30**	**R 64.00**

CORPORATE SERVICES				
DESCRIPTION	**APPROVED TARIFFS 2015/2016 6.0%**	**DRAFT TARIFFS 2016/2017 6.6%**	**DRAFT TARIFFS 2017/2018 6.2%**	**DRAFT TARIFFS 2018/2019 5.9%**
For a transcription of an audio record for an A4 size page or part thereof	**R 20.00**	**R 21.30**	**R 22.60**	**R 24.00**
For a copy of an audio recording	**R 26.80**	**R 28.60**	**R 30.40**	**R 32.30**
To search for and prepare the record for disclosure for each hour of part of an hour, excluding the first hour, reasonable required for such search and preparation	**R 20.10**	**R 21.40**	**R 22.70**	**R 24.10**
Miscellaneous Services The following fees are payable for the production of documents, provision of certificates, supply of plans and extracts from records Search fee, per account, plan, document or file produced for inspection of duplicate account issued	**R 6.70**	**R 7.10**	**R 7.50**	**R 8.00**
Certified copy of extract from Council's minutes and/or hearings, per 100 words or part thereof	**R 6.70**	**R 7.10**	**R 7.50**	**R 8.00**
Extracts of bylaws, per page or part thereof	**R 1.50**	**R 1.60**	**R 1.70**	**R 1.80**
Any other certificate, for each certificate	**R 6.70**	**R 7.10**	**R 7.50**	**R 8.00**
Inspection of Council's minutes, for each inspection	**R 4.00**	**R 4.30**	**R 4.60**	**R 4.90**

ALL PRICES EXCLUDING VAT UNLESS OTHERWISE STATED

	DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
		10.0%	10.0%	10.0%	10.0%
		WATER AND SANITATION			
1	**WATER SUPPLY BYLAWS :**				
a	For the laying of a connection pipe with a diameter of not more than 20 mm from the mains to boundary of the applicant's property.	R 4,156.83	R 4,572.52	R 5,029.77	R 5,532.75
b	For the laying of a connection pipe with a diameter of more than 20 mm.	By agreement	By agreement	By agreement	By agreement
c	Test of water meters (per meter) up to 20 mm	R 362.89	R 399.18	R 439.10	R 483.01
d	Test of water meters greater than 20 mm	By agreement	By agreement	By agreement	By agreement
	WATER				
	Basic Water : (Vryheid, Bhekuzulu, Hlobane, Emondlo, Vaalbank area)				
	Business and undeveloped stands which are not connected to the Council's network:				
a	A basic charge	R 46.06	R 50.67	R 55.74	R 61.31
b	Water consumption per kilolitre	R -	R -	R -	R -
	0 - 6kl	R 8.63	R 9.49	R 10.44	R 11.48

	DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 10.0%	DRAFT TARIFFS 2017/2018 10.0%	DRAFT TARIFFS 2018/2019 10.0%
	6.01 - 30kl	R 8.63	R 9.49	R 10.44	R 11.48
	30.01 - 99kl	R 9.33	R 10.26	R 11.29	R 12.42
	99.01 and above	R 10.72	R 11.79	R 12.97	R 14.27
	Water Consumption :				
2	**Vryheid, Bhekuzulu Hlobane, Vaalbank Thutukani :**				
	Domestic Consumer:				
a	A Basic Charge	R 36.60	R 40.26	R 44.29	R 48.72
b	Water consumption per kilolitre:				
i	Where working water meters are installed for consumption of measured purified water per month.				
	0 - 6kl	R 8.63	R 9.49	R 10.44	R 11.48
	6.01 - 30kl	R 8.63	R 9.49	R 10.44	R 11.48
	30.01 - 99kl	R 9.33	R 10.26	R 11.29	R 12.42
	99.01 and above	R 10.72	R 11.79	R 12.97	R 14.27

	DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
		10.0%	10.0%	10.0%	10.0%
	Indigent consumers All areas				
	For the first 6 kilolitre	**First 6 kilolitres free**	**First 6 kilolitres free**	**First 6 kilolitres free**	**First 6 kilolitres free**
	0 - 6kl	**Free**	**Free**	**Free**	**Free**
	6.01 - 30kl	**R 8.63**	**R 9.49**	**R 10.44**	**R 11.48**
	30.01 - 99kl	**R 9.33**	**R 10.26**	**R 11.29**	**R 12.42**
	99.01 and above	**R 10.72**	**R 11.79**	**R 12.97**	**R 14.27**
	Other Consumers				
ii	Where no working water meters are installed and which are developed and occupied. - per kilolitre	**R 8.63**	**R 9.49**	**R 10.44**	**R 11.48**
	A monthly fixed levy of (based on a minimum of 6 kilolitres)	**R 51.63**	**R 56.79**	**R 62.47**	**R 68.72**
3					
	Hlobane, Vaalbank, Thutukani :				
	Domestic Consumer :				

	DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 10.0%	DRAFT TARIFFS 2017/2018 10.0%	DRAFT TARIFFS 2018/2019 10.0%
a	Hlobane & Vaalbank	**The same as in (1)above**	**The same as in (1)above**	**The same as in (1)above**	**The same as in (1)above**
b	Thutukani (Where no meters exist , nor read or broken) (As soon as meters are read) (Once meters are read, the basic falls away and the consumer will be billed for consumption alone)	**The same as in (1)above**	**The same as in (1)above**	**The same as in (1)above**	**The same as in (1)above**
4	**Louwsburg :**				
	Basic Availability Water : Without water connection, but connectable	**R 19.20**	**R 21.12**	**R 23.24**	**R 25.56**
a	**Basic Charge :**	**R 36.60**	**R 40.26**	**R 44.29**	**R 48.72**
b	**Consumption : Indigent Consumers**	**First 6kl free, thereafter**	**First 6kl free, thereafter**	**First 6kl free, thereafter**	**First 6kl free, thereafter**
	0 - 6kl	**Free**	**Free**	**Free**	**Free**
	6.01 - 30kl	**R 8.63**	**R 9.49**	**R 10.44**	**R 11.48**
	30.01 - 99kl	**R 9.33**	**R 10.26**	**R 11.29**	**R 12.42**
	99.01 and above	**R 10.72**	**R 11.79**	**R 12.97**	**R 14.27**

	DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
		10.0%	10.0%	10.0%	10.0%
c	**Consumption : Other Consumers**				
	0 - 6kl	R 8.63	R 9.49	R 10.44	R 11.48
	6.01 - 30kl	R 8.63	R 9.49	R 10.44	R 11.48
	30.01 - 99kl	R 9.33	R 10.26	R 11.29	R 12.42
	99.01 and above	R 10.72	R 11.79	R 12.97	R 14.27
5	**eMondlo, Coronation & Nkongolwane**				
	Basic Water per month	R 26.58	R 29.24	R 32.17	R 35.38
	**** The R 21.97 p.m. will only be applicable until water consumption is metered. (Once meters are installed and read, the R21.97 falls away and the consumers will be billed for actual consumption at the above tariffs"**				
	Other Consumers				
	Business & State	R 8.07	R 8.88	R 9.77	R 10.74
a	Basic Charge :	R 36.60	R 40.26	R 44.29	R 48.72
b	Water consumption per kilolitre				

DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 10.0%	DRAFT TARIFFS 2017/2018 10.0%	DRAFT TARIFFS 2018/2019 10.0%
0 - 30kl	R 8.63	R 9.49	R 10.44	R 11.48
30.01 - 99kl	R 9.33	R 10.26	R 11.29	R 12.42
99.01 and above	R 10.16	R 11.18	R 12.30	R 13.53
Fire Hydrant Consumption - for the first kilolitre, thereafter price per kilolitre	R 49.96	R 54.96	R 60.45	R 66.50
Water Deposit :				
Where an electrical pre-payment meter is installed or where the stand is not connected to the electrical network and water is consumed. No Vat applicable.	R 660.00	R 726.00	R 798.60	R 878.46
Meter Tampering				
First Offence - no Vat applicable	R 2,200.00	R 2,420.00	R 2,662.00	R 2,928.20

	DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 10.0%	DRAFT TARIFFS 2017/2018 10.0%	DRAFT TARIFFS 2018/2019 10.0%
	Second Offence - no Vat applicable	New service connection as per connection as per tariffs including off all previous penalties and arrears	New service connection as per connection as per tariffs including off all previous penalties and arrears	New service connection as per connection as per tariffs including off all previous penalties and arrears	New service connection as per connection as per tariffs including off all previous penalties and arrears
	Water Disconnection & Reconnection				
	Cut off water supply & restore of water supply	**R 238.22**	**R 262.05**	**R 288.25**	**R 317.08**
	ALL PRICES EXCLUDING VAT UNLESS OTHERWISE STATED				
6	**SEWERAGE CHARGES**				
	Basic sewerage : **(Vryheid, Bhekuzulu, Hlobane, Emondlo area.)**				
	Businesses, Flats Town Houses, combination buildings and non-developed stands with no water consumption which is not connected to the Council's main sewerage				
i	A basic charge per 2000 sq.m or part thereof per month	**R 66.92**	**R 73.61**	**R 80.97**	**R 89.07**
ii	An additional sewerage charge:				

	DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 10.0%	DRAFT TARIFFS 2017/2018 10.0%	DRAFT TARIFFS 2018/2019 10.0%
	Basic	R 66.92	R 73.61	R 80.97	R 89.07
a	Businesses - 75% water consumption				
	Water consumption per kilolitre				
	0 - 30kl	R 6.69	R 7.36	R 8.10	R 8.91
	30.01 - 99kl	R 7.72	R 8.49	R 9.34	R 10.27
	99.01 and above	R 8.30	R 9.13	R 10.04	R 11.05
b	Flats and Town Houses per unit per month.	R 53.10	R 58.42	R 64.26	R 70.68
	Domestic :				
i	**Vryheid & Bhekuzulu :**				
a	Stand 0 - 800 sq.m.	R 110.71	R 121.78	R 133.96	R 147.36
b	Stand 801 - 2000 sq.m.	R 110.71	R 121.78	R 133.96	R 147.36
c	Stand above 2000 sq.m. for the first 2000 sq.m	R 110.71	R 121.78	R 133.96	R 147.36
	plus R42.10 per 2000 sq.m, thereafter or part thereof.	R 61.25	R 67.38	R 74.11	R 81.53

	DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
		10.0%	10.0%	10.0%	10.0%
ii	**Hlobane, Vaalbank: Basic charge per 2000sq.m**	**R 110.71**	**R 121.78**	**R 133.96**	**R 147.36**
iii	**Thutukani: Basic charge per 2000 sq.m**	**R 110.71**	**R 121.78**	**R 133.96**	**R 147.36**
iv	**eMondlo**	**R 92.81**	**R 102.09**	**R 112.30**	**R 123.53**
v	**Coronation & Nkongolwane**	**R 92.81**	**R 102.09**	**R 112.30**	**R 123.53**
	Churches & Halls	**R 14.55**	**R 16.00**	**R 17.60**	**R 19.36**
	Cost of discharge of sewer effluent at Municipal Sewer Works	**R 110.71**	**R 121.78**	**R 133.96**	**R 147.36**
	ALL PRICES EXCLUDING VAT UNLESS OTHERWISE STATED				
	After normal office hours, per blockage	**R 988.94**	**R 1,087.83**	**R 1,196.62**	**R 1,316.28**
	Fee for providing sewer connection				
	100mm connection	**R 6,293.11**	**R 6,922.42**	**R 7,614.66**	**R 8,376.13**
	Connections in excess of 100mm	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**
	ALL PRICES EXCLUDING VAT UNLESS OTHERWISE STATED				

ENGINEERING SERVICES

DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 6.6%	APPROVED TARIFFS 2016/2017 6.2%	APPROVED TARIFFS 2016/2017 5.9%
VEHICLE ENTRANCES				
Building of vehicle entrance per sq.m. incl. VAT	**R 645.10**	**R 687.68**	**R 733.06**	**R 781.44**
Additional vehicle entrance	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**
Reinstatement of existing footpaths, hardening of footpaths	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**
Special drainage, connecting storm water drains and channels from private property to open channels adjoining curbs	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**
Reinstatement of road surfaces	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**
Hire of machinery	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**
Alerting storm water culverts, channels, sewers, kerbs or footpaths to permit the erection of veranda columns or other structures	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**

ENGINEERING SERVICES

	DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 6.6%	APPROVED TARIFFS 2016/2017 6.2%	APPROVED TARIFFS 2016/2017 5.9%
	When constructed after the street drain has been completed	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**
	DRAINAGE BY-LAWS				
	Other charges				
i	For inspection of each complete test.	**R 245.62**	**R 261.83**	**R 279.11**	**R 297.53**
ii	For every connection required in terms of the by-laws	**R 5,784.76**	**R 6,166.55**	**R 6,573.54**	**R 7,007.40**
iii	For any extended connection the cost of the additional length required shall be paid by the owner at cost of labour and material, plus 10%				
iv	Other local authorities	**By agreement**	**By agreement**	**By agreement**	**By agreement**
	MISCELLANEOUS SERVICE :				

ENGINEERING SERVICES

DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 6.6%	APPROVED TARIFFS 2016/2017 6.2%	APPROVED TARIFFS 2016/2017 5.9%
a Documents :				
Photostat copies per A4 copy	**R 1.80**	**R 1.92**	**R 2.05**	**R 2.18**
Photostat copies per A3 copy	**R 2.71**	**R 2.89**	**R 3.08**	**R 3.28**
b Prints of plans - (Paper) :				
A0	**R 52.07**	**R 55.50**	**R 59.17**	**R 63.07**
A1	**R 27.07**	**R 28.85**	**R 30.76**	**R 32.79**
A2	**R 17.79**	**R 18.96**	**R 20.21**	**R 21.55**
c Sepia/Plastic				
A0	**R 287.24**	**R 306.20**	**R 326.41**	**R 347.95**
A1	**R 137.37**	**R 146.44**	**R 156.10**	**R 166.41**
A2	**R 68.56**	**R 73.08**	**R 77.91**	**R 83.05**
ALL PRICES EXCLUDING VAT UNLESS OTHERWISE STATED				

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	10.0%	10.0%	10.0%
Domestic (Conventional)				
Basic charge	R 64.49	R 70.94	R 78.04	R 85.84
Demand side management levy				
Network charge				
Cost per unit kWh - 0-50kwh - step tariff 8%	R 0.81	R 0.89	R 0.98	R 1.08
Cost per unit kWh - 051-350kwh -step tariff 15%	R 1.12	R 1.23	R 1.35	R 1.48
Cost per unit kWh - 351-600kwh - step tariff 18%	R 1.48	R 1.63	R 1.79	R 1.97
Cost per unit kWh - >600kwh - step tariff 25%	R 1.72	R 1.90	R 2.09	R 2.30
Domestic Prepayment				
Cost per unit kWh - Excl. VAT				
Cost per unit kWh - 0-50kwh	R 0.81	R 0.89	R 0.98	R 1.08
Cost per unit kWh - 051-350kwh	R 1.12	R 1.23	R 1.36	R 1.49
Cost per unit kWh - 351-600kwh	R 1.48	R 1.63	R 1.79	R 1.97
Cost per unit kWh - >600kwh	R 1.72	R 1.90	R 2.09	R 2.30

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	**10.0%**	**10.0%**	**10.0%**
Demand side management levy				
Network charge				
Domestic Prepayment - Indigent				
Cost per unit kWh - Excl. VAT				
Step tariff	**As per domestic**			
Time of Use/Step Up Tariffs				
Commercial (Business)				
Basic charge	**R 604.77**	**R 665.25**	**R 731.78**	**R 804.95**
Demand side management levy				
Network charge				
Cost per unit kWh	**R 1.37**	**R 1.51**	**R 1.66**	**R 1.82**
kva Charge	**Nil**	**Nil**	**Nil**	**Nil**
Commercial Prepayment				
Demand side management levy				

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	10.0%	10.0%	10.0%
Network charge				
Cost per unit kWh - Excl. VAT	R 1.78	R 1.96	R 2.15	R 2.37
Industrial (Kva)				
Basic charge	R 757.05	R 832.75	R 916.02	R 1,007.63
Demand side management levy				
Network charge				
Cost per unit kWh	R 0.805	R 0.89	R 0.97	R 1.07
kva Charge	R 171.80	R 188.98	R 207.88	R 228.66
Outside peak-hours				
Basic charge	R 911.44	R 1,002.59	R 1,102.85	R 1,213.13
Demand side management levy				
Network charge				
Cost per unit kWh	R 0.49	R 0.54	R 0.60	R 0.66
kva Charge	Nil	Nil	Nil	Nil

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	10.0%	10.0%	10.0%
Streetlights				
Basic charge	Nil	Nil	Nil	Nil
Cost per unit kWh	R 1.56	R 1.72	R 1.89	R 2.08
kva Charge	Nil	Nil	Nil	Nil
Municipal Departments				
Basic charge	Nil	Nil	Nil	Nil
Cost per unit kWh	R 1.3700	R 1.5070	R 1.6577	R 1.8235
kva Charge	Nil	Nil	Nil	Nil
Special approved tariffs for consumers above 800 kva				
Basic charge	R 911.44	R 1,002.59	R 1,102.85	R 1,213.13
Cost per unit kWh	R 0.59	R 0.65	R 0.71	R 0.78
kva Charge	R 99.07	R 108.98	R 119.88	R 131.87
PENALTY CHARGE FOR LATE PAYMENT				

ELECTRICITY TARIFFS

	DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
		15%	10.0%	10.0%	10.0%
	All areas	R 463.63	R 510.00	R 561.00	R 617.10
	CONNECTION FEES : (New connections)				
a	Vryheid	R 136.44	R 150.08	R 165.09	R 181.60
b	Bhekuzulu	R 136.44	R 150.08	R 165.09	R 181.60
c	eMondlo	R 136.44	R 150.08	R 165.09	R 181.60
d	Hlobane, Vaalbank & Thutukani	R 136.44	R 150.08	R 165.09	R 181.60
	METER TAMPERING :				
	First Offence **	R 5,000.00	R 5,500.00	R 6,050.00	R 6,655.00
	Second Offence **	New service connection as per tariffs, including payments of all previous penalties and arrears	New service connection as per tariffs, including payments of all previous penalties and arrears	New service connection as per tariffs, including payments of all previous penalties and arrears	New service connection as per tariffs, including payments of all previous penalties and arrears

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	10.0%	10.0%	10.0%
** Plus cost on new meter if meter damaged **Exclusive of Vat**				
TEST ELECTRICITY METERS :				
Urban large power user	R 489.81	R 538.79	R 592.67	R 651.93
Urban small power user	R 244.90	R 269.39	R 296.33	R 325.97
Rural large power user	R 521.03	R 573.13	R 630.45	R 693.49
Rural small power user	R 291.80	R 320.98	R 353.08	R 388.39
HIRING OF EQUIPMENT :				
(OPERATOR INCLUDED)				
Crane truck labour + equipment	R 1,771.79	R 1,948.97	R 2,143.87	R 2,358.26
Bucket truck labour = equipment	R 1,771.79	R 1,948.97	R 2,143.87	R 2,358.26
Cable fault locating equipment + Labour	R 2,254.05	R 2,479.45	R 2,727.40	R 3,000.14
CONVENTIONAL METERS				

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	10.0%	10.0%	10.0%
DEPOSITS : ELECTRICITY - NEW APPLICATIONS				
Domestic	**R 4,025.00**	**R 4,427.50**	**R 4,870.25**	**R 5,357.28**
Flat	**R 2,875.00**	**R 3,162.50**	**R 3,478.75**	**R 3,826.63**
Business : Small Users	**R 8,395.00**	**R 9,234.50**	**R 10,157.95**	**R 11,173.75**
Large Users	**R 20,700.00**	**R 22,770.00**	**R 25,047.00**	**R 27,551.70**
Pre-Paid Meters	**R 1,150.00**	**R 1,265.00**	**R 1,391.50**	**R 1,530.65**
Current consumers to be reviewed after three months and deposit will be based on average of three months consumption				
No Vat applicable to deposits				
Plans and Maps generated from the GIS System				
Black and white				
A4	**R 66.29**	**R 72.91**	**R 80.21**	**R 88.23**
A3	**R 118.46**	**R 130.31**	**R 143.34**	**R 157.67**

ELECTRICITY TARIFFS

	DESCRIPTION	APPROVED TARIFFS 2015/2016		DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
		15%		10.0%	10.0%	10.0%
	A2	R	236.92	R 260.62	R 286.68	R 315.34
	A1	R	461.87	R 508.06	R 558.87	R 614.75
	A0	R	912.05	R 1,003.26	R 1,103.58	R 1,213.94
	Plans and Maps generated from the GIS System					
	Colour					
	A4	R	71.14	R 78.25	R 86.08	R 94.69
	A3	R	123.17	R 135.48	R 149.03	R 163.93
	A2	R	248.61	R 273.47	R 300.81	R 330.90
	A1	R	485.53	R 534.08	R 587.49	R 646.24
	A0	R	971.21	R 1,068.33	R 1,175.16	R 1,292.68
	Re-Print of Computer Account	R	7.13	R 7.84	R 8.63	R 9.49
						R 0.00
	THE ABOVE TARIFFS DO NOT INCLUDE VAT					
1.1	Single-phase low-voltage supply not exceeding 16 kVA :					
b	Conventional - per meter	R	1,845.21	R 2,029.73	R 2,232.70	R 2,455.97
c	Prepayment - per meter	R	2,484.98	R 2,733.48	R 3,006.82	R 3,307.51

ELECTRICITY TARIFFS

	DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
		15%	10.0%	10.0%	10.0%
2.2	Three-phase low-voltage supply not exceeding 70 kVA - per meter	**R 4,455.78**	**R 4,901.36**	**R 5,391.49**	**R 5,930.64**
2.3	Three-phase low-voltage supply exceeding 70 kVA - per meter	**R 17,654.74**	**R 19,420.22**	**R 21,362.24**	**R 23,498.46**
2.4	Three-phase high-voltage supply (11000 volt) - per meter	**R 17,654.74**	**R 19,420.22**	**R 21,362.24**	**R 23,498.46**
3	The demand charge is :				
3.1	Single-phase low-voltage supply not exceeding 16 KVA - per metre	**R 4,455.78**	**R 4,901.36**	**R 5,391.49**	**R 5,930.64**
3.2	Three-phase low-voltage supply not exceeding 70KVA - per Kva	**R 338.71**	**R 372.58**	**R 409.84**	**R 450.82**
3.3	Three-phase low-voltage supply exceeding 70 kVA but not 150 KVA	**R 443.05**	**R 487.35**	**R 536.09**	**R 589.70**
	- per Kva	**R 443.05**	**R 487.35**	**R 536.09**	**R 589.70**
3.4	Three-phase low-voltage supply exceeding 150 KVA - per Kva or actual cost whichever is the highest	**R 443.05**	**R 487.35**	**R 536.09**	**R 589.70**
3.5	Three-phase high voltage supply (11000 volt) - or the actual cost whichever is the highest	**R 443.05**	**R 487.35**	**R 536.09**	**R 589.70**
	BHEKUZULU CONNECTIONS :				

ELECTRICITY TARIFFS

	DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
		15%	**10.0%**	**10.0%**	**10.0%**
4	Single phase low voltage supply not exceeding 16 kVA - Domestic consumers only.	**see Service connections above**	**see Service connections above**	**see Service connections above**	**see Service connections above**
4.1	Meter component (pre-payment) see Service Connections	**see Service connections above**	**see Service connections above**	**see Service connections above**	**see Service connections above**
4.2	Demand charge (consumer to supply own labour plus material, according to council's specification council only connect consumers cable to the network	**see Service connections above**	**see Service connections above**	**see Service connections above**	**see Service connections above**
4.3	Other consumers	**see Service connections above**	**see Service connections above**	**see Service connections above**	**see Service connections above**
	ALL PRICES EXCLUDING VAT UNLESS OTHERWISE STATED				
	Reconnection fee for temporary supply (on request)	**15%**	**10.0%**	**10.0%**	**10.0%**
	Revisit to site if new connection is not ready for connection (First Inspection free)	**R 340.56**	**R 374.62**	**R 412.08**	**R 453.29**

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	10.0%	10.0%	10.0%
Reconnection fee After hours in line with penalty charge	R 300.00	R 330.00	R 363.00	R 399.30
Call-out fee due to fault on customer's side (per call)	R 340.56	R 374.62	R 412.08	R 453.29
Special meter reading (on request)	R 114.18	R 125.60	R 138.16	R 151.98
Pre-payment and check meter testing fee	R 389.17	R 428.09	R 470.90	R 517.99
Single phase conventional meter testing fee	R 389.17	R 428.09	R 470.90	R 517.99
Three phase conventional meter testing fee	R 389.17	R 428.09	R 470.90	R 517.99
Low voltage three phase conventional meter testing fee	R 484.82	R 533.30	R 586.63	R 645.29
11kV and 132 kV meter testing fee	Cost +10%	Cost +10%	Cost +10%	Cost +10%
Programmed meter card/ Lost card	R 32.50	R 35.75	R 39.32	R 43.26
Moving/relocation metering equipment	R 924.45	R 1,016.90	R 1,118.59	R 1,230.44
Replacement of damaged prepayment meter single phase	R 2,343.71	R 2,578.08	R 2,835.89	R 3,119.48
Replacement of damaged prepayment meter three phase	R 2,352.12	R 2,587.33	R 2,846.06	R 3,130.67

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	10.0%	10.0%	10.0%
Replacement of damaged Conventional Meter - single phase	R 1,507.21	R 1,657.93	R 1,823.73	R 2,006.10
Replacement of Damaged Conventional Meter - three phase	R 4,846.94	R 5,331.63	R 5,864.80	R 6,451.28
Certificate of Compliance - revisit fee	R 667.71	R 734.48	R 807.93	R 888.73
Domestic cancellation fee (excludes light line)	R 894.23	R 983.65	R 1,082.02	R 1,190.22
Business cancellation fee (excluding cost +10)	R 1,187.89	R 1,306.68	R 1,437.35	R 1,581.08
Request for additional - cost plus 10% quotation	R 1,801.87	R 1,982.05	R 2,180.26	R 2,398.28
Programmable electronic meter test	Cost +10%	Cost +10%	Cost +10%	Cost +10%
Visitation fee - to deliver a notice of impending disconnection of supply for non-payment of account	R 177.91	R 195.70	R 215.27	R 236.79
Metering				
Tariff investigation - based on existing consumption data	Free	Free	Free	Free

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	10.0%	10.0%	10.0%
Tariff investigation requiring a site visit	R 735.86	R 809.45	R 890.39	R 979.43
Tariff, quality of supply or load profile investigation - requiring equipment and personnel (may be refunded if quality of supply is outside NRS 048 limits)	R 3,532.03	R 3,885.23	R 4,273.76	R 4,701.13
Upgrade of Commercial and Industrial metering (Meter only) maximum demand	R 16,655.45	R 18,321.00	R 20,153.09	R 22,168.40
Upgrade of Commercial and Industrial KVA metering (Meter only)				
Provision of monthly load profile reports - requiring a site visit	R 735.86	R 809.45	R 890.39	R 979.43
Provision of remote meter reading (Read only function)	R 735.86	R 809.45	R 890.39	R 979.43
Testing of PPM on site (in situ)	R 735.86	R 809.45	R 890.39	R 979.43
Testing of Conventional on site (in situ)	R 735.86	R 809.45	R 890.39	R 979.43
Testing of PPM or credit meter (Lab test with calibration report)	R 1,030.09	R 1,133.10	R 1,246.41	R 1,371.05
Testing & calibration of low voltage circuit breakers	R 588.74	R 647.62	R 712.38	R 783.62
Verification of metering accuracy and re-certification of CT's or VT's making use of a portable test set	R 3,532.03	R 3,885.23	R 4,273.76	R 4,701.13

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	10.0%	10.0%	10.0%
Verification of metering accuracy and re-certification of Commercial and Industrial metering making use of a portable test set. Excludes testing of CT's and VT's	R 3,532.03	R 3,885.23	R 4,273.76	R 4,701.13
Replacement of broken/removed meter seals	R 735.86	R 809.45	R 890.39	R 979.43
Replacement of lost/damaged prepayment meter key pad	R 754.96	R 830.46	R 913.51	R 1,004.86
LOAD CONTROL EQUIPMENT				
Refusal to accept connection per month	R 145.83	R 160.41	R 176.46	R 194.10
Penalty for illegal disconnection of load control equipment	R 2,013.27	R 2,214.60	R 2,436.06	R 2,679.66
MISCELLANEOUS				
Unusable steel poles	R 33.50	R 36.85	R 40.53	R 44.59

ELECTRICITY TARIFFS

DESCRIPTION	APPROVED TARIFFS 2015/2016	DRAFT TARIFFS 2016/2017	DRAFT TARIFFS 2017/2018	DRAFT TARIFFS 2018/2019
	15%	10.0%	10.0%	10.0%
Redundant wooden cable drums	R 33.50	R 36.85	R 40.53	R 44.59
Document search fee	R 83.82	R 92.21	R 101.43	R 111.57
Township reticulation design standards	R 350.26	R 385.28	R 423.81	R 466.19
Unusable wooden poles	R 33.50	R 36.85	R 40.53	R 44.59
Unusable fibre glass poles	R 33.50	R 36.85	R 40.53	R 44.59

COMMUNITY SERVICES				
DESCRIPTION	**APPROVED TARIFFS 2015/2016**	**DRAFT TARIFFS 2016/2017**	**DRAFT TARIFFS 2017/2018**	**DRAFT TARIFFS 2018/2019**
	10.0%	**10.0%**	**10.0%**	**10.0%**
REMOVAL OF RUBBISH AND REFUSE				
Dwellings, flats, suits of rooms and non-rate able properties, by bin liner or container				
Per normal removal per month (Vryheid & Bhekuzulu)				
Stands 0 - 800 sq.m.	**R 79.58**	**R 87.54**	**R 96.29**	**R 105.92**
Stands above 800 sq.m. VRYHEID	**R 79.58**	**R 87.54**	**R 96.29**	**R 105.92**
Hlobane, Vaalbank & Thutukani	**R 79.58**	**R 87.54**	**R 96.29**	**R 105.92**
Louwsburg.	**R 34.48**	**R 37.93**	**R 41.73**	**R 45.90**
Trades, businesses and industries, per container per month				
Daily removals (Vryheid, Bhekuzulu & Hlobane area)	**R 246.00**	**R 270.61**	**R 297.67**	**R 327.43**
(Bi-weekly removals (Vryheid, Bhekuzulu & Hlobane area)	**R 159.88**	**R 175.87**	**R 193.46**	**R 212.80**
Louwsburg – business	**R 54.27**	**R 59.70**	**R 65.66**	**R 72.23**
Trades, businesses and industries, per bulk container within the Municipal Local Council area, per month (Vryheid, Bhekuzulu & Hlobane area).				
Daily Removals	**R 2,466.53**	**R 2,713.19**	**R 2,984.51**	**R 3,282.96**
Bi-weekly removals	**R 1,187.37**	**R 1,306.10**	**R 1,436.71**	**R 1,580.39**
Rent for bulk container per month	**R 411.56**	**R 452.71**	**R 497.98**	**R 547.78**
Removal of rubbish and refuse not specified anywhere	**R 759.24**	**R 835.16**	**R 918.68**	**R 1,010.55**
Illegal dumping	**R 2,200.00**	**R 2,420.00**	**R 2,662.00**	**R 2,928.20**
Putting out refuse on wrong days	**R 1,100.00**	**R 1,210.00**	**R 1,331.00**	**R 1,464.10**

COMMUNITY SERVICES				
DESCRIPTION	**APPROVED TARIFFS 2015/2016**	**DRAFT TARIFFS 2016/2017**	**DRAFT TARIFFS 2017/2018**	**DRAFT TARIFFS 2018/2019**
	10.0%	**10.0%**	**10.0%**	**10.0%**
Incorrect dumping on dump site	**R 2,200.00**	**R 2,420.00**	**R 2,662.00**	**R 2,928.20**
Other local authorities	**By agreement**	**By agreement**	**By agreement**	**By agreement**
Rent and removal during special occasions (excluding religious gatherings) of refuse containers not exceeding three days.				
Fees to be paid in advance :				
Standard refuse containers				
Hire per container	**R 408.65**	**R 449.51**	**R 494.46**	**R 543.91**
Removal per container	**R 79.87**	**R 87.86**	**R 96.65**	**R 106.31**
Bulk mass containers				
Hire per container	**R 490.40**	**R 539.44**	**R 593.39**	**R 652.73**
Removal per container	**R 1,389.44**	**R 1,528.38**	**R 1,681.22**	**R 1,849.34**
Deposit	**Cost per Container**	**Cost per Container**	**Cost per Container**	**Cost per Container**
EMONDLO, CORONATION & NKOLGOLANE				
Refuse Removal per month	**R 66.49**	**R 73.14**	**R 80.45**	**R 88.50**
Business				
REMOVAL AND BURIAL OF CARCASSES :				
Donkeys, mules, horses and cattle, each	**R 115.66**	**R 127.22**	**R 139.95**	**R 153.94**

COMMUNITY SERVICES				
DESCRIPTION	**APPROVED TARIFFS 2015/2016 10.0%**	**DRAFT TARIFFS 2016/2017 10.0%**	**DRAFT TARIFFS 2017/2018 10.0%**	**DRAFT TARIFFS 2018/2019 10.0%**
Small type animals, each	**R 0.00**	**R 0.00**	**R 0.00**	**R 0.00**
REMOVAL OF BULKY GARDEN REFUSE, PER LOAD :	**R 330.52**	**R 363.57**	**R 399.93**	**R 439.92**
THE COST OF A STANDARD TYPE OF CONTAINER	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**	**Cost + 10%**
CLEARING OF PLOTS				
The following fees shall be payable for the clearing of plots :				
Erven not exceeding 1000 sq.m.	**R 1,587.71**	**R 1,746.49**	**R 1,921.13**	**R 2,113.25**
Erven in excess of 1000 sq.m. but not exceeding 2000 sq.m.	**R 2,206.86**	**R 2,427.54**	**R 2,670.30**	**R 2,937.33**
Erven in excess of 2000 sq.m. but not exceeding 4000 sq.m.	**R 2,868.19**	**R 3,155.00**	**R 3,470.50**	**R 3,817.55**
Erven in excess of 4000 sq.m. but not exceeding 10000 sq.m.	**R 4,903.67**	**R 5,394.04**	**R 5,933.44**	**R 6,526.79**
Plus R 6.10 for each 1000 sq.m. or part thereof in excess of 4000 sq.m.	**R 115.08**	**R 126.58**	**R 139.24**	**R 153.17**
Erven in excess of 10000 sq.m	**R 6,538.23**	**R 7,192.05**	**R 7,911.26**	**R 8,702.38**
Plus R 66.10 for each 1000 sq.m. or part thereof in excess of 10000 sq.m.	**R 115.08**	**R 126.58**	**R 139.24**	**R 153.17**
ALL PRICES EXCLUDING VAT				
SWIMMING POOL				
Household consumers of municipal services within the municipal area of Abaqulusi Municipality				
Adult	**R 22.99**	**R 24.51**	**R 26.03**	**R 27.56**
Child	**R 13.31**	**R 14.19**	**R 15.07**	**R 15.96**

COMMUNITY SERVICES				
DESCRIPTION	**APPROVED TARIFFS 2015/2016 10.0%**	**DRAFT TARIFFS 2016/2017 10.0%**	**DRAFT TARIFFS 2017/2018 10.0%**	**DRAFT TARIFFS 2018/2019 10.0%**
Per season ticket	**R 79.72**	**R 84.98**	**R 90.25**	**R 95.58**
GROOTGEWACHT DAM				
Entrance fee per person	**R 24.81**	**R 26.44**	**R 28.08**	**R 29.74**
Entrance fee per person U/10	**Free**	**Free**	**Free**	**Free**
Bonamanzi Camp				
Per person per day				
Minimum charge per day				
Hiking Trail :				
Per person per hike				
Minimum charge per hike				
Schools : Entrance fee per person over 10 years	**R 14.52**	**R 15.48**	**R 16.44**	**R 17.41**
PARKS				
Parks rules	**R 1,100.00**	**R 1,172.60**	**R 1,245.30**	**R 1,318.77**
KLIPFONTEIN DAM				
Entrance fee per person	**R 23.49**	**R 25.05**	**R 26.60**	**R 28.17**
Entrance fee per person U/10	**Free**	**Free**	**Free**	**Free**
Caravan Park :				
Per stand, per day with a maximum of 6 persons per stand	**R 87.45**	**R 93.22**	**R 99.00**	**R 104.84**

COMMUNITY SERVICES				
DESCRIPTION	**APPROVED TARIFFS 2015/2016**	**DRAFT TARIFFS 2016/2017**	**DRAFT TARIFFS 2017/2018**	**DRAFT TARIFFS 2018/2019**
	10.0%	**10.0%**	**10.0%**	**10.0%**
Boat Registration	**R 90.95**	**R 96.95**	**R 102.96**	**R 109.04**
Schools : Entrance fee per person over 10 years	**R 13.99**	**R 14.92**	**R 15.84**	**R 16.77**
VRYHEID CARAVAN PARK				
Caravan site with a maximum of 6 persons per caravan site, per day or portion of a day	**R 130.59**	**R 139.21**	**R 147.84**	**R 156.56**
Caravan site with a maximum of 6 persons per caravan site, per month	**R 1,837.62**	**R 1,958.90**	**R 2,080.35**	**R 2,203.09**
HIRE OF EEUFEES SPORT CENTRE				
CECIL EMMETT HALL				
Hire of the Eeufees Sport Centre (Cecil Emmett Hall)	**R 3,014.11**	**R 3,213.04**	**R 3,412.25**	**R 3,613.57**
Intongonono Environmental Centre	**R 1,500.00**			
All day or part thereof for functions or political meetings.	**R 3,014.11**	**R 3,213.04**	**R 3,412.25**	**R 3,613.57**
Intongonono Environmental Centre	**R 1,500.00**			
Deposit - No Vat	**R 3,766.18**	**R 4,014.75**	**R 4,263.66**	**R 4,515.22**
Intongonono Environmental Centre : deposit	**R 1,500.00**			
Registered sports clubs, per event or practice session. Registered welfare organization with a "WO" number per event.	**R 130.59**	**R 139.21**	**R 147.84**	**R 156.56**
Council Functions and ward committee meetings **	**Free of charge**	**Free of charge**	**Free of charge**	**Free of charge**
(If adhered to Council Resolution)				

COMMUNITY SERVICES					
	DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 10.0%	DRAFT TARIFFS 2017/2018 10.0%	DRAFT TARIFFS 2018/2019 10.0%
	On Sundays and Public Holidays from 10a.m. additional fee for cleaning of the hall. **ALL INCLUSIVE OF VAT**	**R 1,958.88**	**R 2,088.17**	**R 2,217.63**	**R 2,348.47**
	Council Functions and ward committee meetings ** (If adhered to Council Resolution) On Sundays and Public Holidays from 10a.m. additional fee for cleaning of the hall. **ALL INCLUSIVE OF VAT**	**Free of charge** **R 1,958.88**	**Free of charge** **R 2,088.17**	**Free of charge** **R 2,217.63**	**Free of charge** **R 2,348.47**
	KING ZWELITHINI AND LIBRARY HALLS BHEKUZULU				
1	Hire of King Zwelithini and Library Halls – Bhekuzulu:				
a	Hire of hall for functions or political meetings	**R 479.23**	**R 510.85**	**R 542.53**	**R 574.54**
	Deposit	**R 718.26**	**R 765.66**	**R 813.13**	**R 861.11**
b	Hire of hall by sports clubs, churches, welfare organizations, schools and non-political youth organizations, per event or practice session.	**R 43.14**	**R 45.99**	**R 48.84**	**R 51.72**
c	Any meetings in hall	**R 216.88**	**R 231.19**	**R 245.52**	**R 260.01**
d	Hire of hall for Council functions and ward committee meetings ** (If adhere to Council Resolution)	**Free of charge**	**Free of charge**	**Free of charge**	**Free of charge**

COMMUNITY SERVICES					
	DESCRIPTION	**APPROVED TARIFFS 2015/2016**	**DRAFT TARIFFS 2016/2017**	**DRAFT TARIFFS 2017/2018**	**DRAFT TARIFFS 2018/2019**
		10.0%	**10.0%**	**10.0%**	**10.0%**
2	**Hire of conference room : King Zwelithini Hall**				
	No deposit				
a	Meetings	**R 44.77**	**R 47.72**	**R 50.68**	**R 53.67**
b	Welfare organizations	**Free of charge**	**Free of charge**	**Free of charge**	**Free of charge**
	HIRE OF LAKESIDE COMMUNITY HALL				
a	Hire of Hall only :				
1	Hire of hall for functions or political meetings.	**R 1,086.71**	**R 1,158.43**	**R 1,230.26**	**R 1,302.84**
	Deposit	**R 1,518.13**	**R 1,618.33**	**R 1,718.67**	**R 1,820.07**
2	Hire of hall by registered sports clubs and welfare organizations, schools, churches or non-political youth organizations, per event or practice session - per event	**R 87.45**	**R 93.22**	**R 99.00**	**R 104.84**
3	Any other meeting	**R 216.88**	**R 231.19**	**R 245.52**	**R 260.01**
4	Hire of hall for Council functions and ward committee meetings * (If adhere to Council Resolution)	**Free of charge**	**Free of charge**	**Free of charge**	**Free of charge**
	HIRE OF HLOBANE AND EMONDLO COMMUNITY HALLS AND MZAMO				
	Hire of Hall only				

COMMUNITY SERVICES					
	DESCRIPTION	**APPROVED TARIFFS 2015/2016**	**DRAFT TARIFFS 2016/2017**	**DRAFT TARIFFS 2017/2018**	**DRAFT TARIFFS 2018/2019**
		10.0%	**10.0%**	**10.0%**	**10.0%**
1	Hire of halls for functions or political meetings	**R 349.80**	**R 372.89**	**R 396.01**	**R 419.37**
	Deposit (Refundable)	**R 652.96**	**R 696.06**	**R 739.21**	**R 782.82**
2	Hire of hall by registered sports clubs and welfare organizations, schools, churches or non-political youth organizations, per event or practice session.	**R 43.14**	**R 45.99**	**R 48.84**	**R 51.72**
3	Any meetings in hall	**R 216.88**	**R 231.19**	**R 245.52**	**R 260.01**
	Hire of hall for Council functions and ward committee meetings (If adhered to by Council resolution)	**Free of charge**	**Free of charge**	**Free of charge**	**Free of charge**
	ALL INCLUSIVE OF VAT				
	VRYHEID CEMETERY				
	Residents				
a	Exhumation	**R 584.17**	**R 622.72**	**R 661.33**	**R 700.35**
b	Cemetery Fees				
	Digging of grave :				
	Adults	**R 229.70**	**R 244.86**	**R 260.04**	**R 275.39**
	Children	**R 151.58**	**R 161.58**	**R 171.60**	**R 181.73**
c	Weekdays :	**R 489.72**	**R 522.04**	**R 554.41**	**R 587.12**
	Adults 1.8m	**R 489.72**	**R 522.04**	**R 554.41**	**R 587.12**

COMMUNITY SERVICES					
	DESCRIPTION	**APPROVED TARIFFS 2015/2016**	**DRAFT TARIFFS 2016/2017**	**DRAFT TARIFFS 2017/2018**	**DRAFT TARIFFS 2018/2019**
		10.0%	**10.0%**	**10.0%**	**10.0%**
	Adults 2.4m	**R 489.72**	**R 522.04**	**R 554.41**	**R 587.12**
	Children under 12	**R 489.72**	**R 522.04**	**R 554.41**	**R 587.12**
d	Weekends and				
	public holidays :				
	Adults 1.8m	**R 489.72**	**R 522.04**	**R 554.41**	**R 587.12**
	Adults 2.4m	**R 489.72**	**R 522.04**	**R 554.41**	**R 587.12**
	Children under 12	**R 489.72**	**R 522.04**	**R 554.41**	**R 587.12**
e	Erection of monument				
	or tombstone, per stone	**R 368.46**	**R 392.77**	**R 417.13**	**R 441.74**
f	Hall of remembrance:				
	Niche in columbarium, per niche	**R 292.67**	**R 311.98**	**R 331.32**	**R 350.87**
		R 0.00	**R 0.00**	**R 0.00**	**R 0.00**
	Non-Residents				
a	Exhumation	**R 624.98**	**R 666.22**	**R 707.53**	**R 749.27**
b	Cemetery Fees				
	Digging of grave :				
	Adults	**R 466.40**	**R 497.18**	**R 528.01**	**R 559.16**
	Children	**R 378.95**	**R 403.96**	**R 429.01**	**R 454.32**

COMMUNITY SERVICES				
DESCRIPTION	**APPROVED TARIFFS 2015/2016**	**DRAFT TARIFFS 2016/2017**	**DRAFT TARIFFS 2017/2018**	**DRAFT TARIFFS 2018/2019**
	10.0%	**10.0%**	**10.0%**	**10.0%**
c Weekdays :	**R 1,297.76**	**R 1,383.41**	**R 1,469.18**	**R 1,555.86**
Adults 1.8m	**R 1,366.55**	**R 1,456.74**	**R 1,547.06**	**R 1,638.34**
Adults 2.4m	**R 588.83**	**R 627.69**	**R 666.61**	**R 705.94**
Children under 12	**R 932.80**	**R 994.36**	**R 1,056.02**	**R 1,118.32**
d Weekends and public holidays :				
Adults 1.8m	**R 1,609.08**	**R 1,715.28**	**R 1,821.63**	**R 1,929.10**
Adults 2.4m	**R 1,756.00**	**R 1,871.89**	**R 1,987.95**	**R 2,105.24**
Children under 12	**R 932.80**	**R 994.36**	**R 1,056.02**	**R 1,118.32**
e Erection of monument or tombstone, per stone	**R 466.40**	**R 497.18**	**R 528.01**	**R 559.16**
f Hall of remembrance:				
Niche in columbarium, per niche	**R 466.40**	**R 497.18**	**R 528.01**	**R 559.16**
ALL ABOVE TARIFFS ARE INCLUSIVE OF VAT				
eMondlo CEMETERY				
Residents				

COMMUNITY SERVICES				
DESCRIPTION	**APPROVED TARIFFS 2015/2016 10.0%**	**DRAFT TARIFFS 2016/2017 10.0%**	**DRAFT TARIFFS 2017/2018 10.0%**	**DRAFT TARIFFS 2018/2019 10.0%**
a Exhumation	R 0.00	R 0.00	R 0.00	R 0.00
b Cemetery Fees				
Digging of grave :				
Adults	**R 151.58**	**R 161.58**	**R 171.60**	**R 181.73**
Children	**R 100.28**	**R 106.89**	**R 113.52**	**R 120.22**
Non-Residents				
a Exhumation	R 0.00	R 0.00	R 0.00	R 0.00
b Cemetery Fees				
Digging of grave :				
Adults	**R 378.95**	**R 403.96**	**R 429.01**	**R 454.32**
Children	**R 378.95**	**R 403.96**	**R 429.01**	**R 454.32**
HLOBANE/NKONGOLWANE/CORONATION CEMETERIES				
Residents				
a Cemetery Fees				
Digging of grave :	**R 229.70**	**R 244.86**	**R 260.04**	**R 275.39**
Non- Residents				
a Cemetery Fees				
Digging of grave :	**R 466.40**	**R 497.18**	**R 528.01**	**R 559.16**
LOUWSBURG CEMETERY				
Residents				

COMMUNITY SERVICES

	DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 10.0%	DRAFT TARIFFS 2017/2018 10.0%	DRAFT TARIFFS 2018/2019 10.0%
a	Cemetery Fees				
	Digging of grave :	**R 475.73**	**R 507.13**	**R 538.57**	**R 570.34**
	Non- Residents				
a	Cemetery Fees				
	Digging of grave :	**R 951.46**	**R 1,014.25**	**R 1,077.14**	**R 1,140.69**
	MZAMO CEMETERY				
	Residents				
a	Cemetery Fees				
	Digging of grave :	**R 227.37**	**R 242.38**	**R 257.40**	**R 272.59**
	Non- Residents				
a	Cemetery Fees				
	Digging of grave :	**R 454.74**	**R 484.75**	**R 514.81**	**R 545.18**
	ALL ABOVE TARIFFS ARE INCLUSIVE OF VAT				
	LIBRARY				
1	Fines for late books and material per week or part thereof per book or item.				
1.1	Adults Books	R 2.29	**R 2.44**	**R 2.59**	**R 2.74**
	Maximum charge	**R 22.67**	**R 24.16**	**R 25.66**	**R 27.18**

COMMUNITY SERVICES				
	DESCRIPTION	**APPROVED TARIFFS 2015/2016 10.0%**	**DRAFT TARIFFS 2016/2017 10.0%**	**DRAFT TARIFFS 2017/2018 10.0%**	**DRAFT TARIFFS 2018/2019 10.0%**
1.2	Children Books	**R 1.61**	**R 1.72**	**R 1.82**	**R 1.93**
	Maximum charge	**R 15.02**	**R 16.01**	**R 17.00**	**R 18.00**
1.3	Talking Books	**R 2.29**	**R 2.44**	**R 2.59**	**R 2.74**
	Maximum charge	**R 15.02**	**R 16.01**	**R 17.00**	**R 18.00**
1.4	Audio cassettes, records and compact discs	**R 2.29**	**R 2.44**	**R 2.59**	**R 2.74**
	Maximum charge	**R 22.67**	**R 24.16**	**R 25.66**	**R 27.18**
1.5	Art prints	**N/A**	**N/A**	**N/A**	**N/A**
2	Fines for late material per day or part thereof per item :				
2.1	Videos	**R 3.89**	**R 4.15**	**R 4.41**	**R 4.67**
	Maximum charge	**R 22.67**	**R 24.16**	**R 25.66**	**R 27.18**
2.2	Other library material, e.g. jigsaw puzzles	**R 2.95**	**R 3.14**	**R 3.34**	**R 3.54**
	Maximum charge	**R 15.02**	**R 16.01**	**R 17.00**	**R 18.00**
3	Lost or damaged barcodes and membership cards	**R 30.18**	**R 32.17**	**R 34.16**	**R 36.18**

COMMUNITY SERVICES					
	DESCRIPTION	**APPROVED TARIFFS 2015/2016**	**DRAFT TARIFFS 2016/2017**	**DRAFT TARIFFS 2017/2018**	**DRAFT TARIFFS 2018/2019**
		10.0%	**10.0%**	**10.0%**	**10.0%**
4	Processing fee for new members and renewals.				
	Per user	**R 15.02**	**R 16.01**	**R 17.00**	**R 18.00**
5	Photocopies A4	**R 1.61**	**R 1.72**	**R 1.82**	**R 1.93**
	A5	**R 2.42**	**R 2.58**	**R 2.74**	**R 2.90**
	Library cards - persons living outside AbaQulusi	**R 180.75**	**R 192.68**	**R 204.63**	**R 216.70**
	Replacement of lost cards				
	Refundable deposit payable by persons not resident in the AbaQulusi area	**R 278.78**	**R 297.18**	**R 315.60**	**R 334.22**
	Damage to books	**Estimated value of book as determined by Librarian**	**Estimated value of book as determined by Librarian**	**Estimated value of book as determined by Librarian**	**Estimated value of book as determined by Librarian**
	Lost books	**Full cost of item**	**Full cost of item**	**Full cost of item**	**Full cost of item**
	Damage/loss to videos, films or other material	**Full cost of item**	**Full cost of item**	**Full cost of item**	**Full cost of item**
6	**LIBRARY HALL**				
6.1	Hire of halls for functions or political meetings	**R 419.76**	**R 447.46**	**R 475.21**	**R 503.24**
	Deposit (Refundable)	**R 396.44**	**R 422.61**	**R 448.81**	**R 475.29**
6.2	Hire of hall by registered sports clubs and welfare organizations, schools, churches or non-political youth organizations, per event or practice session.	**R 104.94**	**R 111.87**	**R 118.80**	**R 125.81**

COMMUNITY SERVICES				
	DESCRIPTION	**APPROVED TARIFFS 2015/2016**	**DRAFT TARIFFS 2016/2017**	**DRAFT TARIFFS 2017/2018**	**DRAFT TARIFFS 2018/2019**
		10.0%	**10.0%**	**10.0%**	**10.0%**
6.3	Any meetings in hall.				
	Per day or part thereof	**R 83.95**	**R 89.49**	**R 95.04**	**R 100.65**
	Per evening or part thereof	**R 125.93**	**R 134.24**	**R 142.56**	**R 150.97**
6.4	Hire of hall for Council functions and ward committee meetings (If adhered to by Council resolution).	**Free of charge**	**Free of charge**	**Free of charge**	**Free of charge**
7	**GRAZING FEES : LOUWSBURG**:	**R 29.69**	**R 31.65**	**R 33.61**	**R 35.60**
	Cattle per head (Including VAT)				
7.1	**BYLAWS RELATING TO THE KEEPING OF DOGS, ANIMALS, BIRDS AND BEES**				
	The following license fees are payable annually in respect of dogs kept within the municipal area for which rabies certificates have to be produced:-				
	For a first dog	**R 19.67**	**R 20.96**	**R 22.26**	**R 23.58**
	For a second dog	**R 39.34**	**R 41.94**	**R 44.54**	**R 47.17**
	For any additional dog and subject to submission of Council authorization for the keeping of additional dogs, per dog	**R 65.57**	**R 69.90**	**R 74.23**	**R 78.61**
	Unspayed female	**R 39.34**	**R 41.94**	**R 44.54**	**R 47.17**
	Dog licenses				
	The following fees are payable in respect of each animal impounded:				
	Pound fees per animal	**R 118.02**	**R 125.81**	**R 133.61**	**R 141.49**
	Sterilization fee	**Cost +10%**	**Cost +10%**	**Cost +10%**	**Cost +10%**

COMMUNITY SERVICES

DESCRIPTION	APPROVED TARIFFS 2015/2016 10.0%	DRAFT TARIFFS 2016/2017 10.0%	DRAFT TARIFFS 2017/2018 10.0%	DRAFT TARIFFS 2018/2019 10.0%
Immunisation fee	**Cost +10%**	**Cost +10%**	**Cost +10%**	**Cost +10%**
7.2 Street, Traffic & Entertainment Bylaws				
Parking meter fees - tariff for 60 minutes	**R 6.19**	**R 6.60**	**R 7.01**	**R 7.42**
Parking fines	**R 123.71**	**R 131.88**	**R 140.05**	**R 148.31**
Incorrect Bylaws				
OTHER TARRIF OF CHARGES				
Pitching of tents on municipal property - tariff per day	**R 3,300.00**	**R 3,517.80**	**R 3,735.90**	**R 3,956.32**
Tents in parks	**R 1,650.00**	**R 1,758.90**	**R 1,867.95**	**R 1,978.16**
Putting up tents without permission	**R 5,500.00**	**R 5,863.00**	**R 6,226.51**	**R 6,593.87**
Washing cars in the street	**R 1,100.00**	**R 1,172.60**	**R 1,245.30**	**R 1,318.77**
Building rubble on pavement	**R 2,200.00**	**R 2,345.20**	**R 2,490.60**	**R 2,637.55**

ALL ABOVE TARIFFS ARE EXCLUDING VAT UNLESS OTHERWISE STATED

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
SUBDIVISION OF LAND					
Basic application fee					
(Where the property is worth :					
Less than R 100,000	**R 769.21**	**R 769.21**	**R 819.98**	**R 870.81**	**R 922.19**
R 100,000 - R 200,000	**R 1,538.30**	**R 1,538.30**	**R 1,639.82**	**R 1,741.49**	**R 1,844.24**
Greater than R 200,000	**R 4,615.01**	**R 4,615.01**	**R 4,919.60**	**R 5,224.61**	**R 5,532.86**
Additional fee for each individual subdivision					
Less than R 100,000	**R 153.81**	**R 153.81**	**R 163.96**	**R 174.13**	**R 184.40**
R 100,000 - R 200,000	**R 307.64**	**R 307.64**	**R 327.94**	**R 348.27**	**R 368.82**
Greater than R 200,000	**R 769.21**	**R 769.21**	**R 819.98**	**R 870.81**	**R 922.19**
Inspection fee					
First Inspection	**R 769.21**	**R 769.21**	**R 819.98**	**R 870.81**	**R 922.19**
Subsequent Inspections	**R 384.60**	**R 384.60**	**R 409.99**	**R 435.41**	**R 461.10**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Consolidation of Land	R 292.88	R 292.88	R 312.20	R 331.56	R 351.12
Alteration, suspension and deletion of condition of Title relating to land	R 2,343.00	R 2,343.00	R 2,497.64	R 2,652.49	R 2,808.99
Development situated outside the area of a scheme '+ for multiple application cost, subdivision & consolidation	R 3,514.50	R 3,514.50	R 3,746.46	R 3,978.74	R 4,213.48
Preparation for Service Agreements	R 1,171.50	R 1,171.50	R 1,248.82	R 1,326.25	R 1,404.49
Alteration, suspension and deletion of condition of approval relating to land	R 3,514.50	R 3,514.50	R 3,746.46	R 3,978.74	R 4,213.48
Closure of Municipal Road - Municipal Ordinance	R 3,514.50	R 3,514.50	R 3,746.46	R 3,978.74	R 4,213.48

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
Closure of Public Place	**R 3,514.50**	**R 3,514.50**	**R 3,746.46**	**R 3,978.74**	**R 4,213.48**
Registration of Right of Way Servitudes no longer apply due to the change in bylaws, however erstwhile Central will retain the current fee of R120 until the legislation is amended.					
CONSENT					
Consent in terms of Town Planning Scheme for use/rentals acquisition of land. Clause 2.2. If notices are required upon decision of Council an additional required to cover cost R1,500.00 is	**R 2,343.00**	**R 2,343.00**	**R 2,497.64**	**R 2,652.49**	**R 2,808.99**
SPECIAL CONSENT					
Special Consent (excluding NON TPO areas)					
Special Consent & Change of use of land and/or buildings	**R 6,922.28**	**R 6,922.28**	**R 7,379.15**	**R 7,836.66**	**R 8,299.02**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Relaxations of space about buildings and height (Residential sites without letters of consent)	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater
Relaxations of space about buildings and height (Non-residential sites without letters of consent)	R 6,922.28	R 6,922.28	R 7,379.15	R 7,836.66	R 8,299.02
Home Business *(Max of 20% of dwelling house, regardless of number of home businesses)*	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater
Tuck-shop	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater	10% of building plan fee, or R588.50, whichever the greater

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Excess **Floor area** (for residential sites 300m² or smaller)	**R 6,922.28**	**R 6,922.28**	**R 7,379.15**	**R 7,836.66**	**R 8,299.02**
Excess **Floor area** (for residential sites larger than 300m²)	**R 6,922.28**	**R 6,922.28**	**R 7,379.15**	**R 7,836.66**	**R 8,299.02**
Excess **coverage** (for residential sites 300m² or smaller)	**R 6,922.28**	**R 6,922.28**	**R 7,379.15**	**R 7,836.66**	**R 8,299.02**
Excess **coverage** (for residential sites larger than 300m²)	**R 6,922.28**	**R 6,922.28**	**R 7,379.15**	**R 7,836.66**	**R 8,299.02**
Excess **Floor area/Coverage** (for non-residential sites)	**R 6,922.28**	**R 6,922.28**	**R 7,379.15**	**R 7,836.66**	**R 8,299.02**
Excess **Floor area/ coverage** (for non residential sites)	**R 6,922.28**	**R 6,922.28**	**R 7,379.15**	**R 7,836.66**	**R 8,299.02**
Bed & Breakfast (max 4 bedrooms)	**R 6,922.28**	**R 6,922.28**	**R 7,379.15**	**R 7,836.66**	**R 8,299.02**
Guesthouse (5-10 bedrooms)	**R 6,922.28**	**R 6,922.28**	**R 7,379.15**	**R 7,836.66**	**R 8,299.02**
	basic fee, plus R 400 per bedroom up to 10 bedrooms	basic fee, plus R 400 per bedroom up to 10 bedrooms	basic fee, plus R 400 per bedroom up to 10 bedrooms	basic fee, plus R 400 per bedroom up to 10 bedrooms	basic fee, plus R 400 per bedroom up to 10 bedrooms
Guesthouse (more than 10 bedrooms)	**R 6,922.27**	**R 6,922.27**	**R 7,379.14**	**R 7,836.64**	**R 8,299.01**
	basic fee, plus R 800 for every bedroom in excess of 10 bedrooms	basic fee, plus R 800 for every bedroom in excess of 10 bedrooms	basic fee, plus R 800 for every bedroom in excess of 10 bedrooms	basic fee, plus R 800 for every bedroom in excess of 10 bedrooms	basic fee, plus R 800 for every bedroom in excess of 10 bedrooms
Appeal	**R 217.67**	**R 217.67**	**R 232.03**	**R 246.42**	**R 260.96**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
Advertisement cost for account of the applicant					
RELAXATION OF SPACE ABOUT BUILDINGS					
Relaxation of Space about buildings (Excluding non-TPO areas)					
Front building line and/or rear space and or side space (with letters of consent)					
for sites 300m² or smaller	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**
for sites larger than 300m²	**R 420.22**	**R 420.22**	**R 447.96**	**R 475.73**	**R 503.80**
Height (with letters of consent)					
for sites 300m² or smaller	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**
for sites larger than 300m²	**R 420.22**	**R 420.22**	**R 447.96**	**R 475.73**	**R 503.80**
Relaxation of Space about buildings (non-TPO areas)					

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Front building line and/or rear space and or side space (with letters of consent)					
for sites 300m² or smaller	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**
for sites larger than 300m²	**R 69.94**	**R 69.94**	**R 74.55**	**R 79.18**	**R 83.85**
Height (with letters of consent)					
for sites 300m² or smaller	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**	**Included in building plan fee**
for sites larger than 300m²	**R 77.09**	**R 77.09**	**R 82.18**	**R 87.27**	**R 92.42**
MULTIPLE UNIT DEVELOPMENT					
Multiple Unit Development (Excluding non-TPO areas)					
Cluster housing, curtilage applications, development without subdivision					
up to 3 units	**R 9,522.07**	**R 9,522.07**	**R 10,150.53**	**R 10,779.86**	**R 11,415.87**
4 - 10 units	**R 9,012.33 plus R 200 per unit**	**R 9,500 plus R 200 per unit**	**R 10,013 plus R 200 per unit**	**R 10,013 plus R 200 per unit**	**R 10,013 plus R 200 per unit**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
more than 10 units	R 8,200 plus R 500 per unit in excess of 10 units	R 8,200 plus R 500 per unit in excess of 10 units	R 8,200 plus R 500 per unit in excess of 10 units	R 8,200 plus R 500 per unit in excess of 10 units	R 8,200 plus R 500 per unit in excess of 10 units
A separate land use application to be made for land use authority					
Multiple Unit Development (Non-TPO areas)					
Cluster housing, curtilage applications, development without subdivision					
up to 3 units	R 725.80	R 725.80	R 773.70	R 821.67	R 870.15
4 - 10 units	R 580,80 plus R 50 per unit	R 612.16 plus R 50 per unit	R 645.22 plus R 50 per unit	R 645.22 plus R 50 per unit	R 645.22 plus R 50 per unit
more than 10 units	R 850 plus R 100 per unit in excess of 10 units	R 850 plus R 100 per unit in excess of 10 units	R 850 plus R 100 per unit in excess of 10 units	R 850 plus R 100 per unit in excess of 10 units	R 850 plus R 100 per unit in excess of 10 units
A separate land use application to be made for land use authority					

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
OTHER LAND USE APPLICATIONS					
Site Development Plan (Excluding NON TPO areas)					
Where no rezoning/subdivision/special consent application is required	R 9,522.00	R 9,522.00	R 10,150.45	R 10,779.78	R 11,415.79
Where rezoning/subdivision/special consent application will be required	R 680 or 10% of building plan fee, whichever is the greater	R 680 or 10% of building plan fee, whichever is the greater	R 680 or 10% of building plan fee, whichever is the greater	R 680 or 10% of building plan fee, whichever is the greater	R 680 or 10% of building plan fee, whichever is the greater
Approval in-principle ("D" application)	R 6,800 or 10% of building plan fee, whichever is the greater	R 6,800 or 10% of building plan fee, whichever is the greater	R 6,800 or 10% of building plan fee, whichever is the greater	R 6,800 or 10% of building plan fee, whichever is the greater	R 6,800 or 10% of building plan fee, whichever is the greater
Site Development Plan (NON TPO areas)					
Where no rezoning/subdivision/special consent application is required	R 725.80	R 725.80	R 773.70	R 821.67	R 870.15

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Where rezoning/subdivision/special consent application will be required	R 145.20	R 145.20	R 154.78	R 164.38	R 174.08
Approval in-principle ("D" application)	R 725.80	R 725.80	R 773.70	R 821.67	R 870.15
ZONING CERTIFICATES (all areas)					
Printed certificate off intranet per print	Cost of print	Cost of print	Cost of print	Cost of print	Cost of print
Department generated per print	R 46.20	R 46.20	R 49.25	R 52.30	R 55.39
SECURED ROADS					
No current fee structure					
BUILDING APPLICATIONS					
Building application (excluding area identified by council.)					
Minor Building Works	R 415.30	R 415.30	R 442.71	R 470.16	R 497.90
Dwelling and residential Uses only					

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Floor area 0m² to ≤ 1000m²	Basic of R 330 plus R 150 per 10m², over 10m²	Basic of R 330 plus R 150 per 10m², over 10m²	Basic of R 330 plus R 150 per 10m², over 10m131	Basic of R 330 plus R 150 per 10m², over 10m131	Basic of R 330 plus R 150 per 10m², over 10m132
Floor area in excess of 1000m²	Full fee for area up to 1000m², plus R 200 per 10m²	Full fee for area up to 1000m², plus R 200 per 10m²	Full fee for area up to 1000m², plus R 200 per 10m131	Full fee for area up to 1000m², plus R 200 per 10m131	Full fee for area up to 1000m², plus R 200 per 10m132
Other Non-residential use					
Floor area 0m² to ≤ 1000m²	Basic of R 650 plus R 200 per 10m², over 10m²	Basic of R 650 plus R 200 per 10m², over 10m²	Basic of R 650 plus R 200 per 10m², over 10m131	Basic of R 650 plus R 200 per 10m², over 10m131	Basic of R 650 plus R 200 per 10m², over 10m132
Floor area in excess of 1000m²	Full fee for area up to 1000m², plus R 250 per 10m²	Full fee for area up to 1000m², plus R 250 per 10m²	Full fee for area up to 1000m², plus R 250 per 10m131	Full fee for area up to 1000m², plus R 250 per 10m131	Full fee for area up to 1000m², plus R 250 per 10m132
Building of light construction	R 846.10	R 846.10	R 901.94	R 957.86	R 1,014.38
Temp building	As above	As above	As above	As above	As above

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
Building application (area identified by council.)					
Minor Building Works	**R 169.20**	**R 169.20**	**R 180.37**	**R 191.55**	**R 202.85**
Dwelling and residential Uses only					
Floor area 0m² to ≤ 1000m²	**Basic of R 170 plus R 75 per 10m², over 10m²**	**Basic of R 170 plus R 75 per 10m², over 10m²**	**Basic of R 170 plus R 75 per 10m², over 10m²**	**Basic of R 170 plus R 75 per 10m², over 10m²**	**Basic of R 170 plus R 75 per 10m², over 10m131**
Floor area in excess of 1000m²	**Full fee for area up to 1000m², plus R 100 per 10m²**	**Full fee for area up to 1000m², plus R 100 per 10m²**	**Full fee for area up to 1000m², plus R 100 per 10m²**	**Full fee for area up to 1000m², plus R 100 per 10m²**	**Full fee for area up to 1000m², plus R 100 per 10m131**
Other Non-residential use					
Floor area 0m² to ≤ 1000m²	**Basic of R 320 plus R 100 per 10m², over 10m²**	**Basic of R 320 plus R 100 per 10m², over 10m²**	**Basic of R 320 plus R 100 per 10m², over 10m²**	**Basic of R 320 plus R 100 per 10m², over 10m²**	**Basic of R 320 plus R 100 per 10m², over 10m131**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Floor area in excess of 1000m²	Full fee for area up to 1000m², plus R 125 per 10m²	Full fee for area up to 1000m², plus R 125 per 10m²	Full fee for area up to 1000m², plus R 125 per 10m²	Full fee for area up to 1000m², plus R 125 per 10m²	Full fee for area up to 1000m², plus R 125 per 10m131
Building of light construction	R 699.40	R 699.40	R 745.56	R 791.79	R 838.50
Temp building	As above	As above	As above	As above	
Building application (All areas)					
Preliminary sketch plan or opinion on material, method of form of construction	R 846.10	R 846.10	R 901.90	R 961.40	R 1,018.12
Council partnered projects	25% of the applicable fee	25% of the applicable fee	25% of the applicable fee	25% of the applicable fee	25% of the applicable fee
Courtesy Applications	No fee - policy applies	No fee - policy applies	No fee - policy applies	No fee - policy applies	No fee - policy applies
Social Housing	No fee - policy applies	No fee - policy applies	No fee - policy applies	No fee - policy applies	No fee - policy applies
Permission to commence work before approval	Full building fee (non-refundable) An additional fee equal to that of the initial building	Full building fee (non-refundable) An additional fee equal to that of the initial building fee	Full building fee (non-refundable) An additional fee equal to that of the initial building	Full building fee (non-refundable) An additional fee equal to that of the initial building	Full building fee (non-refundable) An additional fee equal to that of the initial building

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
	fee		fee	fee	fee
Applications which include encroachments into/over council land or servitude areas.	R 1,000 plus building fee	R 1,000 plus building fee	R 1,000 plus building fee	R 1,000 plus building fee	R 1,000 plus building fee
(excluding Omnibus servitude)					
Appeal	R 680, or 10% of building plan fee, whichever is the greater	R 680, or 10% of building plan fee, whichever is the greater	R 680, or 10% of building plan fee, whichever is the greater	R 680, or 10% of building plan fee, whichever is the greater	R 680, or 10% of building plan fee, whichever is the greater
PERMITS AND ENCROACHMENTS					
HOARDING PERMITS (excluding NON-TPO areas)					
Enclosing portion of street rework or demolition	R 50 per m² per week	R 50 per m² per week	R 50 per m² per week	R 50 per m² per week	R 50 per m² per week
In area with metered parking					
Parking meter removal/disconnection Application fee	R 362.70	R 362.70	R 386.64	R 410.61	R 434.84
Per metered bay	R 250 per week	R 250 per week	R 250 per week	R 250 per week	R 250 per week

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
HOARDING PERMITS (NON-TPO areas)					
Enclosing portion of street rework or demolition	**R 50 per m² per week**	**R 50 per m² per week**	**R 50 per m² per week**	**R 50 per m² per week**	**R 50 per m² per week**
In area with metered parking					
Parking meter removal/disconnection Application fee	**R 181.60**	**R 181.60**	**R 193.59**	**R 205.59**	**R 217.72**
Per metered bay per week, or part thereof	**R 125 per week**	**R 125 per week**	**R 125 per week**	**R 125 per week**	**R 125 per week**
ENCROACHMENT PERMITS (excluding NON-TPO areas)					
Change of ownership	**R 711.20**	**R 782.30**	**R 860.50**	**R 946.60**	**R 1,002.45**
Once off Rental fee per annum:	**R 45 per m² per week**	**R 45 per m² per week**	**R 45 per m² per week**	**R 45 per m² per week**	**R 45 per m² per week**
ENCHROACHMENT PERMITS (NON-TPO areas)					
Change of ownership	**R 355.60**	**R 355.60**	**R 379.07**	**R 402.57**	**R 426.32**
Once off Rental fee per annum:	**R 25 per m² per week**	**R 25 per m² per week**	**R 25 per m² per week**	**R 25 per m² per week**	**R 25 per m² per week**
BALCONIES (excluding NON-TPO areas)					

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Neither enclosed nor partly enclosed:					
Connected to a building use which:					
Excludes business	R 75 per 10m² per year	R 75 per 10m² per year	R 75 per 10m² per year	R 75 per 10m² per year	R 75 per 10m² per year
Includes business	R 135 per m² per year	R 135 per m² per year	R 135 per m² per year	R 135 per m² per year	R 135 per m² per year
Includes theatre, cinema, licenced hotel, licensed private club, or other place of public entertainment	R 330 per 10m² per year	R 330 per 10m² per year	R 330 per 10m² per year	R 330 per 10m² per year	R 330 per 10m² per year
Includes a hotel balcony not open to public	R 45 per m² per year	R 45 per m² per year	R 45 per m² per year	R 45 per m² per year	R 45 per m² per year
Enclosed or partly enclosed:					
All uses	R 1,035 per 10m² per year	R 1,035 per 10m² per year	R 1,035 per 10m² per year	R 1,035 per 10m² per year	R 1,035 per 10m² per year
Hotel balcony open to public	R 75 per m² per year	R 75 per m² per year	R 75 per m² per year	R 75 per m² per year	R 75 per m² per year
BALCONIES (NON-TPO areas)					
Neither enclosed nor partly enclosed:					
Connected to a building use which:					

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Excludes business	R 40 per 10m² per year	R 40 per 10m² per year	R 40 per 10m² per year	R 40 per 10m² per year	R 40 per 10m² per year
Includes business	R 75 per m² per year	R 75 per m² per year	R 75 per m² per year	R 75 per m² per year	R 75 per m² per year
Includes theatre, cinema, licenced hotel, licensed private club, or other place of public entertainment	R 170 per 10m² per year	R 170 per 10m² per year	R 170 per 10m² per year	R 170 per 10m² per year	R 170 per 10m² per year
Includes a hotel balcony not open to public	R 25 per m² per year	R 25 per m² per year	R 25 per m² per year	R 25 per m² per year	R 25 per m² per year
Enclosed or partly enclosed:					
All uses	R 515 per 10m² per year	R 515 per 10m² per year	R 515 per 10m² per year	R 515 per 10m² per year	R 515 per 10m² per year
Hotel balcony open to public	R 40 per m² per year	R 40 per m² per year	R 40 per m² per year	R 40 per m² per year	R 40 per m² per year
PLAN VIEWING AND PLAN COPIES					
PLAN VIEWING AND COPIES (excluding NON-TPO areas)					
Viewing (dependant on resources)					
Hard copy plans (per address per day)	R 43.60	R 43.60	R 46.48	R 49.36	R 52.27

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Microfilmed plans (per address per day)	R 43.60	R 43.60	R 46.48	R 49.36	R 52.27
Copies (dependant on resources)					
Hard copy plans (per print)	Please refer to Copies of documentation	Please refer to Copies of documentation	Please refer to Copies of documentation	Please refer to Copies of documentation	Please refer to Copies of documentation
Microfilmed plans (per print)	R 36.40	R 36.40	R 38.80	R 41.21	R 43.64
Microfilmed plan resized to metric scale (per print)	R 319.30	R 319.30	R 340.37	R 361.48	R 382.80
Cancellation of approved layout plan	R 1,171.50	R 1,171.50	R 1,248.82	R 1,326.25	R 1,404.49
PLAN VIEWING AND COPIES (NON-TPO areas)					
Viewing	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00
Copies (dependant on resources)					
Hard copy plans (per print)	Please refer to Copies of documentation	Please refer to Copies of documentation	Please refer to Copies of documentation	Please refer to Copies of documentation	Please refer to Copies of documentation
Microfilmed plans (per print)	R 21.90	R 21.90	R 23.35	R 24.79	R 26.26
Microfilmed plan resized to metric scale (per print)	R 159.70	R 159.70	R 170.24	R 180.80	R 191.46

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
COPIES OF DOCUMENTATION					
A4	**R 2.10**	**R 2.10**	**R 2.24**	**R 2.38**	**R 2.52**
A3	**R 3.00**	**R 3.00**	**R 3.20**	**R 3.40**	**R 3.60**

NOTES

Approved building plans and relative documents are microfilmed, where the resources are available for storage, access by public and staff alike as well as record purposes. Where no equipment is available, the hard copies of plans are viewed.

SIGNAGE AND ADVERTISING **ADVERTISING SIGNS**					
(a) Application to erect an advertising sign (per application)	**R 211.50**	**R 211.50**	**R 225.46**	**R 239.44**	**R 253.56**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
(b) Tariff for advertising sign on municipal property, per "sign face" per month or part thereof :					
(i) 0 - 2,0 sq.m.	**R 93.10**	**R 93.10**	**R 99.24**	**R 105.40**	**R 111.62**
(ii) 2,1 - 4,0 sq.m.	**R 152.10**	**R 152.10**	**R 162.14**	**R 172.19**	**R 182.35**
(iii) 4,1 sq.m. and bigger	**R 225.20**	**R 225.20**	**R 240.06**	**R 254.95**	**R 269.99**
(c) Temporary signs within the set period as determined in the Bylaws per sign (If not removed, the deposit will be forfeited)	**R 590.40**	**R 590.40**	**R 629.37**	**R 668.39**	**R 707.82**
SIGNAGE/ADVERTISING LOCALITY BOUND (EXCLUDING POSTERS) (all areas)					
Non-Illuminated					
Less than 2m²	**R 68.30**	**R 68.30**	**R 72.81**	**R 77.32**	**R 81.88**
Greater than 2m²	**R 55 per m², with a minimum fee of R 200**	**R 57.80 per m², with a minimum fee of R 200**	**R 57.80 per m², with a minimum fee of R 200**	**R 57.80 per m², with a minimum fee of R 200**	**R 57.80 per m², with a minimum fee of R 201**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
Illuminated					
Any size	**R 65 per m² with a minimum fee of R 220**	**R 65 per m² with a minimum fee of R 220**	**R 65 per m² with a minimum fee of R 220**	**R 65 per m² with a minimum fee of R 220**	**R 65 per m² with a minimum fee of R 221**
Annual levy					
Not encroaching	**R 15 per m², or R 120, whichever is the greater**	**R 15 per m², or R 120, whichever is the greater**	**R 15 per m², or R 120, whichever is the greater**	**R 15 per m², or R 120, whichever is the greater**	**R 15 per m², or R 120, whichever is the greater**
Encroaching	**R 130 per m²**	**R 130 per m²**	**R 130 per m²**	**R 130 per m²**	**R 130 per m131**
SIGNAGE/ADVERTISING NON-LOCALITY BOUND (EXCLUDING POSTERS) (all areas)					
Less than 36m², on private property	**R 1,925 application/minimum fee**	**R 1,925 application/minimum fee**	**R 1,925 application/minimum fee**	**R 1,925 application/minimum fee**	**R 1,925 application/minimum fee**
Greater than 36m²	**R 1,925 plus R 130 per m²**	**R 1,925 plus R 130 per m²**	**R 1,925 plus R 130 per m²**	**R 1,925 plus R 130 per m²**	**R 1,925 plus R 130 per m²**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Change of face	R 1,263.70	R 1,390.10	R 1,529.10	R 1,682.00	R 1,781.24
Annual Levy					
Minimum control area	R 127.20 per m²	R 127.20 per m²	R 127.20 per m²	R 127.20 per m²	R 127.20 per m²
Partial control area	R 137.80 per m²	R 137.80 per m²	R 137.80 per m²	R 137.80 per m²	R 137.80 per m²
Maximum control area	R 169.60 per m²	R 169.60 per m²	R 169.60 per m²	R 169.60 per m²	R 169.60 per m²
Flags/Banners for special events	R 730 application fee plus R 13 per m², no refund	R 730 application fee plus R 13 per m², no refund	R 730 application fee plus R 13 per m², no refund	R 730 application fee plus R 13 per m², no refund	R 730 application fee plus R 13 per m², no refund
Advertising trailers	R 4,210 per 12 month period	R 4,210 per 12 month period	R 4,210 per 12 month period	R 4,210 per 12 month period	R 4,210 per 12 month period
Estate agents pointer boards/sandwich boards	-				
Removal of Posters	R 60 per poster (that has been approved but not removed on expiry of event)	R 60 per poster (that has been approved but not removed on expiry of event)	R 60 per poster (that has been approved but not removed on expiry of event)	R 60 per poster (that has been approved but not removed on expiry of event)	R 60 per poster (that has been approved but not removed on expiry of event)

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
Removal of unauthorised advertisements/signs	**Cost plus 150%, with a minimum recovery fee of R 595 per advertisement/ sign**	**Cost plus 150%, with a minimum recovery fee of R 595 per advertisement/sign**	**Cost plus 150%, with a minimum recovery fee of R 595 per advertisement/ sign**	**Cost plus 150%, with a minimum recovery fee of R 595 per advertisement/ sign**	**Cost plus 150%, with a minimum recovery fee of R 595 per advertisement/ sign**
POSTERS (all areas)					
Non-profit bodies with no commercial content/logos (subject to submission of a N.P.O certificate from the relevant government dept)					
Up to 200 posters	**R 3 per poster (R 60 minimum fee)**	**R 3 per poster (R 60 minimum fee)**	**R 3 per poster (R 60 minimum fee)**	**R 3 per poster (R 60 minimum fee)**	**R 3 per poster (R 60 minimum fee)**
Greater than 200 posters	**R 4 per poster**	**R 4 per poster**	**R 4 per poster**	**R 4 per poster**	**R 4 per poster**
Greater than 300 posters	**R 5 per poster**	**R 5 per poster**	**R 5 per poster**	**R 5 per poster**	**R 5 per poster**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Greater than 500 posters	R 8 per poster (R 350 minimum fee)	R 8 per poster (R 350 minimum fee)	R 8 per poster (R 350 minimum fee)	R 8 per poster (R 350 minimum fee)	R 8 per poster (R 350 minimum fee)
Greater than 550 posters	R 15 per poster	R 15 per poster	R 15 per poster	R 15 per poster	R 15 per poster
Awareness campaigns with no commercial contents/logos					
Up to 50 posters	R 9 per poster (R 450 minimum fee)	R 9 per poster (R 450 minimum fee)	R 9 per poster (R 450 minimum fee)	R 9 per poster (R 450 minimum fee)	R 9 per poster (R 450 minimum fee)
Greater than 50 posters	R 20 per poster (R450 minimum fee)	R 20 per poster (R450 minimum fee)	R 20 per poster (R450 minimum fee)	R 20 per poster (R450 minimum fee)	R 20 per poster (R450 minimum fee)
Posters with commercial content/logos					
Up to 50 posters	R 15 per poster (R 600 minimum fee)	R 15 per poster (R 600 minimum fee)	R 15 per poster (R 600 minimum fee)	R 15 per poster (R 600 minimum fee)	R 15 per poster (R 600 minimum fee)
Greater than 50 posters	R 25 per poster (R600 minimum fee)	R 25 per poster (R600 minimum fee)	R 25 per poster (R600 minimum fee)	R 25 per poster (R600 minimum fee)	R 25 per poster (R600 minimum fee)
Posters of a commercial nature/events held at commercial venues					

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
Up to 50 posters	**R 28 per poster (R 600 minimum fee)**	**R 28 per poster (R 600 minimum fee)**	**R 28 per poster (R 600 minimum fee)**	**R 28 per poster (R 600 minimum fee)**	**R 28 per poster (R 600 minimum fee)**
Greater than 50 posters	**R 35 per poster (R600 minimum fee)**	**R 35 per poster (R600 minimum fee)**	**R 35 per poster (R600 minimum fee)**	**R 35 per poster (R600 minimum fee)**	**R 35 per poster (R600 minimum fee)**
Election posters	**Refundable deposit of R 250 per party/candidate per ward**	**Refundable deposit of R 250 per party/candidate per ward**	**Refundable deposit of R 250 per party/candidate per ward**	**Refundable deposit of R 250 per party/candidate per ward**	**Refundable deposit of R 250 per party/candidate per ward**
Council/Government campaigns/events *(provided that the statutory body is the applicant)*	**25% of applicable fee**	**25% of applicable fee**	**25% of applicable fee**	**25% of applicable fee**	**25% of applicable fee**
Illegal stickers	**R 1,000.00**	**R 1,000.00**	**R 1,066.00**	**R 1,132.09**	**R 1,202.28**
Route markers/for information purposes	**R 80 minimum fee plus R 5 per poster**	**R 80 minimum fee plus R 5 per poster**	**R 80 minimum fee plus R 5 per poster**	**R 80 minimum fee plus R 5 per poster**	**R 80 minimum fee plus R 5 per poster**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
ZONING/REZONING OF LAND					
The Zoning/Rezoning of land (all other areas except NON TPO)					
< 0 ha - < 1 ha	**R 10,006.60**	**R 10,006.60**	**R 10,667.04**	**R 11,328.39**	**R 11,996.77**
> 1 ha - 2 ha	**R 13,398.40**	**R 13,398.40**	**R 14,282.69**	**R 15,168.22**	**R 16,063.15**
> 2 ha - 3 ha	**R 13,398.40**	**R 13,398.40**	**R 14,282.69**	**R 15,168.22**	**R 16,063.15**
> 3 ha - 4 ha	**R 13,398.40**	**R 13,398.40**	**R 14,282.69**	**R 15,168.22**	**R 16,063.15**
> 4 ha - 5 ha	**R 13,398.40**	**R 13,398.40**	**R 14,282.69**	**R 15,168.22**	**R 16,063.15**
> 5 ha - 6 ha	**R 15,944.40**	**R 15,944.40**	**R 16,996.73**	**R 18,050.53**	**R 19,115.51**
> 6 ha - 7 ha	**R 15,944.40**	**R 15,944.40**	**R 16,996.73**	**R 18,050.53**	**R 19,115.51**
> 7 ha - 8 ha	**R 15,944.40**	**R 15,944.40**	**R 16,996.73**	**R 18,050.53**	**R 19,115.51**
> 8 ha - 9 ha	**R 15,944.40**	**R 15,944.40**	**R 16,996.73**	**R 18,050.53**	**R 19,115.51**
> 9 ha - 10 ha	**R 15,944.40**	**R 15,944.40**	**R 16,996.73**	**R 18,050.53**	**R 19,115.51**

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
> 10 ha	Basic R 12,199.70 plus R 450 for every hectare/part thereof in excess of 10ha	Basic R 12,199.70 plus R 450 for every hectare/part thereof in excess of 10ha	Basic R 12,199.70 plus R 450 for every hectare/part thereof in excess of 10ha	Basic R 12,199.70 plus R 450 for every hectare/part thereof in excess of 10ha	Basic R 12,199.70 plus R 450 for every hectare/part thereof in excess of 10ha
Minor & Inconsequential	R 1,022.90	R 1,022.90	R 1,090.41	R 1,158.02	R 1,226.34
Advertisement in terms of section 47 bis(B(2) of Ordinance 27 0f 1949	R 2,461.30	R 2,461.30	R 2,623.75	R 2,786.42	R 2,950.82
< 0 ha - < 1 ha	R 2,115.20	R 2,115.20	R 2,254.80	R 2,394.60	R 2,535.88
> 1 ha - 2 ha	R 2,968.80	R 2,968.80	R 3,164.74	R 3,360.95	R 3,559.25
> 2 ha - 3 ha	R 2,968.80	R 2,968.80	R 3,164.74	R 3,360.95	R 3,559.25
> 3 ha - 4 ha	R 2,968.80	R 2,968.80	R 3,164.74	R 3,360.95	R 3,559.25
> 4 ha - 5 ha	R 2,968.80	R 2,968.80	R 3,164.74	R 3,360.95	R 3,559.25
> 5 ha - 6 ha	R 3,814.90	R 3,814.90	R 4,066.68	R 4,318.82	R 4,573.63

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
> 6 ha - 7 ha	R 3,814.90	R 3,814.90	R 4,066.68	R 4,318.82	R 4,573.63
> 7 ha - 8 ha	R 3,814.90	R 3,814.90	R 4,066.68	R 4,318.82	R 4,573.63
> 8 ha - 9 ha	R 3,814.90	R 3,814.90	R 4,066.68	R 4,318.82	R 4,573.63
> 9 ha - 10 ha	R 3,814.90	R 3,814.90	R 4,066.68	R 4,318.82	R 4,573.63
> 10 ha	Basic R 2,653 plus R 220 for every hectare/part thereof in excess of 10ha	Basic R 2,653 plus R 220 for every hectare/part thereof in excess of 10ha	Basic R 2,653 plus R 220 for every hectare/part thereof in excess of 10ha	Basic R 2,653 plus R 220 for every hectare/part thereof in excess of 10ha	Basic R 2,653 plus R 220 for every hectare/part thereof in excess of 10ha
Minor & Inconsequential	R 507.70	R 507.70	R 541.21	R 574.76	R 608.67
Advertisement in terms of section 47 bis(B(2) of Ordinance 27 0f 1949 No tariff is applicable for applications made by the state	R 2,461.30	R 2,461.30	R 2,623.75	R 2,786.42	R 2,950.82
Relaxation Fees	R 285.60	R 285.60	R 304.45	R 323.33	R 342.40
Swimming Pools	R 130.40	R 130.40	R 139.01	R 147.62	R 156.33
Plan search fees	R 24.90	R 24.90	R 26.54	R 28.19	R 29.85

PLANNING AND DEVELOPMENT

DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
	10.0%	0.0%	6.6%	6.2%	5.9%
Building plan stats	R 155.20	R 155.20	R 165.44	R 175.70	R 186.07
Minor alteration	R 130.40	R 130.40	R 139.01	R 147.62	R 156.33
Cellular masts	R 260.80	R 260.80	R 278.01	R 295.25	R 312.67
ENFORCEMENT					
Spot fine - illegal development and buildings	R 5,857.50	R 5,857.50	R 6,244.10	R 6,631.23	R 7,022.47
Daily rate for transgression until submission of application for regularization (per day)	R 530.00	R 561.80	R 592.70	R 624.11	R 686.52
ALL ABOVE CHARGES ARE SUBJECT TO 14% VAT					

TOWN PLANNING APPLICATION FEES AND TARIFFS

All approvals of applications for services listed below shall be subject to the applicant obtaining a clearance certificate to the effect that AbaQulusi Municipal accounts in the name of the applicant/owner are not in arrears.

PLANNING AND DEVELOPMENT

	DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
		10.0%	0.0%	6.6%	6.2%	5.9%
	Town Planning (A)					
(a)	**Vryheid Town Planning Scheme Documents**		R 200.00	R 213.20	R 226.42	R 239.78
(c)	**Zoning Certificates**		R 50.00	R 53.30	R 56.60	R 59.94
(d)	**GIS Copies**					
	(1) Search Fee, per document		R 55.00	R 58.63	R 62.27	R 65.94
	(2) Issuing of SG Diagram		R 65.00	R 69.29	R 73.59	R 77.93
	(3) Aerial Maps					
	(i) A4 copy		R 75.00	R 79.95	R 84.91	R 89.92
	(ii) A3 copy		R 150.00	R 159.90	R 169.81	R 179.83
	(iii) A2 copy		R 300.00	R 319.80	R 339.63	R 359.67
	(iv) A1 copy		R 500.00	R 533.00	R 566.05	R 599.44
	(v) A0 copy		R 700.00	R 746.20	R 792.46	R 839.22
	(4) Zoning and Land Use Maps					
	(i) A4 copy		R 75.00	R 79.95	R 84.91	R 89.92

PLANNING AND DEVELOPMENT

	DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
		10.0%	0.0%	6.6%	6.2%	5.9%
	(ii) A3 copy		R 150.00	R 159.90	R 169.81	R 179.83
	(iii) A2 copy		R 300.00	R 319.80	R 339.63	R 359.67
	(iv) A1 copy		R 500.00	R 533.00	R 566.05	R 599.44
	(v) A0 copy		R 700.00	R 746.20	R 792.46	R 839.22
	(5) Cadastral and General Layout Maps (Black and White)					
	(i) A4 copy		R 50.00	R 53.30	R 56.60	R 59.94
	(ii) A3 copy		R 100.00	R 106.60	R 113.21	R 119.89
	(iii) A2 copy		R 200.00	R 213.20	R 226.42	R 239.78
	(iv) A1 copy		R 350.00	R 373.10	R 396.23	R 419.61
	(v) A0 copy		R 450.00	R 479.70	R 509.44	R 539.50
	Town Planning (B)					
(a)	**Development Applications**					

PLANNING AND DEVELOPMENT

	DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
		10.0%	0.0%	6.6%	6.2%	5.9%
	(i) Development application pre-assessment fee to be charged to the applicant or agent acting on behalf of the applicants		R 300.00	R 319.80	R 339.63	R 359.67
	(ii) Re-submission of development application after lodging pre-submission: fee to be charged to the applicant or agent acting on behalf of the applicant		R 150.00	R 159.90	R 169.81	R 179.83
(b)	**TOWNSHIP ESTABLISHMENT**					
	(1) Subdivision, Consolidation and township approval					
	(i) Subdivision of land: 2-5 portions		R 2,500.00	R 2,665.00	R 2,830.23	R 2,997.21
	(ii) Subdivision of land: 6-10 portions		R 4,000.00	R 4,264.00	R 4,528.37	R 4,795.54
	(iii) Subdivision of land: 11- 15 portions		R 5,500.00	R 5,863.00	R 6,226.51	R 6,593.87
	(iv) Subdivision of land: greater than 15 portions		R 7,000.00	R 7,462.00	R 7,924.64	R 8,392.20
	(v) Plus charge per extra subdivision created in addition to basic fee		R 500.00	R 533.00	R 566.05	R 599.44
	(vi) Consolidation of land		R 1,000.00	R 1,066.00	R 1,132.09	R 1,198.89
	(vii) Plus charge per extra consolidation in addition to basic fee		R 350.00	R 373.10	R 396.23	R 419.61
	(viii) Amendment to an existing subdivision before approval of layout plan by SG		R 1,200.00	R 1,279.20	R 1,358.51	R 1,438.66

PLANNING AND DEVELOPMENT

	DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
	(2) Amendment, phasing, cancellation of approved layout plan					
	(i) Amendment to an existing subdivision		R 1,200.00	R 1,279.20	R 1,358.51	R 1,438.66
	(ii) Plus charge per extra subdivision created		R 500.00	R 533.00	R 566.05	R 599.44
	(iii) Cancellation or phasing of approved layout plans		R 5,000.00	R 5,330.00	R 5,660.46	R 5,994.43
	(3) Advertising fee – local newspaper		As per quotation	As per quotation	As per quotation	As per quotation
	(4) Development Charge (Urban Areas)		As per technical services	As per technical services	As per technical services	As per technical services
(c)	**SCHEMES**					
	(1) Addition of a new scheme area, amendment of scheme area or replacement of scheme (per application)					
	(i) Under half a ha		R 5,000.00	R 5,330.00	R 5,660.46	R 5,994.43
	(ii) Half a Ha but under 1 ha		R 6,500.00	R 6,929.00	R 7,358.60	R 7,792.76
	(iii) 1 ha but less than 5 ha		R 8,000.00	R 8,528.00	R 9,056.74	R 9,591.08
	(iv) 5 ha but less than 10 ha		R 10,000.00	R 10,660.00	R 11,320.92	R 11,988.85
	(v) 10 ha and greater		R 15,000.00	R 15,990.00	R 16,981.38	R 17,983.28
	(2) Rezoning					
	(i) Under half a ha		R 7,000.00	R 7,462.00	R 7,924.64	R 8,392.20

PLANNING AND DEVELOPMENT

	DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
		10.0%	0.0%	6.6%	6.2%	5.9%
	(ii) Half a ha but under 1 ha		R 8,500.00	R 9,061.00	R 9,622.78	R 10,190.53
	(iii) 1 ha but under 5 ha		R 10,000.00	R 10,660.00	R 11,320.92	R 11,988.85
	(iv) 5 ha but less than 10 ha		R 12,000.00	R 12,792.00	R 13,585.10	R 14,386.63
	(v) 10 ha and greater		R 15,000.00	R 15,990.00	R 16,981.38	R 17,983.28
	(3) Consent Applications					
	(i) Special Consent		R 5,000.00	R 5,330.00	R 5,660.46	R 5,994.43
	(ii) Relaxation consent (building line and height)		R 600.00	R 639.60	R 679.26	R 719.33
	(iii) Home Business (Maximum of 20% of dwelling)		R 700.00	R 746.20	R 792.46	R 839.22
	(iv) Granny Flat (Ancillary Unit)		R 600.00	R 639.60	R 679.26	R 719.33
	(4) Advertising fee – local newspaper		As per quotation	As per quotation	As per quotation	As per quotation
	(5) Development Charge		As per technical services	As per technical services	As per technical services	As per technical services
(d)	**DEVELOPMENT OF LAND SITUATED OUTSIDE THE SCHEME**					
	(1) Development for Commercial					
	(i) Under half a ha		R 2,000.00	R 2,132.00	R 2,264.18	R 2,397.77
	(ii) Half a ha but under 1 ha		R 3,500.00	R 3,731.00	R 3,962.32	R 4,196.10
	(iii) 1 ha but less than 5 ha		R 5,000.00	R 5,330.00	R 5,660.46	R 5,994.43

PLANNING AND DEVELOPMENT

	DESCRIPTION	APPROVED TARIFFS 2014/2015 10.0%	APPROVED TARIFFS 2015/2016 0.0%	BUDGET TARIFFS 2016/2017 6.6%	BUDGET TARIFFS 2017/2018 6.2%	BUDGET TARIFFS 2018/2019 5.9%
	(iv) 5 ha but less than 10 ha		R 7,000.00	R 7,462.00	R 7,924.64	R 8,392.20
	(v) 10 ha and greater		R 10,000.00	R 10,660.00	R 11,320.92	R 11,988.85
	(2) Development for Residential					
	(i) 1 – 5 units		R 1,500.00	R 1,599.00	R 1,698.14	R 1,798.33
	(ii) 6 – 20 units		R 5,000.00	R 5,330.00	R 5,660.46	R 5,994.43
	(iii) 21 – 30 units		R 8,000.00	R 8,528.00	R 9,056.74	R 9,591.08
	(iv) Greater than 30 units		R 10,000.00	R 10,660.00	R 11,320.92	R 11,988.85
	(3) Development for Non-Residential					
	(i) Tuck-shop		R 500.00	R 533.00	R 566.05	R 599.44
	(ii) Crèche		R 500.00	R 533.00	R 566.05	R 599.44
	(iii) Workshop		R 500.00	R 533.00	R 566.05	R 599.44
	(4) Advertising fee – local newspaper		As per quotation	As per quotation	As per quotation	As per quotation
	(5) Development Charge		As per technical services or ZDM	As per technical services or ZDM	As per technical services or ZDM	As per technical services or ZDM
(e)	**ALTERATION, SUSPENSION AND DELETION OF RESTRICTIONS RELATING TO LAND**					
	(i) Alterations, suspensions and removal of restrictive title conditions		R 2,500.00	R 2,665.00	R 2,830.23	R 2,997.21

PLANNING AND DEVELOPMENT

	DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
		10.0%	0.0%	6.6%	6.2%	5.9%
	(ii) Alterations, suspension and deletion of condition of approval		R 2,500.00	R 2,665.00	R 2,830.23	R 2,997.21
(f)	**PERMANENT CLOSURE OF PUBLIC PLACES**			R 0.00	R 0.00	R 0.00
	(i) Permanent Closure of Roads		R 5,000.00	R 5,330.00	R 5,660.46	R 5,994.43
	(ii) Permanent Closure of Open Spaces		R 5,000.00	R 5,330.00	R 5,660.46	R 5,994.43
(g)	**AUTHORISATION OF AN UNLAWFUL ACTIVITY WHERE THE ACTIVITY RESULTS IN A LAND USE OR LAND DEVELOPMENT APPLICATION**					
	(i) Penalty Fee		R 5,000.00	R 5,330.00	R 5,660.46	R 5,994.43
	(ii) Under half ha		R 6,000.00	R 6,396.00	R 6,792.55	R 7,193.31
	(iii) Half a ha but less than 1 ha		R 7,000.00	R 7,462.00	R 7,924.64	R 8,392.20
	(iv) 1 ha but less than 5 ha		R 8,000.00	R 8,528.00	R 9,056.74	R 9,591.08
	(v) 5 ha but less than 10 ha		R 9,000.00	R 9,594.00	R 10,188.83	R 10,789.97
	(vi) 10 ha and greater		R 10,000.00	R 10,660.00	R 11,320.92	R 11,988.85
(h)	**PENALTIES FOR NON-COMPLIANCE OF LEGISLATION AND BY-LAWS OF ABAQULUSI MUNICIPALITY**					
	(i) Spot Fine - unlawful land use development and building activities		R 5,000.00	R 5,330.00	R 5,660.46	R 5,994.43
	(ii) Daily rate for transgression of unlawful land use development and building activities per day		R 550.00	R 586.30	R 622.65	R 659.39

PLANNING AND DEVELOPMENT

	DESCRIPTION	APPROVED TARIFFS 2014/2015	APPROVED TARIFFS 2015/2016	BUDGET TARIFFS 2016/2017	BUDGET TARIFFS 2017/2018	BUDGET TARIFFS 2018/2019
		10.0%	0.0%	6.6%	6.2%	5.9%
(i)	**ACCESS TO INFORMATION**					
	(i) Printing/Copying, per page		R 3.00	R 3.20	R 3.40	R 3.60
(j)	**Lodging of Appeal**		R 5,000.00	R 5,330.00	R 5,660.46	R 5,994.43

SCHEDULE 3

ADVERTISING SIGN TARIFF OF CHARGES

APPLICATION FEES FOR A LICENSE / PERMIT FOR OUTDOOR ADVERTISING

Every person who applies to Council for its approval or permission shall on making application pay to the Council the charge determined therefore and no application shall be considered until such charge has been paid; the charges are set out below;

* a non-refundable application fee of R 150.00 must be tendered with each application for sign types B (Group signs), C (Wall Signs), D (Roof Signs) and E (Veranda, Balcony, Canopy and under awning signs).

* A non-refundable application fee of R 450.00 must be tendered with each application for sign types A (Billboards), and non-locality bound signs in excess of 12m²

* Any minor amendment to an application, considered by the duly authorised official of Council to be a minor amendment, may be submitted at a reduced application fee of R 50.00 each.

* A non-refundable application fee of R 50.00 must be tendered with each application for advertisements for sign types F (Posters, Banners and Flags).

* On approval of Posters, the applicant must purchase non-refundable stickers form the Council which are to be clearly visible on all posters displayed as follows;

** R 50.00 per 100 sticker / s to be paid for each poster to be displayed for non-profit bodies. These posters must display the fundraising numbers of the bodies or a formal constitution has to be submitted to Council. No commercial advertising and logos of sponsors will be permitted to appear on such posters;

** R15.00 per 100 stickers /s to be paid for each poster to be displayed for religious, sporting. Social, cultural, political and other events. A subordinate percentage of commercial advertising and logos of sponsors is permitted to appear on such posters.

** R50.00 per 100 sticker /s to be paid for each poster to be displayed for events considered by the Council or its duly authorised officials to be primarily of a commercial nature.

* A non-refundable application fee of R 750.00 per annum or part thereof must be tendered with the annual application for sign type G (Estate Agents Boards); the maximum number of boards required at any given time to be specified in such application.

* A non-refundable application fee of R 150.00 per annum must be tendered with the annual application for sign type G (Portable Boards or any other collapsible structure.);

* A non-refundable application fee of R 250.00 must be tendered with each application for sign type H (Aerial Advertisements); adequate public liability insurance for the duration of display will also need to be furnished to Council's satisfaction.

G. ESTATE AGENTS BOARDS & PORTABLE BOARDS

* Every agent or person intending to display, cause or permit to be displayed any portable board, shall annually submit the prescribed written application to the Council and pay the prescribed fee for approval of the number of portable boards specified in such application.

* Any person who displays or causes any such portable board to be displayed on any Council Property other than a road reserve, unless specific approval has been granted for the display on other property of Council, shall comply with the following requirements to the Council's satisfaction.

** Portable boards are only to be used for purpose of indicating the route to the property or premises to be sold or advertised.

** Portable boards are to be of appropriate structure and size, not exceeding 0.6m², and collectively the number of boards displayed may not, in the opinion of the Council, detract from the amenities of the streetscape or environment.

** Subject to the provisions of the Road Traffic Act or other applicable legislation portable boards are not to be positioned nearer than 1.8m from the edge of the roadway, and placed at such height that the lower edge of the board does not exceed 600mm above the ground.

** Portable boards are not to be positioned nearer than 10m from any road intersection, entrance or exit from a dual carriageway or a freeway as defined in the Road Traffic Act or other applicable legislation.

** Portable boards are not to be positioned so as to obstruct the view of any road traffic sign or street name sign from any portion of a roadway as defined in the Road Traffic Act or other applicable legislation.

** Portable boards are not to be positioned so as to hinder or obstruct pedestrian's right of way on a sidewalk or to unfairly prejudice other traders.

** The display of portable boards for show houses will only be permitted on Saturdays, Sundays and Public Holidays. Other approved portable boards advertising services may only be displayed during normal trading hours where after they shall be removed.

** Only one portable board per street frontage per enterprise shall be allowed to advertise services and such signs shall be placed directly in front of the advertiser's premises.

** Applicants will be required to indemnity the Council against any claims that may arise from the placement of such signs within the road reserve or on Council Property and shall be required to procure third party insurance for this purpose.

H. AERIAL ADVERTISEMENTS

* Every person who wishes to display or cause to display an aerial advertisement, except by means of an aircraft, shall submit to the Council a written application on the prescribed form and pay the prescribed fee and such application shall be accompanied by.

Annexure B - Government Provincial Allocation

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SCHEDULE 3

DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY

			National Financial Year		
			Column A	Column B	
				Forward Estimates	
Number		Municipality	2016/17	2017/18	2018/19
			R'000	R'000	R'000
B	KZN261	eDumbe	57 900	61 387	64 417
B	KZN262	uPhongolo	97 800	104 530	110 401
B	KZN263	Abaqulusi	107 884	115 710	123 222
B	KZN265	Nongoma	121 046	128 549	134 781
B	KZN266	Ulundi	124 460	131 159	136 958
C	DC26	Zululand District Municipality	347 834	380 691	413 855
Total: Zululand Municipalities			**856 924**	**922 026**	**983 634**
B	KZN271	Umhlabuyalingana	122 458	133 785	142 392
B	KZN272	Jozini	134 845	144 859	152 832
B	KZN275	Mtubatuba	120 328	132 738	141 977
B	KZN276	KZN276	79 379	83 025	87 821
C	DC27	Umkhanyakude District Municipality	292 146	327 467	359 612
Total: Umkhanyakude Municipalities			**749 156**	**821 874**	**884 634**
B	KZN281	Mfolozi	98 724	107 868	114 489
B	KZN282	KZN282	263 487	291 465	319 112
B	KZN284	uMlalazi	148 417	159 664	168 611
B	KZN285	KZN285	63 687	67 763	70 547
B	KZN286	Nkandla	79 169	82 877	86 010
C	DC28	uThungulu District Municipality	433 405	464 457	506 461
Total: Uthungulu Municipalities			**1 086 889**	**1 174 094**	**1 265 230**
B	KZN291	Mandeni	122 874	134 039	143 306
B	KZN292	KwaDukuza	116 642	132 042	146 463
B	KZN293	Ndwedwe	108 709	116 578	122 741
B	KZN294	Maphumulo	71 404	74 451	77 236
C	DC29	iLembe District Municipality	373 996	420 163	463 652
Total: iLembe Municipalities			**793 625**	**877 273**	**953 398**
B	KZN433	Greater Kokstad	45 887	44 006	46 219
B	KZN434	Ubuhlebezwe	90 491	97 558	102 551
B	KZN435	Umzimkhulu	152 393	163 981	173 501
B	KZN436	KZN436	94 288	99 474	104 242
C	DC43	Harry Gwala District Municipality	260 069	284 205	308 451
Total: Harry Gwala Municipalities			**643 128**	**689 224**	**734 964**
Total: KwaZulu-Natal Municipalities			**10 394 142**	**11 310 364**	**12 234 197**

ANNEXURE W4

SPECIFIC PURPOSE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

		Municipal Demarcation Transition Grant			Energy Efficiency and Demand Side Management Grant			Infrastructure Skills Development Grant			Local Government Financial Management Grant			Expanded Public Works Programme Integrated Grant for Municipalities			SUB-TOTAL: CURRENT[1]		
		National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
KWAZULU-NATAL																			
A	ETH eThekwini					16 000	10 000	28 500	27 000	26 700	1 050	1 050	1 000	49 478			79 028	44 050	37 700
B	KZN212 KZN212	9 714	4 566								3 835	4 245	4 501	2 038			15 587	8 811	4 501
B	KZN213 Umzumbe										1 825	1 900	1 900	1 083			2 908	1 900	1 900
B	KZN214 uMuziwabantu										1 825	1 900	1 900	1 129			2 954	1 900	1 900
B	KZN216 KZN216	9 714	4 566								3 450	3 600	3 600	2 660			15 824	8 166	3 600
C	DC21 Ugu District Municipality										1 460	1 795	2 050	1 788			3 248	1 795	2 050
Total: Ugu Municipalities		**19 428**	**9 132**								**12 395**	**13 440**	**13 951**	**8 698**			**40 521**	**22 572**	**13 951**
B	KZN221 uMshwathi										1 825	1 900	2 155	1 313			3 138	1 900	2 155
B	KZN222 uMngeni										1 625	1 700	1 955	1 317			2 942	1 700	1 955
B	KZN223 Mpofana										1 825	1 900	2 155	1 000			2 825	1 900	2 155
B	KZN224 Impendle										1 825	1 900	1 900	1 443			3 268	1 900	1 900
B	KZN225 Msunduzi				8 000						1 625	1 700	1 700	6 809			16 434	1 700	1 700
B	KZN226 Mkhambathini										1 825	1 900	2 155	1 253			3 078	1 900	2 155
B	KZN227 Richmond										1 825	1 900	1 900	1 277			3 102	1 900	1 900
C	DC22 Umgungundlovu District Municipality										1 250	1 250	1 000	2 094			3 344	1 250	1 000
Total: Umgungundlovu Municipalities					**8 000**						**13 625**	**14 150**	**14 920**	**16 506**			**38 131**	**14 150**	**14 920**
B	KZN235 Okhahlamba										1 825	1 900	1 900	2 934			4 759	1 900	1 900
B	KZN237 KZN237	9 714	4 566								3 450	3 600	3 856	2 328			15 492	8 166	3 856
B	KZN238 KZN238	9 714	4 566								3 450	3 600	3 600	4 906			18 070	8 166	3 600
C	DC23 Uthukela District Municipality										1 460	1 795	1 545	3 169			4 629	1 795	1 545
Total: Uthukela Municipalities		**19 428**	**9 132**								**10 185**	**10 895**	**10 901**	**13 337**			**42 950**	**20 027**	**10 901**
B	KZN241 Endumeni										1 625	1 700	1 955	1 127			2 752	1 700	1 955
B	KZN242 Nquthu										1 825	1 900	1 900	1 337			3 162	1 900	1 900
B	KZN244 Msinga										1 825	1 900	1 900	2 095			3 920	1 900	1 900
B	KZN245 Umvoti										1 725	1 800	2 055	2 373			4 098	1 800	2 055
C	DC24 Umzinyathi District Municipality										1 250	1 250	1 505	2 350			3 600	1 250	1 505
Total: Umzinyathi Municipalities											**8 250**	**8 550**	**9 315**	**9 282**			**17 532**	**8 550**	**9 315**
B	KZN252 Newcastle					8 000	5 000				1 625	1 700	1 700	3 173			4 798	9 700	6 700
B	KZN253 Emadlangeni										1 825	1 900	2 155	1 284			3 109	1 900	2 155
B	KZN254 Dannhauser										1 825	1 900	1 900	1 119			2 944	1 900	1 900
C	DC25 Amajuba District Municipality										1 500	1 500	1 755	1 497			2 997	1 500	1 755
Total: Amajuba Municipalities						**8 000**	**5 000**				**6 775**	**7 000**	**7 510**	**7 073**			**13 848**	**15 000**	**12 510**
B	KZN261 eDumbe										1 825	1 900	2 155	1 000			2 825	1 900	2 155
B	KZN262 uPhongolo										1 825	1 900	2 155	3 021			4 846	1 900	2 155
B	KZN263 Abaqulusi										1 625	1 700	1 955	1 398			3 023	1 700	1 955
B	KZN265 Nongoma										1 825	1 900	2 155	1 102			2 927	1 900	2 155
B	KZN266 Ulundi										1 725	1 800	2 055	1 000			2 725	1 800	2 055
C	DC26 Zululand District Municipality										1 250	1 250	1 000	3 624			4 874	1 250	1 000
Total: Zululand Municipalities											**10 075**	**10 450**	**11 475**	**11 145**			**21 220**	**10 450**	**11 475**
B	KZN271 Umhlabuyalingana										1 825	1 900	1 900	2 277			4 102	1 900	1 900
B	KZN272 Jozini										1 825	1 900	2 155	3 338			5 163	1 900	2 155
B	KZN275 Mtubatuba					5 000					1 825	1 900	2 155	1 408			3 233	6 900	2 155
B	KZN276 KZN276	9 714	4 566								3 690	3 800	4 056	3 545			16 909	8 366	4 056
C	DC27 Umkhanyakude District Municipality										1 250	1 250	1 000	1 293			2 543	1 250	1 000
Total: Umkhanyakude Municipalities		**9 714**	**4 566**			**5 000**					**10 375**	**10 750**	**11 266**	**11 861**			**31 950**	**20 316**	**11 266**
B	KZN281 Mfolozi										1 825	1 900	1 900	1 649			3 474	1 900	1 900
B	KZN282 KZN282	7 286	3 424					6 500	6 500	6 500	2 537	2 650	2 650	5 061			21 384	12 574	9 150
B	KZN284 uMlalazi										1 625	1 700	1 955	2 924			4 549	1 700	1 955
B	KZN285 KZN285	7 286	3 424								2 738	2 850	2 850	2 161			12 185	6 274	2 850
B	KZN286 Nkandla										1 825	1 900	2 155	2 149			3 974	1 900	2 155
C	DC28 Uthungulu District Municipality										1 250	1 250	1 000	5 466			6 716	1 250	1 000
Total: Uthungulu Municipalities		**14 572**	**6 848**					**6 500**	**6 500**	**6 500**	**11 800**	**12 250**	**12 510**	**19 410**			**52 282**	**25 598**	**19 010**
B	KZN291 Mandeni										1 825	1 900	1 900	2 055			3 880	1 900	1 900
B	KZN292 KwaDukuza										1 725	1 800	1 800	1 285			3 010	1 800	1 800
B	KZN293 Ndwedwe										1 825	1 900	2 155	1 791			3 616	1 900	2 155
B	KZN294 Maphumulo										1 825	1 900	1 900	1 261			3 086	1 900	1 900
C	DC29 iLembe District Municipality										1 250	1 250	1 000	1 850			3 100	1 250	1 000
Total: iLembe Municipalities											**8 450**	**8 750**	**8 755**	**8 242**			**16 692**	**8 750**	**8 755**
B	KZN433 Greater Kokstad					6 000					1 725	1 800	1 800	1 619			3 344	7 800	1 800
B	KZN434 Ubuhlebezwe										1 825	1 900	2 155	1 985			3 810	1 900	2 155
B	KZN435 Umzimkhulu										1 825	1 900	1 900	1 299			3 124	1 900	1 900
B	KZN436 KZN436	9 714	4 566								3 690	3 800	4 056	2 191			15 555	8 366	4 056
C	DC43 Harry Gwala District Municipality				8 000						1 250	1 250	1 000	3 364			12 614	1 250	1 000
Total: Harry Gwala Municipalities		**9 714**	**4 566**		**8 000**	**6 000**					**10 275**	**10 650**	**10 911**	**10 458**			**38 447**	**21 216**	**10 911**
Total: KwaZulu-Natal Municipalities		**72 856**	**34 244**		**16 000**	**35 000**	**15 000**	**35 000**	**33 500**	**33 200**	**103 255**	**107 935**	**112 514**	**165 490**			**392 601**	**210 679**	**160 714**

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ANNEXURE W5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 2 OF 2

			Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership (Capital) Grant			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE		
			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
Category		Municipality	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
KWAZULU-NATAL																	
A	ETH	eThekwini	1 885 685	1 995 766	2 096 646	950 078	1 000 197	1 000 023	51 100	50 000	56 100	50 256	49 361	52 224	2 968 119	3 126 824	3 239 993
B	KZN212	KZN212													73 870	39 342	43 975
B	KZN213	Umzumbe													51 622	44 829	46 677
B	KZN214	uMuziwabantu													22 275	23 814	24 980
B	KZN216	KZN216													67 156	72 013	76 609
C	DC21	Ugu District Municipality													322 372	384 652	414 705
Total: Ugu Municipalities															**537 295**	**564 650**	**606 946**
B	KZN221	uMshwathi													31 329	38 175	39 612
B	KZN222	uMngeni													27 866	30 506	24 653
B	KZN223	Mpofana													19 680	20 213	20 660
B	KZN224	Impendle													19 382	26 892	22 320
B	KZN225	Msunduzi				200 031	200 023	212 033	22 110	23 813	35 327				457 479	478 779	541 616
B	KZN226	Mkhambathini													25 626	26 363	25 067
B	KZN227	Richmond													41 659	30 790	31 644
C	DC22	Umgungundlovu District Municipality													152 249	172 724	238 901
Total: Umgungundlovu Municipalities						**200 031**	**200 023**	**212 033**	**22 110**	**23 813**	**35 327**				**775 270**	**824 442**	**944 473**
B	KZN235	Okhahlamba													38 514	28 907	30 388
B	KZN237	KZN237													48 547	47 506	50 582
B	KZN238	KZN238													120 353	69 148	76 752
C	DC23	Uthukela District Municipality													342 691	449 817	497 557
Total: Uthukela Municipalities															**550 105**	**595 378**	**655 279**
B	KZN241	Endumeni													24 517	25 474	30 123
B	KZN242	Nquthu													47 778	52 876	56 541
B	KZN244	Msinga													60 800	63 261	63 322
B	KZN245	Umvoti													51 311	55 444	49 030
C	DC24	Umzinyathi District Municipality													373 735	417 476	463 859
Total: Umzinyathi Municipalities															**558 141**	**614 531**	**662 865**
B	KZN252	Newcastle							28 323	31 062	43 452				185 150	201 601	232 966
B	KZN253	Emadlangeni													17 913	19 454	24 730
B	KZN254	Dannhauser													20 698	22 199	23 265
C	DC25	Amajuba District Municipality													91 041	89 365	125 340
Total: Amajuba Municipalities									**28 323**	**31 062**	**43 452**				**314 802**	**332 619**	**406 301**
B	KZN261	eDumbe													35 221	39 384	34 213
B	KZN262	uPhongolo													60 136	41 905	45 386
B	KZN263	Abaqulusi													55 078	57 966	60 009
B	KZN265	Nongoma													44 417	44 567	49 276
B	KZN266	Ulundi													54 492	46 570	43 217
C	DC26	Zululand District Municipality													437 625	431 685	379 347
Total: Zululand Municipalities															**686 969**	**662 077**	**611 448**
B	KZN271	Umhlabuyalingana													53 325	50 692	55 594
B	KZN272	Jozini													53 689	53 231	58 291
B	KZN275	Mtubatuba													44 303	45 442	44 142
B	KZN276	KZN276													43 800	44 780	42 820
C	DC27	Umkhanyakude District Municipality													280 409	282 330	342 072
Total: Umkhanyakude Municipalities															**475 526**	**476 475**	**542 919**
B	KZN281	Mfolozi													32 049	36 773	39 122
B	KZN282	KZN282													150 738	186 382	216 467
B	KZN284	uMlalazi													46 539	49 295	53 544
B	KZN285	KZN285													27 399	26 370	29 199
B	KZN286	Nkandla													39 795	48 295	39 429
C	DC28	uThungulu District Municipality													464 142	469 600	446 885
Total: Uthungulu Municipalities															**760 662**	**816 715**	**824 646**
B	KZN291	Mandeni													43 757	51 154	56 085
B	KZN292	KwaDukuza							11 000	8 867					70 330	74 758	65 859
B	KZN293	Ndwedwe							11 000						47 451	39 450	44 027
B	KZN294	Maphumulo													36 401	35 768	38 869
C	DC29	iLembe District Municipality													251 658	433 339	323 265
Total: iLembe Municipalities									**22 000**	**8 867**					**449 597**	**634 469**	**528 105**
B	KZN433	Greater Kokstad													31 525	17 637	18 420
B	KZN434	Ubuhlebezwe													54 057	58 484	53 878
B	KZN435	Umzimkhulu													66 399	54 366	66 805
B	KZN436	KZN436													41 513	42 722	44 130
C	DC43	Harry Gwala District Municipality													339 280	409 099	380 992
Total: Harry Gwala Municipalities															**532 774**	**582 308**	**564 225**
Total: KwaZulu-Natal Municipalities			**1 885 685**	**1 995 766**	**2 096 646**	**1 150 109**	**1 200 220**	**1 212 056**	**123 533**	**113 742**	**134 879**	**50 256**	**49 361**	**52 224**	**8 609 260**	**9 230 488**	**9 587 200**

ANNEXURE W6
ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)

			Integrated National Electrification Programme (Eskom) Grant			Neighbourhood Development Partnership Grant (Technical Assistance)			Bucket Eradication Programme Grant			Water Services Infrastructure Grant			Regional Bulk Infrastructure Grant			Municipal Systems Improvement Grant			SUB-TOTAL: INDIRECT		
			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
Category		Municipality	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
KWAZULU-NATAL																							
A	ETH	eThekwini	27 296	29 656	31 376	2 543	4 800	2 893													29 839	34 456	34 269
B	KZN212	KZN212	23 547	30 890	32 681																23 547	30 890	32 681
B	KZN213	Umzumbe	55 978	69 837	73 888																55 978	69 837	73 888
B	KZN214	uMuziwabantu																					
B	KZN216	KZN216	26 907	28 799	30 470																26 907	28 799	30 470
C	DC21	Ugu District Municipality																1 041	1 636		1 041	1 636	
Total: Ugu Municipalities			106 032	129 526	137 039													1 041	1 636		107 073	131 162	137 039
B	KZN221	uMshwathi	2 443	1 201	1 270																2 443	1 201	1 270
B	KZN222	uMngeni																					
B	KZN223	Mpofana	10 256	11 142	11 789																10 256	11 142	11 789
B	KZN224	Impendle																					
B	KZN225	Msunduzi	29 573	43 128	35 630	400	600	1 237													29 973	43 728	36 867
B	KZN226	Mkhambathini																					
B	KZN227	Richmond																					
C	DC22	Umgungundlovu District Municipality																1 041	1 637		1 041	1 637	
Total: Umgungundlovu Municipalities			42 272	55 471	48 689	400	600	1 237										1 041	1 637		43 713	57 708	49 926
B	KZN235	Okhahlamba	1 432	1 556	1 666																1 432	1 556	1 666
B	KZN237	KZN237	27 559	11 499	12 166																27 559	11 499	12 166
B	KZN238	KNZ238	20 232	52 668	46 303																20 232	52 668	46 303
C	DC23	Uthukela District Municipality																2 340	3 001	1 433	2 340	3 001	1 433
Total: Uthukela Municipalities			49 223	65 723	60 115													2 340	3 001	1 433	51 563	68 724	61 548
B	KZN241	Endumeni																					
B	KZN242	Nquthu	39 383	42 789	65 271																39 383	42 789	65 271
B	KZN244	Msinga	2 840	3 086	3 265															761	2 840	3 086	4 026
B	KZN245	Umvoti	8 846	11 272	1 346																8 846	11 272	1 346
C	DC24	Umzinyathi District Municipality																1 041	1 637		1 041	1 637	
Total: Umzinyathi Municipalities			51 069	57 147	69 882													1 041	1 637	761	52 110	58 784	70 643
B	KZN252	Newcastle	28 598	38 410	40 638	400	600	1 200													28 998	39 010	41 838
B	KZN253	Emadlangeni																		761			761
B	KZN254	Dannhauser	3 223	3 501	3 706																3 223	3 501	3 706
C	DC25	Amajuba District Municipality																1 041	1 636		1 041	1 636	
Total: Amajuba Municipalities			31 821	41 911	44 342	400	600	1 200										1 041	1 636	761	33 262	44 147	46 303
B	KZN261	eDumbe	6 714	7 294	7 717																6 714	7 294	7 717
B	KZN262	uPhongolo																					
B	KZN263	Abaqulusi	19 000	20 643	21 852																19 000	20 643	21 852
B	KZN265	Nongoma	30 648	44 163	46 725																30 648	44 163	46 725
B	KZN266	Ulundi	10 365	11 261	11 914													1 300	1 365	1 433	11 665	12 626	13 347
C	DC26	Zululand District Municipality																1 041	1 637		1 041	1 637	
Total: Zululand Municipalities			66 727	83 361	88 208													2 341	3 002	1 433	69 068	86 363	89 641
B	KZN271	Umhlabuyalingana	137 881	149 934	138 630															761	137 881	149 934	139 391
B	KZN272	Jozini	99 887	108 525	94 819																99 887	108 525	94 819
B	KZN275	Mtubatuba	18 759	20 187	21 357																18 759	20 187	21 357
B	KZN276	KZN276	24 489	26 543	28 082																24 489	26 543	28 082
C	DC27	Umkhanyakude District Municipality										60 247	20 140		1 041	1 637					61 288	21 777	
Total: Umkhanyakude Municipalities			281 016	305 189	282 888							60 247	20 140		1 041	1 637	761				342 304	326 966	283 649
B	KZN281	Mfolozi	12 427	13 502	14 285																12 427	13 502	14 285
B	KZN282	KZN282																					
B	KZN284	uMhlathuze	43 248	46 095	48 768																43 248	46 095	48 768
B	KZN285	KZN285	553	600	635																553	600	635
B	KZN286	Nkandla	17 253	18 745	19 832																17 253	18 745	19 832
C	DC28	uThungulu District Municipality																1 041	1 637		1 041	1 637	
Total: Uthungulu Municipalities			73 481	78 942	83 520													1 041	1 637		74 522	80 579	83 520
B	KZN291	Mandeni	69 196	62 239	77 588	300														761	69 496	62 239	78 349
B	KZN292	KwaDukuza	3 327	3 615	3 825	300															3 627	3 615	3 825
B	KZN293	Ndwedwe	74 522	80 966	85 663																74 522	80 966	85 663
B	KZN294	Maphumulo	73 576	79 938	84 575																73 576	79 938	84 575
C	DC29	iLembe District Municipality										156 094			1 041	1 636					157 135	1 636	
Total: iLembe Municipalities			220 621	226 758	251 651	600						156 094			1 041	1 636	761				378 356	228 394	252 412
B	KZN433	Greater Kokstad																					
B	KZN434	Ubuhlebezwe	3 061	3 326	3 519																3 061	3 326	3 519
B	KZN435	Umzimkhulu	17 590	19 111	20 219																17 590	19 111	20 219
B	KZN436	KZN436	14 661	15 799	16 716																14 661	15 799	16 716
C	DC43	Harry Gwala District Municipality													1 041	1 637					1 041	1 637	
Total: Harry Gwala Municipalities			35 312	38 236	40 454										1 041	1 637					36 353	39 873	40 454
Total: KwaZulu-Natal Municipalities			984 870	1 111 920	1 138 164	3 943	6 000	5 330				216 341	20 140		13 009	19 996	5 910				1 218 163	1 157 156	1 149 404

ANNEXURE W7
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category		Municipality	EQUITABLE SHARE[1] National and Municipal Financial Year 2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	TOTAL ALLOCATIONS TO MUNICIPALITIES National and Municipal Financial Year 2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
KWAZULU-NATAL								
A	ETH	eThekwini	2 319 380	2 576 367	2 829 662	5 396 366	5 781 697	6 141 624
B	KZN212	KZN212	121 144	116 787	124 276	234 148	195 830	205 433
B	KZN213	Umzumbe	119 488	123 267	127 910	229 996	239 833	250 375
B	KZN214	uMuziwabantu	76 377	81 848	86 301	101 606	107 562	113 181
B	KZN216	KZN216	165 774	180 940	195 507	275 261	289 918	306 186
C	DC21	Ugu District Municipality	384 729	426 030	466 113	711 390	814 113	882 868
Total: Ugu Municipalities			**867 512**	**928 872**	**1 000 107**	**1 552 401**	**1 647 256**	**1 758 043**
B	KZN221	uMshwathi	83 479	89 253	94 699	120 389	130 529	137 736
B	KZN222	uMngeni	49 326	54 910	60 244	80 134	87 116	86 852
B	KZN223	Mpofana	27 693	28 818	30 313	60 454	62 073	64 917
B	KZN224	Impendle	31 349	32 128	33 615	53 999	60 920	57 835
B	KZN225	Msunduzi	432 307	480 046	527 315	936 193	1 004 253	1 107 498
B	KZN226	Mkhambathini	50 183	51 099	54 184	78 887	79 362	81 406
B	KZN227	Richmond	55 625	60 619	64 690	100 386	93 309	98 234
C	DC22	Umgungundlovu District Municipality	428 362	468 036	512 298	584 996	643 647	752 199
Total: Umgungundlovu Municipalities			**1 158 324**	**1 264 909**	**1 377 358**	**2 015 438**	**2 161 209**	**2 386 677**
B	KZN235	Okhahlamba	96 932	102 293	107 030	141 637	134 656	140 964
B	KZN237	KZN237	134 763	142 700	150 620	226 361	209 871	217 224
B	KZN238	KZN238	183 739	189 339	200 109	342 394	319 321	326 764
C	DC23	Uthukela District Municipality	332 370	361 841	392 513	682 030	816 454	893 048
Total:Uthukela Municipalities			**747 804**	**796 173**	**850 272**	**1 392 422**	**1 480 302**	**1 578 000**
B	KZN241	Endumeni	36 413	36 906	39 936	63 682	64 080	72 014
B	KZN242	Nqutu	110 256	116 695	122 462	200 579	214 260	246 174
B	KZN244	Msinga	131 035	138 537	146 554	198 595	206 784	215 802
B	KZN245	Umvoti	94 786	105 514	113 165	159 041	174 030	165 586
C	DC24	Umzinyathi District Municipality	263 532	292 854	320 683	641 908	713 217	786 047
Total: Umzinyathi Municipalities			**636 022**	**690 506**	**742 800**	**1 263 805**	**1 372 371**	**1 485 623**
B	KZN252	Newcastle	306 952	324 247	350 776	525 898	574 558	632 280
B	KZN253	Emadlangeni	23 572	25 281	26 447	44 594	46 635	54 093
B	KZN254	Dannhauser	75 694	80 181	83 977	102 559	107 781	112 846
C	DC25	Amajuba District Municipality	129 160	139 337	150 938	224 239	231 838	278 033
Total: Amajuba Municipalities			**535 378**	**569 046**	**612 138**	**897 290**	**960 812**	**1 077 252**
B	KZN261	eDumbe	57 900	61 387	64 417	102 660	109 965	108 502
B	KZN262	uPhongolo	97 800	104 530	110 401	162 782	148 335	157 942
B	KZN263	Abaqulusi	107 884	115 710	123 222	184 985	196 019	207 038
B	KZN265	Nongoma	121 046	128 549	134 781	199 038	219 179	232 937
B	KZN266	Ulundi	124 460	131 159	136 958	193 342	192 155	195 577
C	DC26	Zululand District Municipality	347 834	380 691	413 855	791 374	815 263	794 202
Total: Zululand Municipalities			**856 924**	**922 026**	**983 634**	**1 634 181**	**1 680 916**	**1 696 198**
B	KZN271	Umhlabuyalingana	122 458	133 785	142 392	317 766	336 311	339 277
B	KZN272	Jozini	134 845	144 859	152 832	293 584	308 515	308 097
B	KZN275	Mtubatuba	120 328	132 738	141 977	186 623	205 267	209 631
B	KZN276	KZN276	79 379	83 025	87 821	164 577	162 714	162 779
C	DC27	Umkhanyakude District Municipality	292 146	327 467	359 612	636 386	632 824	702 684
Total: Umkhanyakude Municipalities			**749 156**	**821 874**	**884 634**	**1 598 936**	**1 645 631**	**1 722 468**
B	KZN281	Mfolozi	98 724	107 868	114 489	146 674	160 043	169 796
B	KZN282	KZN282	263 487	291 465	319 112	435 609	490 421	544 729
B	KZN284	uMlalazi	148 417	159 664	168 611	242 753	256 754	272 878
B	KZN285	KZN285	63 687	67 763	70 547	103 824	101 007	103 231
B	KZN286	Nkandla	79 169	82 877	86 010	140 191	151 817	147 426
C	DC28	Uthungulu District Municipality	433 405	464 457	506 461	905 304	936 944	954 346
Total: Uthungulu Municipalities			**1 086 889**	**1 174 094**	**1 265 230**	**1 974 355**	**2 096 986**	**2 192 406**
B	KZN291	Mandeni	122 874	134 039	143 306	240 007	249 332	279 640
B	KZN292	KwaDukuza	116 642	132 042	146 463	193 609	212 215	217 947
B	KZN293	Ndwedwe	108 709	116 578	122 741	234 298	238 894	254 586
B	KZN294	Maphumulo	71 404	74 451	77 236	184 467	192 057	202 580
C	DC29	iLembe District Municipality	373 996	420 163	463 652	785 889	856 388	787 917
Total: iLembe Municipalities			**793 625**	**877 273**	**953 398**	**1 638 270**	**1 748 886**	**1 742 670**
B	KZN433	Greater Kokstad	45 887	44 006	46 219	80 756	69 443	66 439
B	KZN434	Ubuhlebezwe	90 491	97 558	102 551	151 419	161 268	162 103
B	KZN435	Umzimkhulu	152 393	163 981	173 501	239 506	239 358	262 425
B	KZN436	KZN436	94 288	99 474	104 242	166 017	166 361	169 144
C	DC43	Harry Gwala District Municipality	260 069	284 205	308 451	613 004	696 191	690 443
Total: Harry Gwala Municipalities			**643 128**	**689 224**	**734 964**	**1 250 702**	**1 332 621**	**1 350 554**
Total: KwaZulu-Natal Municipalities			**10 394 142**	**11 310 364**	**12 234 197**	**20 614 166**	**21 908 687**	**23 131 515**

APPENDIX W1
APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES
(EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION AND WARD COMMITTEES + BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)

			Equitable Share Formula			RSC Levies Replacement			Special Support for Councillor Remuneration and Ward Committees			BREAKDOWN OF EQUITABLE SHARE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES								
			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year								
Category		Municipality	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	Water	Sanitation 2016/17 (R'000)	Refuse	Water	Sanitation 2017/18 (R'000)	Refuse	Water	Sanitation 2018/19 (R'000)	Refuse
KWAZULU-NATAL																				
A	ETH	eThekwini	2 319 380	2 576 367	2 829 662															
B	KZN212	KZN212	114 086	109 386	116 512				7 058	7 401	7 764	33 212	26 379		37 217	29 088		41 409	31 842	
B	KZN213	Umzumbe	111 613	115 005	119 238				7 875	8 262	8 672	32 792	26 046		35 564	27 797		38 297	29 449	
B	KZN214	uMuziwabantu	72 578	77 864	82 120				3 799	3 984	4 181	22 434	17 803		24 824	19 402		27 297	20 990	
B	KZN216	KZN216	165 774	180 940	195 507							73 636	58 486		82 969	64 848		92 823	71 379	
C	DC21	Ugu District Municipality	320 856	357 130	390 909	63 873	68 900	75 204												
Total: Ugu Municipalities			**784 907**	**840 325**	**904 286**	**63 873**	**68 900**	**75 204**	**18 732**	**19 647**	**20 617**	**162 054**	**128 714**		**180 574**	**141 135**		**199 826**	**153 660**	
B	KZN221	uMshwathi	78 321	83 844	89 025				5 158	5 409	5 674	28 054	22 282		31 198	24 384		34 449	26 490	
B	KZN222	uMngeni	44 927	50 298	55 406				4 399	4 612	4 838	25 546	20 290		29 064	22 716		32 832	25 247	
B	KZN223	Mpofana	25 853	26 888	28 289				1 840	1 930	2 024	8 770	6 966		9 616	7 516		10 468	8 050	
B	KZN224	Impendle	29 802	30 505	31 912				1 547	1 623	1 703	7 763	6 166		8 483	6 630		9 204	7 078	
B	KZN225	Msunduzi	432 307	480 046	527 315															
B	KZN226	Mkhambathini	47 524	48 310	51 258				2 659	2 789	2 926	13 648	10 836		15 219	11 895		16 856	12 962	
B	KZN227	Richmond	52 966	57 830	61 764				2 659	2 789	2 926	17 129	13 605		19 241	15 039		21 461	16 503	
C	DC22	Umgungundlovu District Municipality	204 282	226 320	248 468	224 080	241 716	263 830												
Total: Umgungundlovu Municipalities			**915 982**	**1 004 041**	**1 093 437**	**224 080**	**241 716**	**263 830**	**18 262**	**19 152**	**20 091**	**100 905**	**80 145**		**112 821**	**88 180**		**125 270**	**96 330**	
B	KZN235	Okhahlamba	91 394	96 486	100 938				5 538	5 807	6 092	27 463	21 813		30 129	23 548		32 819	25 237	
B	KZN237	KZN237	126 026	133 536	141 005				8 737	9 164	9 615	40 321	32 025		44 723	34 955		49 254	37 875	
B	KZN238	KZN238	183 739	189 339	200 109							71 015	56 405		78 322	61 216		85 769	65 954	
C	DC23	Uthukela District Municipality	279 315	304 716	330 343	47 937	51 710	56 441	5 118	5 415	5 729									
Total:Uthukela Municipalities			**680 474**	**724 077**	**772 395**	**47 937**	**51 710**	**56 441**	**19 393**	**20 386**	**21 436**	**138 799**	**110 243**		**153 174**	**119 719**		**167 842**	**129 066**	
B	KZN241	Endumeni	33 914	34 286	37 189				2 499	2 620	2 747	14 346	11 394		16 196	12 658		18 154	13 960	
B	KZN242	Nquthu	103 958	110 091	115 534				6 298	6 604	6 928	31 250	24 821		34 439	26 917		37 684	28 978	
B	KZN244	Msinga	123 794	130 938	138 577				7 341	7 599	7 977	39 403	31 296		43 818	34 248		48 382	37 205	
B	KZN245	Umvoti	89 628	100 105	107 491				5 158	5 409	5 674	32 345	25 691		36 497	28 526		40 890	31 444	
C	DC24	Umzinyathi District Municipality	234 801	261 862	286 855	28 731	30 992	33 828												
Total: Umzinyathi Municipalities			**586 095**	**637 282**	**685 646**	**28 731**	**30 992**	**33 828**	**21 196**	**22 232**	**23 326**	**117 344**	**93 202**		**130 950**	**102 349**		**145 110**	**111 587**	
B	KZN252	Newcastle	306 952	324 247	350 776				2 343	2 352	2 467	5 164	4 101		5 654	4 419		6 147	4 727	
B	KZN253	Emadlangeni	21 329	22 929	23 980				4 778	5 010	5 256	19 922	15 823		21 911	17 125		23 927	18 399	
B	KZN254	Dambuzele	70 916	75 171	78 721															
C	DC25	Amajuba District Municipality	63 222	68 209	73 303	65 938	71 128	77 635												
Total: Amajuba Municipalities			**462 419**	**490 556**	**526 780**	**65 938**	**71 128**	**77 635**	**7 021**	**7 362**	**7 723**	**25 086**	**19 924**		**27 565**	**21 544**		**30 074**	**23 126**	
B	KZN261	eDumbe	54 861	58 200	61 073				3 039	3 187	3 344	15 784	12 536		17 378	13 583		18 998	14 609	
B	KZN262	uPhongolo	92 262	98 723	104 309				5 538	5 807	6 092	28 917	22 968		32 106	25 094		35 394	27 217	
B	KZN263	Abaqulusi	107 884	115 710	123 222							41 147	32 681		45 847	35 834		50 723	39 004	
B	KZN265	Nongoma	113 069	120 182	126 002				7 977	8 367	8 779	31 964	25 388		35 255	27 555		38 611	29 690	
B	KZN266	Ulundi	115 503	121 766	127 104				8 957	9 393	9 854	30 871	24 520		33 896	26 493		36 953	28 416	
C	DC26	Zululand District Municipality	299 359	328 401	356 781	48 475	52 290	57 074												
Total: Zululand Municipalities			**782 938**	**842 982**	**898 491**	**48 475**	**52 290**	**57 074**	**25 511**	**26 754**	**28 069**	**148 683**	**118 093**		**164 482**	**128 559**		**180 679**	**138 936**	
B	KZN271	Umhlabuyalingana	115 780	126 783	135 046				6 678	7 002	7 346	37 312	29 635		41 851	32 711		46 610	35 842	
B	KZN272	Jozini	127 248	136 890	144 471				7 597	7 969	8 361	39 532	31 399		43 873	34 291		48 346	37 177	
B	KZN275	Mtubatuba	112 731	124 769	133 616				7 597	7 969	8 361	34 623	27 500		39 182	30 625		44 028	33 856	
B	KZN276	KZN276	74 320	77 718	82 251				5 059	5 307	5 570	20 370	16 179		22 734	17 769		25 192	19 372	
C	DC27	Umkhanyakude District Municipality	262 854	295 870	325 125	29 292	31 597	34 407												
Total: Umkhanyakude Municipalities			**692 933**	**762 030**	**820 509**	**29 292**	**31 597**	**34 407**	**26 931**	**28 247**	**29 638**	**131 837**	**104 713**		**147 640**	**115 396**		**164 176**	**126 247**	
B	KZN281	Mfolozi	92 056	100 872	107 147				6 668	6 996	7 342	26 712	21 216		29 963	23 419		33 371	25 661	
B	KZN282	KZN282	263 487	291 465	319 112															
B	KZN284	uMlalazi	138 160	148 907	157 324				10 257	10 757	11 287	43 559	34 597		48 407	37 834		53 412	41 072	
B	KZN285	KZN285	58 628	62 456	64 977				5 059	5 307	5 570	15 273	12 131		16 658	13 019		18 039	13 871	
B	KZN286	Nkandla	74 011	77 468	80 336				5 158	5 409	5 674	20 305	16 127		22 043	17 228		23 759	18 270	
C	DC28	uThungulu District Municipality	203 714	216 688	236 026	229 691	247 769	270 435												
Total: Uthungulu Municipalities			**830 056**	**897 856**	**964 922**	**229 691**	**247 769**	**270 435**	**27 142**	**28 469**	**29 873**	**105 849**	**84 071**		**117 071**	**91 500**		**128 581**	**98 874**	
B	KZN291	Mandeni	116 196	127 037	135 960				6 678	7 002	7 346	39 528	31 396		44 500	34 781		49 742	38 250	
B	KZN292	KwaDukuza	116 642	132 042	146 463							67 052	53 257		76 842	60 059		87 437	67 237	
B	KZN293	Ndwedwe	101 236	108 738	114 513				7 473	7 840	8 228	29 908	23 755		33 141	25 903		36 452	28 038	
B	KZN294	Maphumulo	67 225	70 068	72 637				4 179	4 383	4 599	19 464	15 460		21 081	16 477		22 670	17 432	
C	DC29	iLembe District Municipality	301 217	341 656	377 963	72 779	78 507	85 689												
Total: iLembe Municipalities			**702 516**	**779 541**	**847 536**	**72 779**	**78 507**	**85 689**	**18 330**	**19 225**	**20 173**	**155 952**	**123 868**		**175 564**	**137 220**		**196 311**	**150 957**	
B	KZN433	Greater Kokstad	42 248	40 191	42 217				3 639	3 815	4 002	15 677	12 452		17 104	13 369		18 529	14 249	
B	KZN434	Ubuhlebezwe	85 333	92 149	96 877				5 158	5 409	5 674	26 320	20 905		29 053	22 707		31 842	24 485	
B	KZN435	Umzimkhulu	144 196	155 385	164 483				8 197	8 596	9 018	47 038	37 360		52 324	40 896		57 793	44 441	
B	KZN436	KZN436	88 425	93 323	97 786				5 863	6 151	6 456	26 310	20 897		28 929	22 611		31 584	24 287	
C	DC43	Harry Gwala District Municipality	234 044	256 131	277 809	26 025	28 074	30 642												
Total: Harry Gwala Municipalities			**594 246**	**637 179**	**679 172**	**26 025**	**28 074**	**30 642**	**22 857**	**23 971**	**25 150**	**115 345**	**91 614**		**127 410**	**99 583**		**139 748**	**107 462**	
Total: KwaZulu-Natal Municipalities			**9 351 946**	**10 192 236**	**11 022 836**	**836 821**	**902 683**	**985 265**	**205 375**	**215 445**	**226 096**	**1 201 854**	**954 587**		**1 337 251**	**1 045 185**		**1 477 617**	**1 136 245**	

APPENDIX W2

APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)
BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES

			SCHEDULE 5, PART B						SCHEDULE 6, PART B		
			Breakdown of MIG allocations for district municipalities authorised for services			Breakdown of WSIG allocations for district municipalities authorised for services			Breakdown of WSIG allocations for district municipalities authorised for services		
			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
		Municipality	*2016/17 (R'000)*	*2017/18 (R'000)*	*2018/19 (R'000)*	*2016/17 (R'000)*	*2017/18 (R'000)*	*2018/19 (R'000)*	*2016/17 (R'000)*	*2017/18 (R'000)*	*2018/19 (R'000)*
B	KZN261	eDumbe	14 948	16 142	17 142	19 000	29 000	21 097			
B	KZN262	UPhongolo	42 300	45 679	48 510	19 000	26 633	16 871			
B	KZN263	Abaqulusi	45 720	49 373	52 433	18 071	24 000	13 932			
B	KZN265	Nongoma	66 174	71 460	75 889	22 000	25 000	30 618			
B	KZN266	Ulundi	44 172	47 700	50 657	31 000	29 000	21 482			
C	DC26	Zululand District Municipality									
Total: Zululand Municipalities			**213 314**	**230 354**	**244 631**	**109 071**	**133 633**	**104 000**			
B	KZN271	Umhlabuyalingana	56 859	61 401	65 207	15 000	11 253	23 000			
B	KZN272	Jozini	67 993	73 425	77 976	15 371	12 000	19 200			
B	KZN275	Mtubatuba	51 184	55 274	58 699	13 000	14 700	29 000			
B	KZN276	KZN276	26 485	28 601	30 374	27 000	18 000	30 800			
C	DC27	Umkhanyakude District Municipality									
Total: Umkhanyakude Municipalities			**202 521**	**218 701**	**232 256**	**70 371**	**55 953**	**102 000**			
B	KZN281	Mfolozi	30 743	33 199	35 256						
B	KZN282	KZN282									
B	KZN284	uMhlazi	69 644	75 208	79 869	33 569	41 412	21 000			
B	KZN285	KZN285	26 687	28 819	30 605	16 800	42 054	17 000			
B	KZN286	Nkandla	33 096	35 740	37 955	35 000	32 034	35 000			
C	DC28	uThungulu District Municipality									
Total: Uthungulu Municipalities			**160 170**	**172 966**	**183 685**	**85 369**	**115 500**	**73 000**			
B	KZN291	Mandeni	39 804	42 984	45 647	21 500	28 000	35 000			
B	KZN292	KwaDukuza	59 938	64 726	68 737	21 000	19 500	23 000			
B	KZN293	Ndwedwe	41 438	44 748	47 521	13 000	17 000	26 000			
B	KZN294	Maphumulo	40 805	44 065	46 796	7 000	35 000	23 105			
C	DC29	iLembe District Municipality									
Total: iLembe Municipalities			**181 985**	**196 523**	**208 701**	**62 500**	**99 500**	**107 105**			
B	KZN433	Greater Kokstad	9 952	10 899	11 575	20 000	29 000	25 000			
B	KZN434	Ubuhlebezwe	43 839	48 014	50 990	25 000	19 000	33 400			
B	KZN435	Umzimkhulu	89 921	98 485	104 588	14 000	19 000	23 000			
B	KZN436	KZN436	42 426	46 467	49 346	27 118	31 000	37 000			
C	DC43	Harry Gwala District Municipality									
Total: Harry Gwala Municipalities			**186 138**	**203 865**	**216 499**	**86 118**	**98 000**	**118 400**			
Total: KwaZulu-Natal Municipalities			**1 651 832**	**1 787 422**	**1 898 197**	**752 195**	**1 042 720**	**1 054 205**			
LIMPOPO											
B	LIM331	Greater Giyani	108 526	117 196	124 459	8 000	4 000	36 000	10 000	38 000	23 500
B	LIM332	Greater Letaba	86 100	92 979	98 741	8 000	4 000	27 000		12 000	9 100
B	LIM333	Greater Tzaneen	171 342	185 030	196 498	48 000	50 000	46 000		14 000	8 700
B	LIM334	Ba-Phalaborwa	31 049	33 530	35 608	29 000	52 000	42 000	5 000	13 000	11 700
B	LIM335	Maruleng	36 889	39 837	42 305	16 288	43 000	26 000	5 000	11 000	12 000
C	DC33	Mopani District Municipality									
Total: Mopani Municipalities			**433 906**	**468 572**	**497 611**	**109 288**	**153 000**	**177 000**	**20 000**	**88 000**	**65 000**

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality	Expanded Public Works Programme Integrated Grant for Municipalities			
			2016/17 FTE Performance Target	National and Municipal Financial Year		
				2016/17 (R'000)	*2017/18 (R'000)*	*2018/19 (R'000)*
KWAZULU-NATAL						
A	ETH	eThekwini	4 213	49 478		
B	KZN212	KZN212	94	2 038		
B	KZN213	Umzumbe	79	1 083		
B	KZN214	uMuziwabantu	55	1 129		
B	KZN216	KZN216	152	2 660		
C	DC21	Ugu District Municipality	534	1 788		
Total: Ugu Municipalities			**914**	**8 698**		
B	KZN221	uMshwathi	65	1 313		
B	KZN222	uMngeni	55	1 317		
B	KZN223	Mpofana	32	1 000		
B	KZN224	Impendle	35	1 443		
B	KZN225	Msunduzi	449	6 809		
B	KZN226	Mkhambathini	43	1 253		
B	KZN227	Richmond	46	1 277		
C	DC22	Umgungundlovu District Municipality	236	2 094		
Total: Umgungundlovu Municipalities			**961**	**16 506**		
B	KZN235	Okhahlamba	77	2 934		
B	KZN237	KZN237	101	2 328		
B	KZN238	KZN238	168	4 906		
C	DC23	Uthukela District Municipality	401	3 169		
Total:Uthukela Municipalities			**747**	**13 337**		
B	KZN241	Endumeni	39	1 127		
B	KZN242	Nqutu	72	1 337		
B	KZN244	Msinga	93	2 095		
B	KZN245	Umvoti	71	2 373		
C	DC24	Umzinyathi District Municipality	399	2 350		
Total: Umzinyathi Municipalities			**674**	**9 282**		
B	KZN252	Newcastle	253	3 173		
B	KZN253	Emadlangeni	28	1 284		
B	KZN254	Dannhauser	51	1 119		
C	DC25	Amajuba District Municipality	94	1 497		
Total: Amajuba Municipalities			**426**	**7 073**		
B	KZN261	eDumbe	43	1 000		
B	KZN262	uPhongolo	78	3 021		
B	KZN263	Abaqulusi	83	1 398		
B	KZN265	Nongoma	71	1 102		
B	KZN266	Ulundi	69	1 000		
C	DC26	Zululand District Municipality	488	3 624		
Total: Zululand Municipalities			**832**	**11 145**		
B	KZN271	Umhlabuyalingana	85	2 277		
B	KZN272	Jozini	97	3 338		
B	KZN275	Mtubatuba	73	1 408		
B	KZN276	KZN276	78	3 545		
C	DC27	Umkhanyakude District Municipality	450	1 293		
Total: Umkhanyakude Municipalities			**783**	**11 861**		
B	KZN281	Mfolozi	62	1 649		
B	KZN282	KZN282	244	5 061		
B	KZN284	uMlalazi	102	2 924		
B	KZN285	KZN285	36	2 161		
B	KZN286	Nkandla	57	2 149		
C	DC28	uThungulu District Municipality	404	5 466		
Total: Uthungulu Municipalities			**905**	**19 410**		
B	KZN291	Mandeni	85	2 055		
B	KZN292	KwaDukuza	113	1 285		
B	KZN293	Ndwedwe	72	1 791		
B	KZN294	Maphumulo	53	1 261		
C	DC29	iLembe District Municipality	409	1 850		
Total: iLembe Municipalities			**732**	**8 242**		
B	KZN433	Greater Kokstad	46	1 619		
B	KZN434	Ubuhlebezwe	64	1 985		
B	KZN435	Umzimkhulu	97	1 299		
B	KZN436	KZN436	81	2 191		
C	DC43	Harry Gwala District Municipality	23	3 364		
Total: Harry Gwala Municipalities			**311**	**10 458**		
Total: KwaZulu-Natal Municipalities			**11 498**	**165 490**		

Table 15.K : Transfers to local government - Museum subsidies

			Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand			2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
A	**KZN2000**	**eThekwini**	**4 547**	**3 865**	**4 133**	**4 390**	**4 390**	**4 390**	**4 623**	**4 868**	**5 111**
Total: Ugu Municipalities			**268**	**568**	**302**	**317**	**317**	**317**	**334**	**352**	**370**
B	KZN216	Hibiscus Coast	268	568	302	317	317	317	334	352	370
Total: uMgungundlovu Municipalities			**589**	**1 552**	**1 164**	**712**	**712**	**712**	**750**	**789**	**827**
B	KZN222	uMngeni	134	784	151	166	166	166	175	184	193
B	KZN223	Mpofana	134	284	151	166	166	166	175	184	193
B	KZN225	Msunduzi	321	484	862	380	380	380	400	421	441
Total:Uthukela Municipalities			**536**	**1 136**	**604**	**649**	**649**	**649**	**684**	**720**	**756**
B	KZN232	Emnambithi/Ladysmith	134	284	151	166	166	166	175	184	193
B	KZN234	Umtshezi	268	568	302	317	317	317	334	352	370
B	KZN235	Okhahlamba	134	284	151	166	166	166	175	184	193
Total: Umzinyathi Municipalities			**455**	**768**	**763**	**546**	**546**	**546**	**575**	**605**	**635**
B	KZN241	Endumeni	321	484	612	380	380	380	400	421	442
B	KZN245	Umvoti	134	284	151	166	166	166	175	184	193
Total: Amajuba Municipalities			**1 268**	**568**	**302**	**317**	**317**	**317**	**334**	**352**	**370**
B	KZN252	Newcastle	1 268	568	302	317	317	317	334	352	370
Total: Zululand Municipalities			**134**	**284**	**151**	**166**	**166**	**166**	**175**	**184**	**193**
B	KZN263	Abaqulusi	134	284	151	166	166	166	175	184	193
Total: Umkhanyakude Municipalities			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total: uThungulu Municipalities			**268**	**568**	**611**	**672**	**879**	**879**	**1 237**	**1 299**	**1 364**
B	KZN281	Umfolozi									
B	KZN282	uMhlathuze	134	284	151	166	166	166	175	184	193
B	KZN283	Ntambanana									
B	KZN284	uMlalazi	134	284	460	506	713	713	1 062	1 115	1 171
Total: Ilembe Municipalities			**1 134**	**284**	**151**	**166**	**166**	**166**	**175**	**184**	**193**
B	KZN292	KwaDukuza	1 134	284	151	166	166	166	175	184	193
Total: Harry Gwala Municipalities			**850**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B	KZN431	Ingwe	850	-	-	-	-	-	-	-	-
Unallocated			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total			**10 049**	**9 593**	**8 181**	**7 935**	**8 142**	**8 142**	**8 887**	**9 353**	**9 819**

Table 15.N : Transfers to local government - Community Library Services grant

			Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand			2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
A	**KZN2000**	**eThekwini**	**15 500**	**15 000**	**5 750**	**35 750**	**35 750**	**35 750**	**21 055**	**21 376**	**21 695**
Total: Ugu Municipalities			**916**	**1 314**	**1 141**	**1 826**	**1 826**	**1 826**	**1 923**	**2 023**	**2 123**

B	KZN211	Vulamehlo									
B	KZN212	Umdoni	287	360	378	510	510	510	537	565	593
B	KZN213	Umzumbe									
B	KZN214	uMuziwabantu	106	120	126	170	170	170	179	188	197
B	KZN215	Ezinqoleni	101	120	126	170	170	170	179	188	197
B	KZN216	Hibiscus Coast	422	714	511	976	976	976	1 028	1 082	1 136
C	DC21	Ugu District Municipality									
Total: uMgungundlovu Municipalities			**1 828**	**1 052**	**1 320**	**1 763**	**2 263**	**2 263**	**2 034**	**2 139**	**2 242**
B	KZN221	uMshwathi	-	120	126	170	170	170	179	188	197
B	KZN222	uMngeni	207	240	252	340	340	340	358	377	394
B	KZN223	Mpofana	85	120	126	170	170	170	179	188	197
B	KZN224	Impendle	96	120	126	170	170	170	179	188	197
B	KZN225	Msunduzi	1 226	193	418	552	552	552	581	612	642
B	KZN226	Mkhambathini	124	139	146	191	691	691	379	398	418
B	KZN227	Richmond	90	120	126	170	170	170	179	188	197
Total:Uthukela Municipalities			**240**	**638**	**796**	**1 423**	**1 423**	**1 423**	**1 498**	**1 578**	**1 657**
B	KZN232	Emnambithi/Ladysmith	119	259	398	531	531	531	559	589	618
B	KZN233	Indaka	18	-	-	191	191	191	201	212	223
B	KZN234	Umtshezi	-	240	126	340	340	340	358	377	396
B	KZN235	Okhahlamba	18	139	146	191	191	191	201	212	223
B	KZN236	Imbabazane	85	-	126	170	170	170	179	188	197
Total: Umzinyathi Municipalities			**568**	**855**	**816**	**1 083**	**1 083**	**1 083**	**1 319**	**1 387**	**1 456**
B	KZN241	Endumeni	106	336	252	340	340	340	537	564	592
B	KZN242	Nquthu	247	260	292	382	382	382	402	423	444
B	KZN244	Msinga	114	139	146	191	191	191	201	212	223
B	KZN245	Umvoti	101	120	126	170	170	170	179	188	197
Total: Amajuba Municipalities			**285**	**600**	**630**	**850**	**850**	**850**	**895**	**941**	**987**
B	KZN252	Newcastle	105	360	378	510	510	510	537	565	593
B	KZN253	eMadlangeni	90	120	126	170	170	170	179	188	197
B	KZN254	Dannhauser	90	120	126	170	170	170	179	188	197
Total: Zululand Municipalities			**548**	**763**	**796**	**1 232**	**1 232**	**1 232**	**1 654**	**1 740**	**1 827**
B	KZN261	eDumbe	119	139	146	191	191	191	201	212	223
B	KZN262	uPhongolo	118	125	126	340	340	340	358	377	396
B	KZN263	Abaqulusi	197	240	252	340	340	340	358	377	396
B	KZN265	Nongoma	-	120	126	170	170	170	179	188	197
B	KZN266	Ulundi	114	139	146	191	191	191	558	586	615
C	DC26	Zululand District Municipality									
Total: Umkhanyakude Municipalities			**521**	**619**	**2 032**	**850**	**850**	**850**	**1 074**	**1 129**	**1 184**
B	KZN271	Umhlabuyalingana	96	120	126	170	170	170	179	188	197
B	KZN272	Jozini	106	120	126	170	170	170	179	188	197
B	KZN273	The Big 5 False Bay	-	-	-	-	-	-	179	188	197
B	KZN274	Hlabisa	108	139	126	170	170	170	179	188	197
B	KZN275	Mtubatuba	211	240	1 654	340	340	340	358	377	396
Total: uThungulu Municipalities			**1 241**	**1 363**	**1 556**	**2 061**	**2 561**	**2 561**	**2 514**	**2 641**	**2 772**
B	KZN281	Umfolozi	-	-	126	170	170	170	358	376	395

B	KZN282	uMhlathuze	620	720	756	1 020	1 520	1 520	1 253	1 316	1 382
B	KZN283	Ntambanana	90	120	126	170	170	170	179	188	197
B	KZN284	uMlalazi	215	259	272	361	361	361	366	385	404
B	KZN285	Mthonjaneni	106	120	126	170	170	170	179	188	197
B	KZN286	Nkandla	210	144	150	170	170	170	179	188	197
Total: Ilembe Municipalities			**496**	**619**	**776**	**1 211**	**1 211**	**1 211**	**1 633**	**1 716**	**1 801**
B	KZN291	Mandeni	186	240	378	510	510	510	716	752	789
B	KZN292	KwaDukuza	191	240	252	510	510	510	537	565	593
B	KZN293	Ndwedwe	119	139	146	191	191	191	380	399	419
Total: Harry Gwala Municipalities			**626**	**749**	**796**	**1 062**	**1 062**	**1 062**	**1 476**	**1 552**	**1 628**
B	KZN431	Ingwe	119	139	146	191	191	191	380	399	419
B	KZN432	Kwa Sani	90	120	126	170	170	170	179	188	197
B	KZN433	Greater Kokstad	197	240	252	340	340	340	358	377	396
B	KZN434	Ubuhlebezwe	106	111	126	170	170	170	179	188	197
B	KZN435	Umzimkhulu	114	139	146	191	191	191	380	400	419
Unallocated			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total			**22 769**	**23 572**	**16 409**	**49 111**	**50 111**	**50 111**	**37 075**	**38 222**	**39 372**

Table 15.M : Transfers to municipalities - Provincialisation of libraries

			Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand			2012/13	2013/14	2014/15		2015/16		2016/17	2017/18	2018/19
A	**KZN2000**	**eThekwini**	**73 316**	**#####**	**#####**	**119 622**	**119 622**	**119 622**	**86 738**	**91 333**	**94 980**
Total: Ugu Municipalities			**5 458**	**11 460**	**11 950**	**12 331**	**12 331**	**12 331**	**12 477**	**12 981**	**13 661**
B	KZN212	Umdoni	1 960	4 116	4 280	4 429	4 429	4 429	4 482	4 662	4 906
B	KZN214	uMuziwabantu	245	514	535	553	553	553	559	583	613
B	KZN215	Ezinqoleni	245	514	535	553	553	553	559	583	613
B	KZN216	Hibiscus Coast	3 008	6 316	6 600	6 796	6 796	6 796	6 877	7 153	7 529
Total: uMgungundlovu Municipalities			**12 166**	**26 476**	**27 475**	**28 971**	**28 971**	**28 971**	**25 625**	**26 666**	**28 324**
B	KZN221	uMshwathi	454	657	685	707	707	707	715	744	782
B	KZN222	uMngeni	1 134	2 461	2 500	2 636	2 636	2 636	2 668	2 774	2 919
B	KZN223	Mpofana	336	705	735	758	758	758	768	798	840
B	KZN224	Impendle	245	514	535	553	553	553	559	583	613
B	KZN225	Msunduzi	9 507	20 968	21 800	23 057	23 057	23 057	19 315	20 103	21 431
B	KZN226	Mkhambathini	177	514	535	553	553	553	885	920	957
B	KZN227	Richmond	313	657	685	707	707	707	715	744	782
Total:Uthukela Municipalities			**3 222**	**6 909**	**7 170**	**7 434**	**7 434**	**7 434**	**7 522**	**7 826**	**8 234**
B	KZN232	Emnambithi/Ladysmith	1 520	3 192	3 300	3 435	3 435	3 435	3 476	3 615	3 804
B	KZN233	Indaka	245	514	535	553	553	553	559	583	613
B	KZN234	Umtshezi	894	1 878	1 950	2 020	2 020	2 020	2 045	2 127	2 239
B	KZN235	Okhahlamba	318	668	700	719	719	719	727	757	796
B	KZN236	Imbabazane	245	657	685	707	707	707	715	744	782
Total: Umzinyathi Municipalities			**2 350**	**4 932**	**5 140**	**5 307**	**5 307**	**5 307**	**5 696**	**5 924**	**6 193**
B	KZN241	Endumeni	1 234	2 590	2 700	2 787	2 787	2 787	3 146	3 272	3 402
B	KZN242	Nquthu	490	1 028	1 070	1 106	1 106	1 106	1 119	1 163	1 224
B	KZN244	Msinga	245	514	535	553	553	553	559	583	613
B	KZN245	Umvoti	381	800	835	861	861	861	872	906	954
Total: Amajuba Municipalities			**2 600**	**5 744**	**5 970**	**6 733**	**6 733**	**6 733**	**6 813**	**7 089**	**7 460**
B	KZN252	Newcastle	2 246	4 716	4 900	5 627	5 627	5 627	5 695	5 923	6 234
B	KZN253	eMadlangeni	177	514	535	553	553	553	559	583	613
B	KZN254	Dannhauser	177	514	535	553	553	553	559	583	613
Total: Zululand Municipalities			**2 618**	**5 498**	**5 725**	**5 914**	**5 914**	**5 914**	**6 965**	**7 243**	**7 564**
B	KZN261	eDumbe	381	800	835	861	861	861	872	906	954
B	KZN262	uPhongolo	422	886	920	952	952	952	965	1 002	1 055
B	KZN263	Abaqulusi	1 234	2 592	2 700	2 789	2 789	2 789	3 148	3 274	3 405
B	KZN265	Nongoma	245	514	535	553	553	553	559	583	613
B	KZN266	Ulundi	336	706	735	759	759	759	1 421	1 478	1 537
Total: Umkhanyakude Municipalities			**5 408**	**5 677**	**5 905**	**6 105**	**6 105**	**6 105**	**6 177**	**6 426**	**6 762**
B	KZN271	Umhlabuyalingana	1 238	1 300	1 350	1 396	1 396	1 396	1 413	1 469	1 545
B	KZN272	Jozini	730	766	800	827	827	827	837	871	917
B	KZN273	The Big 5 False Bay	600	630	655	677	677	677	685	713	750
B	KZN274	Hlabisa	730	766	800	827	827	827	837	871	917
B	KZN275	Mtubatuba	2 110	2 215	2 300	2 378	2 378	2 378	2 405	2 502	2 633
Total: uThungulu Municipalities			**5 239**	**10 486**	**11 060**	**11 434**	**11 434**	**11 434**	**12 651**	**13 161**	**13 747**
B	KZN281	Umfolozi	177	372	535	553	553	553	1 059	1 101	1 145
B	KZN282	uMhlathuze	2 784	5 846	6 080	6 289	6 289	6 289	6 947	7 224	7 514
B	KZN283	Ntambanana	245	514	535	553	553	553	559	583	613
B	KZN284	uMlalazi	1 298	2 726	2 840	2 933	2 933	2 933	2 968	3 087	3 249
B	KZN285	Mthonjaneni	245	514	535	553	553	553	559	583	613
B	KZN286	Nkandla	490	514	535	553	553	553	559	583	613
Total: Ilembe Municipalities			**2 016**	**4 566**	**4 755**	**4 901**	**4 901**	**4 901**	**5 611**	**5 834**	**6 107**
B	KZN291	Mandeni	490	1 362	1 420	1 454	1 454	1 454	1 797	1 869	1 944
B	KZN292	KwaDukuza	1 281	2 690	2 800	2 894	2 894	2 894	2 929	3 045	3 206
B	KZN293	Ndwedwe	245	514	535	553	553	553	885	920	957
Total: Harry Gwala Municipalities			**1 611**	**3 383**	**3 710**	**3 834**	**3 834**	**3 834**	**4 530**	**4 714**	**4 933**
B	KZN431	Ingwe	381	800	835	861	861	861	1 198	1 246	1 296
B	KZN432	Kwa Sani	159	334	535	553	553	553	559	583	613
B	KZN433	Greater Kokstad	581	1 221	1 270	1 314	1 314	1 314	1 329	1 382	1 454
B	KZN434	Ubuhlebezwe	245	514	535	553	553	553	559	583	613
B	KZN435	Umzimkhulu	245	514	535	553	553	553	885	920	957
Unallocated			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total			**116 004**	**225 111**	**198 182**	**212 586**	**212 586**	**212 586**	**#####**	**189 197**	**#####**

Annexure C - "A" Schedule

Annexure D - Signed Budget Locking Certificate

Certification that the adopted budget for 2016/17 is correctly captured and locked on the municipality's financial management system

(As requested by National Treasury in terms of section 74 of the MFMA, with reference to paragraph 6.3 of MFMA Budget Circular 59 dated 16 March 2012)

I, ……, in my capacity as accounting officer of the municipality, hereby certify that:

- *The adopted annual budget has been captured on the municipality's financial system;*
- *There is 100 per cent reconciliation between the budget on the system and the budget adopted by council;*
- *The adopted annual budget on the municipality's financial system is locked and will not be changed as it serves as the baseline against which to monitor and measure performance; and*
- *The relevant budget return forms have been submitted to the local government database.*

I, further certify that the municipality has in place controls to ensure that any changes to the adopted budget will be captured separately and only in accordance with:

- *a virement authorised by the municipal manager, or duly delegate official, in terms of a council approved virements policy; and*
- *an adjustments budget approved by council.*

Print Name _____

Municipal manager of _____
(name and demarcation code of municipality)

Signature _____

Date _____

This certificate must be submitted to National Treasury by close of business 14 July 2016 at the following email address: lgdocuments@treasury.gov.za.

Also send copies to the Auditor General *and the relevant provincial treasury*

Annexure E - Service Level Standards

Province: Municipality(KZN263) - Schedule of Service Delivery Standards Table	
Description **Standard**	**Service Level**
Solid Waste Removal	
Premise based removal (Residential Frequency)	Weekly
Premise based removal (Business Frequency)	Daily
Bulk Removal (Frequency)	Weekly
Removal Bags provided(Yes/No)	No
Garden refuse removal Included (Yes/No)	No
Street Cleaning Frequency in CBD	Daily
Street Cleaning Frequency in areas excluding CBD	No
How soon are public areas cleaned after events (24hours/48hours/longer)	48 hours
Clearing of illegal dumping (24hours/48hours/longer)	Longer
Recycling or environmentally friendly practices(Yes/No)	No
Licenced landfill site(Yes/No)	Yes
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	No drop
Is free water available to all? (All/only to the indigent consumers)	Only to indigent consumers and consumers in ZDM areas who are not metered
Frequency of meter reading? (per month, per year)	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Read on a monthly basis
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	4 hours
Up to 5 service connection affected (number of hours)	4 hours
Up to 20 service connection affected (number of hours)	16 hours
Feeder pipe larger than 800mm (number of hours)	24 hours
What is the average minimum water flow in your municipality?	240 mg lt/month
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No
How long does it take to replace faulty water meters? (days)	1 hour
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No

Province: Municipality(KZN263) - Schedule of Service Delivery Standards Table	
Description **Standard**	**Service Level**
Electricity Service	
What is your electricity availability percentage on average per month?	100%
Do your municipality have a ripple control in place that is operational? (Yes/No)	Yes
How much do you estimate is the cost saving in utilizing the ripple control system?	Via load control
What is the frequency of meters being read? (per month, per year)	Monthly
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	Read on a monthly basis
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	Immediately where possible
Are accounts normally calculated on actual readings? (Yes/no)	Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No
How long does it take to replace faulty meters? (days)	Within 30 days
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes, tender has been drawn up
How effective is the action plan in curbing line losses? (Good/Bad)	Not in use at the moment
How soon does the municipality provide a quotation to a customer upon a written request? (days)	Within 7 days
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	Within 10 days
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	Within 10 days
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	Within 30 days
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	Yes
To what extend do you subsidize your indigent consumers?	Indigent consumers get subsidized 100%
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	24 hours
Sewer blocked pipes: Large pipes? (Hours)	4 hours
Sewer blocked pipes: Small pipes? (Hours)	1 hour
Spillage clean-up? (hours)	1 hour

Province: Municipality(KZN263) - Schedule of Service Delivery Standards Table	
Description **Standard**	**Service Level**
Replacement of manhole covers? (Hours)	1 hour
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	2 hours
Time taken to repair a single pothole on a minor road? (Hours)	1 hour
Time taken to repair a road following an open trench service crossing? (Hours)	8 hours
Time taken to repair walkways? (Hours)	4 hours
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	One month
Do you have any special rating properties? (Yes/No)	No
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Yes it is decreasing
Are the financial statement outsources? (Yes/No)	AFS are compiled in conjunction with PWC
Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balance?	Yes
How long does it take for a Tax/Invoice to be paid from the date it has been received?	30 days
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	No
Administration	
Reaction time on enquiries and requests?	7 working days
Time to respond to a verbal customer enquiry or request? (working days)	7 working days
Time to respond to a written customer enquiry or request? (working days)	7 working days
Time to resolve a customer enquiry or request? (working days)	7 working days
What percentage of calls are not answered? (5%,10% or more)	5%
How long does it take to respond to voice mails? (hours)	N/A
Does the municipality have control over locked enquiries? (Yes/No)	No

Province: Municipality(KZN263) - Schedule of Service Delivery Standards Table	
Description **Standard**	**Service Level**
Is there a reduction in the number of complaints or not? (Yes/No)	Yes
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Not often
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	60 minutes
How long does it take to renew a vehicle license? (minutes)	60 minutes
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	60 minutes
How long does it take to de-register a vehicle? (minutes)	60 minutes
How long does it take to renew a driver's license? (minutes)	60 minutes
What is the average reaction time of the fire service to an incident? (minutes)	60 minutes
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	N/A
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	N/A
Economic development	
How many economic development projects does the municipality drive?	3
How many economic development programmes are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	5
What percentage of the projects have created sustainable job security?	5%

Province: Municipality(KZN263) - Schedule of Service Delivery Standards Table	
Description **Standard**	**Service Level**
Does the municipality have any incentive plans in place to create a conducive environment for economic development? (Yes/No)	No
Other Service delivery and communication	
Is an information package handed to the new customer? (Yes/No)	No
Does the municipality have training or information sessions to inform the community? (Yes/No)	No
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

Annexure F - SCOA Plan and Progress to date

Annexure B.1 - Non-pilot municipality self-assessment tool

Instructions:
1. Score = Percentage (%) completed (0 - 100).
2. The Provincial Treasury mSCOA project team should verify the municipality's self-assessment of its Implementation Plan progress and activities.

NON PILOT ASSESSMENT				
ABAQULUSI LM	77	77	Challenges	Action steps
MUNSOFT				
Date	2016/03/12			
Initial Preparation and Awareness	**100**	100		
Read the regulations, project documents, position papers and ICF documents and costing manual	100			
Review of current chart, mSCOA tables	100			
Review mSCOA circulars	100			
Review the guidance provided in the Project Summary Document at the end of each of its sections	100			
Awareness workshops (Demystify mSCOA Council awareness - Council and Management)	100			
Develop Project Management skills	100			
Register on FAQ Database	100			Munsoft has registered on the FAQ database
Governance	**100**	100		
Commissioning an mSCOA steering committee	100			
Commissioning an mSCOA multi-disciplinary project team	100			
Set up the project governance structure and project management office (PMO)	100			
Register a formal SCOA project in the municipality with a project sponsor, steering committee (with a terms of reference)	100			MM is the sponsor
Draft a terms of reference for the municipality's SCOA project team	100			
Develop a SCOA project delivery strategy, including the assignment of responsibilities, Key Performance Indicators (KPI's) and performance targets for the project and provide for regular project monitoring and reporting	100			
Tabling the Municipal Regulations on Standard Chart of Accounts in the municipal council	100			

Annexure B.1 - Non-pilot municipality self-assessment tool

Instructions:
1. Score = Percentage (%) completed (0 - 100).
2. The Provincial Treasury mSCOA project team should verify the municipality's self-assessment of its Implementation Plan progress and activities.

NON PILOT ASSESSMENT				
ABAQULUSI LM	**77**	77	**Challenges**	**Action steps**
MUNSOFT				
Date	2016/03/12			
Obtain Council approval for implementation of mSCOA, proposed governance structures, implementation plan and risk register	100			
Obtain proof of appointment, consent from the Senior Manager and evidence that this task and responsibility had been integrated in the Key Performance Areas of the Project Manager and Project Team	100			
Tabling a progress report, including the updated risk register with the municipal council on a quarterly basis	100			
mSCOA Project Management	**63**	63		
Identify key human resources,	100			
Identity key project milestones	100			
Identify capital requirement and budget (servers, IT requirements)	100			
Investigate effect of changes on the system	100			
Set up project organisational/management arrangements (charter, scope, plan, budget, risks and issues)	100			
Prepare code of ethics and members to sign these	100			Part of TOR's
Appoint stream leads to cover all 15 business processes				
Stream Leads				
mSCOA steering committee and Project Management	100			
IT infrastructure and network				
Review current vote structure to mSCOA vote structure and prepare the annual budget on the structure	100			
Data purification and gap analysis	100			

Annexure B.1 - Non-pilot municipality self-assessment tool

Instructions:
1. Score = Percentage (%) completed (0 - 100).
2. The Provincial Treasury mSCOA project team should verify the municipality's self-assessment of its Implementation Plan progress and activities.

NON PILOT ASSESSMENT

ABAQULUSI LM

MUNSOFT

Date 2016/03/12

	77	77	**Challenges**	**Action steps**
*(a) **Examples of data purification** - Human Resources (HR) information such as the data of employees and individual/ personal contractors; Asset data (e.g. the GRAP 17 asset register); Vendor register/ supplier database; Creditors' data records; Debtors' data records; Valuation roll reconciliation, interim valuations and zoning/ use of properties; Reconciliation of vote/ account numbers (balance sheet items); Clearing of all suspense/ clearing accounts, etc.*				
*(b) **Examples of gap analysis** - It is crucial that a municipality obtain a conceptual view of its current ICT infrastructure, including its 'Core Financials' and all other solution offerings. This exercise normally reveals massive duplications and gaps. Municipalities that have not yet submitted their mSCOA project plans to the Treasuries are encouraged to do so. A review by the Treasuries is part of the support offered that could assist the municipality to, at an early stage in the process, identify gaps and possible challenges. A comparison of the existing chart to the mSCOA chart may also identify gaps that require attention.*				
HR & payroll	100			
Planning (IDP, Budget, SDBIP, PM)	100			
Core system, additional systems	100			
Real estate, land use and grant management	0			No sub module required
Document management	0			Stand-alone with no interfacing with financial system
Business Processes				

Annexure B.1 - Non-pilot municipality self-assessment tool

Instructions:
1. Score = Percentage (%) completed (0 - 100).
2. The Provincial Treasury mSCOA project team should verify the municipality's self-assessment of its Implementation Plan progress and activities.

NON PILOT ASSESSMENT				
ABAQULUSI LM	77	77	Challenges	Action steps
MUNSOFT				
Date	2016/03/12			
Stream Leads to prepare detailed implementation plans with milestones for their area of responsibility dealing with applicable business processes:				
Corporate governance	100			
Municipal budgeting, planning and financial modelling	100			
Financial accounting	100			
Costing and reporting	100			
Project accounting	0			All work outsourced (Capital)
Treasury and cash management	100			
Procurement cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable	100			
Grant management	100			
Full asset life cycle management including maintenance management	0			Maintenance Management not included in asset module
Real estate and resource management	0			
Human resources and payroll management	100			
Land use and building control management	0			maybe used on another stand-alone program such as GIS or TGIS
Valuation roll management	100			
Revenue cycle: meter reading, billing, accounts receivable, revenue management and receipting	100			
Customer care, credit control and debt collection	100			
Sign-off implementation plan	50			Part of Implementation plan - ongoing
Sign-off milestones achieved	50			Part of Implementation plan - ongoing
User acceptance testing	0			Part of Implementation plan - ongoing
Stream Leads to prepare risk registers for their area of responsibility	0			Part of Implementation plan - ongoing
Sign-off risk register	0			Part of Implementation plan - ongoing

Annexure B.1 - Non-pilot municipality self-assessment tool

Instructions:
1. Score = Percentage (%) completed (0 - 100).
2. The Provincial Treasury mSCOA project team should verify the municipality's self-assessment of its Implementation Plan progress and activities.

NON PILOT ASSESSMENT				
ABAQULUSI LM	77	77	Challenges	Action steps
MUNSOFT				
Date	2016/03/12			
Stream Leads to prepare data purification for their area of responsibility	100			Data cleansing on-going
Sign-off data purification	100			
Prepare and plan for change management and transition	50			Part of Implementation plan - ongoing
Stakeholder engagement -establishment of user forums (PT & Other stakeholders)	100			
Vendor engagement - vendor feedback and integration into project plan	100			
Detailed migration project plan (vendor) and MOU	100			System upgrade. It is not a new system development
System User acceptance testing	0			Part of Implementation plan - ongoing
System User acceptance training	0			Part of Implementation plan - ongoing
Review the current municipal chart of accounts	100			
Document and map the current business processes in the municipality	0			To be done in-house
Determining impact on business policies, processes & procedures	0			To be done in-house. Vendor will also advise.
Undertake a Human Resources and Payroll review and allocation verification	100			Payroll allocation will be signed off
Review master information(suppliers, stores, fleet, job costing)	50			System upgrade. It is not a new system development. No migration of master data only mSCOA opening balances with history.
Billing / Revenue create codes , transfer data and prepare the data base	0			Tariff codes to include a short description as a result of the 7 segments.

Annexure B.1 - Non-pilot municipality self-assessment tool

Instructions:
1. Score = Percentage (%) completed (0 - 100).
2. The Provincial Treasury mSCOA project team should verify the municipality's self-assessment of its Implementation Plan progress and activities.

NON PILOT ASSESSMENT				
ABAQULUSI LM	**77**	77	**Challenges**	**Action steps**
MUNSOFT				
Date	2016/03/12			
Conduct an "as is" review of IT infrastructure, network and archiving (ICT to define core functions used and those not used in core financial system and which system core functions are outsourced). *Use as a minimum the template attached as "Annexure C" to Municipal SCOA Circular 2. Submit the completed information to the National Treasury (Jan.Hattingh@treasury.gov.za) and the relevant provincial treasury on/ before Friday, 13 November 2015.*	0			To be done in-house
Review 3rd party systems / integration	50			Part of Implementation plan - ongoing
Change all pre-printed stationary and internal documents	50			Part of Implementation plan - ongoing
System Application	**90**	90		
Opening balance conversion – Historical information and data and sign off	100			
Clearing of suspense accounts, clearing accounts, control accounts, and interface accounts	80			Suspense accounts to be cleared by LM.
Reporting requirements – Test, analyse, and understand content	**0**	-		
Budget reporting formats (MBRR)	0			Part of Implementation plan - ongoing. Caseware to be used.
Annual financial statement	0			AFS completed on Caseware
MFMA section 71 and 72 monthly reporting (current format)	0			Part of Implementation plan - ongoing. Caseware to be used.
Portal data testing and quality assurance	0			Part of Implementation plan - ongoing. Caseware to be used.
Project Audit File - Information on file	**86**	86		

Annexure B.1 - Non-pilot municipality self-assessment tool

Instructions:
1. Score = Percentage (%) completed (0 - 100).
2. The Provincial Treasury mSCOA project team should verify the municipality's self-assessment of its Implementation Plan progress and activities.

NON PILOT ASSESSMENT				
ABAQULUSI LM	**77**	77	**Challenges**	**Action steps**
MUNSOFT				
Date	2016/03/12			
Ensure proper document management for the SCOA project and municipal records:				
Council resolutions	100			
Project governance documentation	100			
Agenda, minutes and attendance registers	100			
Project plan and milestone reports	100			
Risk register and mitigation measures	100			
Issue log and resolutions	100			
User acceptance testing and sign off	0			Part of Implementation plan - ongoing
Project close out report	**100**	100		
Project close out report	100			Part of Implementation plan - ongoing. Implementation only 1.7.2016

ABAQULUSI LOCAL MUNICIPALITY
mSCOA IMPLEMENTATION PLAN

Task No.	Task Name	Duration	Start	Finish	Resource Names	% Complete	Actions	Risks	Mitigation Actions
1	Buy in from Council	1 day	Mon 29/06/15	Mon 29/06/15	Municipal Manager	100%	Tabled in Council		
2	Letter of Appointment	1 day	Thu 01/10/15	Thu 01/10/15	Municipal Manager	100%	Issued		
3	Draft mSCOA Implementation Plan	3 days	Mon 12/10/15	Wed 14/10/15	Steering committee, Implementation Team, Munsoft Consulting, Project Champion	100%	Draft completed. Steering & Implementation Committees to review		
4	Draft TOR Steering Committee	3 days	Mon 12/10/15	Wed 14/10/15	Munsoft Consulting,CFO,Project Champion	100%	Draft completed. CFO & MM to review		
5	Draft TOR Implementation Team	3 days	Mon 12/10/15	Wed 14/10/15	Munsoft Consulting,CFO,Project Champion	100%	Draft completed. CFO & MM to review		
6	Draft Letter of Appointment for Steering Committee members	4 days	Mon 12/10/15	Thu 15/10/15	Munsoft Consulting,CFO,Project Champion	100%	Draft completed. CFO & MM to review		
7	Draft Letter of Appointment for Implementation Team members	3 days	Mon 12/10/15	Wed 14/10/15	Munsoft Consulting,CFO,Project Champion	100%	Draft completed. CFO & MM to review		

ABAQULUSI LOCAL MUNICIPALITY
mSCOA IMPLEMENTATION PLAN

Task No.	Task Name	Duration	Start	Finish	Resource Names	% Complete	Actions	Risks	Mitigation Actions
8	Draft open invitation to NT, AG, PT, CoGTA and Internal audit	2 days	Mon 12/10/15	Tue 13/10/15	Munsoft Consulting,CFO,Project Champion	100%	Draft completed. CFO & MM to review		
9	MM to sign tasks 6 to 8	5 days	Mon 12/10/15	Fri 16/10/15	Municipal Manager	100%	MM so sign on official WDM letterheads		
10	TOR, Appointment letters and open invitations to be emailed to NT	1 day	Mon 19/10/15	Mon 19/10/15	Project Champion	100%	Until the mSCOA committees have met, the CFO/Munsoft will assist as secretariat		
11	Agenda for 1st joint steering committee to go out	1 day	Fri 23/10/15	Fri 23/10/15	Municipal Manager, Munsoft Consulting,CFO,Project Champion	100%	Agenda to all committee members as well as to open invitation members		
12	1st joint steering committee	1 day	Fri 30/10/15	Fri 30/10/15	Municipal manager, Munsoft Consulting, Project Champion, Implementation Team, Steering committee	100%	Munsoft Consulting to prepare a SCOA presentation. Minutes, approved TOR and attendance register to be tabled at next Council meeting	Ensure that all members are aware of their role and responsibilities	

ABAQULUSI LOCAL MUNICIPALITY
mSCOA IMPLEMENTATION PLAN

Task No.	Task Name	Duration	Start	Finish	Resource Names	% Complete	Actions	Risks	Mitigation Actions
							for noting. Thereafter Quarterly Council submissions.		
13	Implementation Plan	216 days	Mon 12/10/15	Mon 08/08/16	Implementation Team, Project Champion, Steering committee, All	5%	To be approved at the joint committee meeting	Unfamiliarity with mSCOA could prolong the meeting. Ability to understand that the Implementation plan is flexible.	mSCOA Circular #1 and Regulations to accompany the notice of meeting.
14	Training - Implementation Team and Finance staff	175 days	Fri 30/10/15	Thu 30/06/16	Munsoft Consulting	0%	Training will begin with the Financial staff as well as the mSCOA Implementation Committee. Classroom & desktop training on Munsoft. Training will be continuous	Availability of staff	Organisational awareness

ABAQULUSI LOCAL MUNICIPALITY
mSCOA IMPLEMENTATION PLAN

Task No.	Task Name	Duration	Start	Finish	Resource Names	% Complete	Actions	Risks	Mitigation Actions
							throughout the project.		
15	Training - Steering Committee and Non-Finance staff	175 days	Fri 30/10/15	Thu 30/06/16	Munsoft Consulting	0%	Training will be extended to all office personnel and middle management of working departments. Classroom & desktop training on Munsoft. Training will be continuous throughout the project	Availability of staff	Organisational awareness
16	SCOA selections on Munsoft (for comparative purposes) - 5 segments options	10 days	Mon 12/10/15	Fri 23/10/15	Munsoft Consulting, Project Champion	100%	Select A&L, Gains & Losses, Revenue, Projects, Costing, Regional segments.	BTO staff that have specialized in a certain field may not see the bigger picture	Munsoft Consulting to assist BTO staff

ABAQULUSI LOCAL MUNICIPALITY
mSCOA IMPLEMENTATION PLAN

Task No.	Task Name	Duration	Start	Finish	Resource Names	% Complete	Actions	Risks	Mitigation Actions
17	Ensure that Vote structure is GFS aligned. If not use the 7th segment - "Org Structure Setup".	3 days	Mon 26/10/15	Wed 28/10/15	Munsoft Consulting,CFO,Project Champion	95%	If vote structure is not aligned to GFS classification look at "Organizational Structure setup"		
18	Build SCOA ledger (for comparative purposes)	8 days	Wed 28/10/15	Fri 06/11/15	Munsoft Consulting, Project Champion	100%	Use 3 years TB and Annual reports	TB has not been populated with final journals	In this unlikely event use lead sheets and process the final journals on the TB
19	Align old chart to mSCOA (for comparative purposes)	5 days	Mon 09/11/15	Fri 13/11/15	Munsoft Consulting, Project Champion	40%	Use 3 years TB and Annual reports	TB has not been populated with final journals	In this unlikely event use lead sheets and process the final journals on the TB
20	Migrate balances (for comparative purposes)	1 day	Mon 16/11/15	Mon 16/11/15	Munsoft Consulting, Project Champion	0%	Use 3 years TB and Annual reports	TB has not been populated with final journals	In this unlikely event use lead sheets and process the final journals on the TB
21	Reconcile 3 prior years AFS to comparative TB	10 days	Mon 16/11/15	Fri 27/11/15	Munsoft Consulting, Project Champion	0%	Use 3 years TB and Annual reports	TB has not been populated with final journals	In this unlikely event use lead sheets and process the final journals on the TB

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Task No.	Task Name	Duration	Start	Finish	Resource Names	% Complete	Actions	Risks	Mitigation Actions
22	Align FAR to SCOA FA controls	12 days	Mon 30/11/15	Fri 15/12/15	Munsoft Consulting,BTO staff,Project Champion	0%	Munsoft asset register is used. Change parameters on the Munsoft FAR to those of mSCOA segments.		
23	Look at 3rd party software for seamless integration	31 days	Fri 13/11/15	Fri 11/12/15	Implementation Team,Munsoft Consulting,All,Steering committee	0%	Members of the Implementation Committee to identify all 3rd party software and evaluate mSCOA compliance of these packages, for example the HR packages, Prepaid vendor systems, Traffic Mgt Systems	Ensure that standalone packages facilitate a seamless integration with Munsoft. Consult the with the 3rd party vendors	Look at alternative Stand-alone salary and other packages that are mSCOA compliant. Check pricing and other options available.
24	Understand the IDP, KPA's, KPI's and strategies	31 days	Mon 16/11/15	Fri 14/12/15	Steering Committee Chair, Head IDP,IDP/PMS managers, Implementation Team, Project Champion	0%	Important for the selection of projects. Divisional manager must meet with all project resources and get a common understanding of the IDP		

ABAQULUSI LOCAL MUNICIPALITY
mSCOA IMPLEMENTATION PLAN

Task No.	Task Name	Duration	Start	Finish	Resource Names	% Complete	Actions	Risks	Mitigation Actions
25	Identify projects from IDP	15 days	Mon 16/11/15	Fri 26/02/16	Steering committee, All resources, Implementation Team	0%	After understanding the IDP and the requirements of mSCOA new projects will be opened		
26	Select further projects and SCOA segments as required	80 days	Mon 09/11/15	Fri 26/02/16	Munsoft Consulting,BTO staff,All resources, Implementation Team	0%	Selection on Munsoft		
27	Build SCOA Project masters and link to IDP where possible	75 days	Mon 16/11/15	Fri 26/02/16	BTO staff,Managers,Munsoft Consulting, Implementation Team	0%			
28	Zero Based Budgeting using the IDP as a base as well as other fixed and variable costs	75 days	Mon 16/11/15	Fri 26/02/16	All	0%	Full compliance to zero based budgeting, triggered by the IDP and using the detailed Munsoft budgeting screens is not negotiable.	Non finance departments have not worked on Munsoft except for enquiries and request for goods.	Training and on-site assistance with non finance staff will be key.
29	Table draft budget at Exco	1 day	Wed 16/03/16	Wed 16/03/16	CFO, Municipal Manager,BTO staff	0%			

ABAQULUSI LOCAL MUNICIPALITY
mSCOA IMPLEMENTATION PLAN

Task No.	Task Name	Duration	Start	Finish	Resource Names	% Complete	Actions	Risks	Mitigation Actions
30	Amend Draft Budget if required	3 days	Wed 16/03/16	Fri 18/03/16	BTO staff	0%			
31	Table draft budget to Full Council	1 day	Fri 25/03/16	Fri 25/03/16	Mayor, Municipal Manager	0%			
32	Submit Draft Budget to NT, PT and CoGTA - and advertise	9 days	Mon 28/03/16	Thu 07/04/16	Project Champion, CFO	0%	Comply with MFMA and MSA with regards to advertising		
33	Community participation	9 days	Sat 09/04/16	Wed 20/04/16	CFO, Head IDP, Managers, Mayor, Municipal Manager, Directors	0%	Public participation including the IDP roadshow		
34	Changes to the Draft Budget	18 days	Thu 21/04/16	Mon 16/05/16	BTO staff, Project Champion	0%	If required		
35	Table draft budget at EXCO	1 day	Wed 25/05/16	Wed 25/05/16	CFO, Municipal manager,BTO staff	0%			
36	Final Budget approval	1 day	Fri 27/05/16	Fri 27/05/16	Mayor, Municipal Manager	0%			
37	Submit Final Budget to NT, PT and CoGTA - and advertise	7 days	Tue 28/06/16	Wed 06/07/16	CFO, Project Champion	0%	Comply with MFMA and MSA with regards to advertising. Website publishes.		

ABAQULUSI LOCAL MUNICIPALITY
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Task No.	Task Name	Duration	Start	Finish	Resource Names	% Complete	Actions	Risks	Mitigation Actions
							Notice boards.		
38	Set up Quick codes for cashiers, tariffs and controls	5 days	Mon 25/04/16	Fri 29/04/16	BTO staff, Munsoft Consulting, Project Champion	0%	Creating quick codes with SCOA segments in existence	New revenue sources during the year.	Train BTO staff how to open quick codes
39	Training and testing on SCOA transactions	18 days	Wed 01/06/16	Fri 24/06/16	All resources	0%	Transacting with test data on Munsoft test		
40	UAT (User acceptance testing)	18 days	Wed 01/06/16	Fri 24/06/16	All resources	0%	User to sign off.		
41	Live SCOA transacting - 2016/2017	1 day	Fri 01/07/16	Fri 01/07/16	All resources	0%	User to sign odd print outs prior to year end and those after year end.		
42	1st Month end review - July 2016	2 days	Mon 08/08/16	Tue 09/08/16	BTO staff, CFO, Munsoft Consulting, Implementation Team	0%	Ensure correct allocations to the mSCOA segments		
43	Disestablish Committees	1 day	Mon 08/08/16	Mon 08/08/16	Munsoft Consulting steering committee, Implementation Team	0%	Final reports and Sign off the project.	All records must be kept by the committees for evaluation by NT and PT	Munsoft Consulting will also safe keep copies of records

Annexure G - Policies