

Maluti-A-Phofung Municipality Proposed Final Budget 2016/17 “MTREF”





2016/17 TO 2018/19 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR -Automated Meter Reading
CFO- Chief Financial Officer
MM- Municipal Manager
CPI- Consumer Price Index
DBSA --Development Bank of South Africa
DoRA Division of Revenue Act
DWA -Department of Water Affairs
EE -Employment Equity
EEDSM- Energy Efficiency Demand Side Management
EM- Executive Mayor
FBS -Free basic services
GAMAP -Generally Accepted Municipal Accounting Practice
GRAP -General Recognised Accounting Practice
HR --Human Resources
IDP -Integrated Development Strategy
IT -Information Technology
kl- kilolitre
km- kilometre
KPA- Key Performance Area
KPI -Key Performance Indicator

KWh- kilowatt

ℓ litre
LED- Local Economic Development
MEC -Member of the Executive Committee
MFMA- Municipal Financial Management Act
MIG -Municipal Infrastructure Grant
MMC -Member of Mayoral Committee
MPRA- Municipal Properties Rates Act
MSA- Municipal Systems Act
MTEF-- Medium-term Expenditure Framework
MTREF- Medium-term Revenue and Expenditure Framework
NERSA- National Electricity Regulator South Africa
NGO -Non-Governmental organisations
NKPIs- National Key Performance Indicators
OP- Operational Plan
PMS- Performance Management System
PPE -Property Plant and Equipment
SALGA- South African Local Government Association
SDBIP-Service Delivery Budget Implementation Plan



PART 1: PROPOSED FINAL ANNUAL BUDGET

1.1 MAYOR'S REPORTS



1.2 RESOLUTIONS

PROPOSED FINAL ANNUAL BUDGET FOR THE 2016/17 AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK, IDP AND RELATED POLICIES

1.2.1 Consolidated annual Operating Budget

The annual consolidated total operating income of R1,627,864,778.00 and annual consolidated total operating expenditure of R1,555,464,778.00 and indicative amounts for the two projected outer years 2017/18 and 2018/19, **be approved** as set out in the following Tables:

- (a) Operating revenue by source reflected in **TABLE A4 on – Page 13**
- (b) Operating expenditure by type reflected in **TABLE A4 on – Page 13**
- (c) Operating expenditure by vote classification reflected in **TABLE A3 on – Page 27**

1.2.2 Consolidated annual Capital Budget

- (a) That the Annual consolidated capital budget of R257,920,000.00 and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years 2017/18 and 2018/19, **be approved** as set out in **TABLE A5 on Page 31**

1.2.3 MAP annual Operating Budget

That the Annual total operating income of R1,457,691,873.00 and annual total operating expenditure of R1,385,291,873.00 and indicative amounts for the two projected outer years 2017/18 and 2018/19, **be approved** as set out in the following Schedules:

- (a) Operating revenue source reflected in **TABLE A4 on – Page 38**
- (b) Operating expenditure by type reflected in **TABLE A4 on – Page 38**
- (c) Operating expenditure by vote classification reflected in **TABLE A3 on – Page 37**

1.2.4 MAP Annual Capital Budget

- (a) That the annual capital budget of R257,920,000.00 and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years 2017/18 and 2018/19, **be approved** as set out in **TABLE A5 on page 40**



1.2.5 MAP WATER Annual Operating Budget

That the Annual total operating income of R170,172,905.00 and annual total operating expenditure of R170,172,905.00 and indicative amounts for the two projected outer years 2017/18 and 2018/19, be noted as set out in the following Schedules:

- (a) Operating revenue by source reflected in **TABLE D2 on –Annexure 3**
- (b) Operating expenditure by type reflected in **TABLE D2 on –Annexure 3**

1.2.6 that the property rates and any other municipal tax reflected in **Annexure 4** proposed for the budget year 2016/2017 **be approved .**

1.2.7 that the annual reviewed credit control policy as reflected on **Annexure 5; be approved** for implementation

1.3 EXECUTIVE SUMMARY

The preparation of the proposed final annual budget for the 2016/2017 financial year shall be informed by the following:

- Annual IDP of the Municipality,
- Actual results for 2014/2015 financial year,
- Approved Annual and Adjustment Budgets 2015/2016
- Expected results for 2016/2017 financial year
- Expected changes in the macro-economic environment, and Community priorities.
- Circular 78 and Circular 79
- Circular 82 on Cost containment measures
- The departmental service delivery implementation plans

In terms of section 13 of the MPRA No 6 of 2004 and sections 24 and 42 of the MFMA No 56 of 2003 new tariffs for property rates, electricity, water and any other taxes and similar tariffs may only be implemented from the start of the municipal financial year (1 July) after Council' approval otherwise section 139 of the Constitution will apply. Unrealistically low tariff increases and an over-ambitious capital expenditure programme will lead to unfunded municipal budgets that threaten the municipal financial sustainability and service delivery. It is therefore imperative that municipalities refrain from suspending credit control and debt collection efforts. Expenditure appropriations aligned to the policy intent as described in the integrated development plans (IDPs) should be prioritised. Infrastructure provisioning for water, sanitation, roads and electricity remain key priorities.

The South African economy and inflation targets

The South African economy is expected to grow by **1.2 per cent for 2016, 1.9 per cent in 2017 and 2.5 per cent in 2018**. The weaker outlook is as a result of lower commodity prices, higher borrowing costs, drought and diminished business and consumer confidence. Constrained electricity supply continues to limit growth and deter fixed investment. Exchange rate depreciation is contributing to a higher inflation outlook during 2016. These factors are expected to ease over the medium term. An upturn in global trade and investment, improved policy certainty, recovering consumer and business confidence, and greater availability and reliability of electricity in the outer years should support stronger growth. Higher inflation and weaker employment growth will impact on the ability of all municipalities to generate and collect revenue on services, to keep expenditures within budgeted allocations, and to borrow to fund capital expenditure programmes at affordable rates.

Local government conditional grants and additional allocations

The purpose of the conditional grants is to deliver on national government priorities relating to service delivery. **The local government equitable share** is being increased by R6 billion over the MTREF to provide some relief for the impact of increasing costs of bulk water and electricity and rapid growth in households. **The municipal systems improvement grant** will become an indirect grant so that it can support more strategic capacity building interventions at municipalities.

The **mSCOA** Regulations apply to all municipalities and municipal entities with effect from 1 July 2017 and only eleven months remain for preparation and implementation readiness as the 2017/18 MTREF budgets will all have to be aligned to *mSCOA*. The implementation of *mSCOA* must be considered a business reform and it requires a significant change in municipal business processes; and it involves systems conversion. The 2016/17 tabled budget or consolidated budget must include an annexure containing the municipality's *mSCOA* project plan and progress to date.

Revenue management

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities **must justify in their budget documentation all increases in excess of the 6.0 per cent** projected inflation target in the budget narratives. **The municipality has made an application to Nersa of a 7.64% increase for the Electricity tariffs.** Municipalities should consider the full cost of rendering the water and sanitation services when determining tariffs related to these two services. If the tariffs are low and result in the municipality not recovering their full costs, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time.

According to circular 78 and 79, municipalities should carefully consider the costs associated with service delivery while keeping in mind affordability and inflation when setting revenue raising measures. Furthermore municipalities must consider the following when compiling their 2016/17 MTREF budgets:

- improving the effectiveness of revenue management processes and procedures; and
- pay special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities.
- Cost reflective tariffs;

- Appropriateness of budget assumptions;
- Provision for asset renewal and maintenance;
- Credibility and level of funding of the budget (funded or not funded); and
- Alignment of the budgets to municipality's plans

The South African Local Government Bargaining Council recently entered into a three-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- 2015/16 Financial Year – 7 per cent
- 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

Municipalities are advised to budget for the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually by the Department of Cooperative Governance.

Budget process and submissions for the 2016/17 MTREF :The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 2.8) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA37) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the final integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- and schedules D, E and F specific for the entities.

The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purpose of expanding infrastructure and providing basic services to more households.

An annual budget set out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under-spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, annual budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.



The effects of the economic challenges experienced over the past years still linger and continue to place pressure on the community at large which results in difficulties for the municipality in terms of revenue collection and this also impact on service delivery.

Despite this pressure on available resources, the 2016/17 budget gives priority to setting aside the financial means to build on the foundations that have been laid thus far in terms of providing service to and raising the living standards of the poorest individuals and communities at large. In line with National Government's focus on poverty alleviation, the budget is designed to extend further the Municipality's already extensive packages of services and financial relief measures for indigent communities, while still maintaining appropriate levels of service delivery to the community

Revenue estimates should be realistic, as the operating expenditure budget will be funded by the total revenue budget. It should also be reiterated that the council may not budget for a deficit and the budget should be fully funded

Maluti-A-Phofung municipality strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Projected Municipality growth and continued economic development;
- Realistic revenue management, which provides for the achieving of the collection rate target;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services" user charges at levels which are reflective of these services" cost recovering nature;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's indigent policies to assist the poor and rendering of free basic services; and
- Tariff policies.

The following growth limits have been published by the National Treasury and it shall form the basis of increase in the tariff and related expenditure which should range between 5.5 to 6.0 per cent. (N.B. The 2018/19 actual is an estimate by NT)

FISCAL YEAR	2014/15 Actuals	2015/16 Estimates	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
Headline CPI Inflation	5.6%	5.4%	6.6%	6.2%	5.9%



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017
Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

Table 1 CONSOLIDATED OVERVIEW OF THE 2016/17 MTREF

FS194 Maluti-a-Phofung - Table A4 Consolidated 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	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2		147,150	160,019	109,184	267,000	262,413	262,413	207,596	217,976	228,875
Property rates - penalties & collection charges											
Service charges - electricity revenue	2		230,006	87,473	247,302	502,000	442,600	442,600	568,818	598,930	623,972
Service charges - water revenue	2		50,191	61,987	71,289	90,930	80,000	80,000	73,882	77,576	81,455
Service charges - sanitation revenue	2		28,885	31,329	49,226	39,900	40,000	40,000	39,224	41,185	43,244
Service charges - refuse revenue	2		21,346	21,688	27,700	32,000	35,000	35,000	32,860	34,503	36,228
Service charges - other						59,906	-	-			
Rental of facilities and equipment			1,001	968	850	1,419	1,345	1,345	2,058	2,161	2,269
Interest earned - external investments			1,903	2,805	1,116	2,500	2,400	2,400	2,400	2,520	2,646
Interest earned - outstanding debtors			21,776	23,362	16,771	20,000	25,000	25,000	26,500	27,825	29,216
Dividends received					-		-	-			
Fines			938	843	880	20,000	1,080	1,080	6,055	6,358	6,676
Licences and permits					-		-	-			
Agency services					-		-	-			
Transfers recognised - operational			348,013	362,667	403,189	569,484	660,254	660,254	564,907	604,676	644,462
Other revenue	2		125,192	76,880	448,256	493,979	89,635	89,635	103,565	109,120	114,576
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)			976,401	830,020	1,375,762	2,099,119	1,639,726	1,639,726	1,627,865	1,722,829	1,813,618
Expenditure By Type											
Employee related costs	2		259,274	305,659	336,339	373,064	407,576	407,576	447,899	467,426	490,792
Remuneration of councillors			19,390	20,174	23,489	23,643	22,718	22,718	24,098	25,303	26,568
Debt impairment	3		56,209	175,828	(154,222)	50,000	102,887	102,887	70,050	73,553	77,230
Depreciation & asset impairment	2		214,697	218,444	188,214	179,110	70,000	70,000	50,000	52,500	55,125
Finance charges			7,583	5,977	4,689	6,000	6,000	6,000	6,000	6,300	6,615
Bulk purchases	2		353,257	264,583	457,383	639,274	219,846	219,846	400,838	420,880	441,924
Other materials	8										
Contracted services			122,159	84,669	63,362	78,700	117,325	117,325	87,140	91,497	96,072
Transfers and grants			77,723	-	1,007	255,396	185,000	185,000	105,000	110,250	115,763
Other expenditure	4, 5		339,164	310,902	1,112,240	348,131	418,936	418,936	364,439	382,874	402,156
Loss on disposal of PPE											
Total Expenditure			1,449,457	1,386,237	2,032,501	1,953,319	1,550,288	1,550,288	1,555,465	1,630,583	1,712,244
Surplus/(Deficit)			(473,055)	(556,217)	(656,739)	145,800	89,438	89,438	72,400	92,246	101,374
Transfers recognised - capital			286,990	282,849	206,474	304,865	187,265	187,265	185,520	209,501	238,873
Contributions recognised - capital	6		-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions			(186,066)	(273,368)	(450,265)	450,665	276,703	276,703	257,920	301,747	340,247
Taxation											
Surplus/(Deficit) after taxation			(186,066)	(273,368)	(450,265)	450,665	276,703	276,703	257,920	301,747	340,247
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			(186,066)	(273,368)	(450,265)	450,665	276,703	276,703	257,920	301,747	340,247
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year			(186,066)	(273,368)	(450,265)	450,665	276,703	276,703	257,920	301,747	340,247

1.3.1. FINANCIAL OVERVIEW OF THE CONSOLIDATED ANNUAL BUDGET

1.3.1.1 TOTAL CONSOLIDATED OPERATING ANNUAL BUDGET

The **projected annual revenue** amounts to **R1, 627,864,778** (R1.6 billion) for the 2016/17 financial year, which represents a decrease of R11, 861, 578 (R11.8 million) which is (1%) less than the approved 2nd adjusted budget for 2015/16. For the 2017/18 and 2018/19 financial years the annual budgeted revenue amounts to R1,722,829,056 (R1.7 billion) which represents an increase of R94, 964, 278 (R94 million) (6%) and R1,813,618,259 (R1.8 billion) which represents an increase of R90, 789, 203 (R90 million) (5%) respectively. The total consolidated annual **operating expenditure** budget for the 2016/17 financial year amounts to **R1, 555,464,778** (R1.5 billion), which represents a decrease of R5, 176,555 (R5 million) less than the approved adjusted budget for 2015/16. For the 2017/2018 and 2018/19 financial years the proposed annual operating expenditure budgets amounts are R1,630,583,002 (R1.6 billion) and R1,712,244,437 billion respectively, which represent increase of R75,118,224 (R75 million) or (5%) and R81,661,435 (R81 million) or (5%) for the two outer years.

The **capital budget** of **R257, 920,000** (R257 million) for 2016/2017 is 7% less when compared to the 2015/2016 2nd Adjustment budget. The reduction is due to the redirection of some capital grants from the government to Sedibeng Water since it is the implementing agent for DWA, municipalities are however compelled to enforce credit control for positive cash flows to can carry out own funding projects to its community. The capital programme increases to R301 million in 2017/18 and a further increase to R340 million for 2018/19 which represents an increase of 17% and 13% respectively. A substantial portion of the capital budget will be funded from the capital grants and the balance will be funded from internally generated funds. This internal funding project depends on the municipal collections. **The table below is a consolidated overview of the proposed 2016/17 Medium –term Revenue and Expenditure Framework:**

Description	Audited Outcomes 2014/15	Adjusted Budget 2015/16	MTREF		
			Budget Year 2016/17	Budget Year+1 2017/18	Budget Year+2 2018/19
	R'000	R'000	R'000	R'000	R'000
Operating Revenue	1,375,762	1,639,726	1,627,865	1,722,829	1,813,618
Operating Expenditure	2,032,501	1,550,288	1,555,465	1,630,583	1,712,244
Surplus/-Deficit	-656,739	89,438	72,400	92,246	101,374
Capital Expenditure	206,474	276,703	257,920	301,747	340,247



1.3.1.2 CONSOLIDATED REVENUE BY SOURCE OF FUNDING

Table 2 Summary of revenue classified by main revenue source

	Past performance	Current Year	Medium Term Revenue & Expenditure Framework		
Description	Audited Outcomes 2014/15	Adjusted Budget 2015/16	Budget Year 2016/17	Budget Year+1 2017/18	Budget Year+2 2018/19
Property rates	109,184,455	262,412,510	207,596,000	217,975,800	228,874,590
Service charges - electricity revenue	247,301,726	442,600,000	568,817,525	598,929,750	623,972,288
Service charges - water revenue	71,288,604	80,000,000	73,882,000	77,576,100	81,454,905
Service charges - sanitation revenue	49,225,689	40,000,000	39,224,000	41,185,200	43,244,460
Service charges - refuse revenue	27,700,237	35,000,000	32,860,000	34,503,000	36,228,150
Income received by the entity (for water & sanitation)	39,317,252	55,036,000	65,172,905	68,431,550	71,853,127
Rental of facilities and equipment	850,031	1,345,000	2,057,940	2,160,837	2,268,879
Interest earned - external investments	1,115,593	2,400,000	2,400,000	2,520,000	2,646,000
Interest earned - outstanding debtors	16,771,406	25,000,000	26,500,000	27,825,000	29,216,250
Fines	879,568	1,080,254	6,055,000	6,357,750	6,675,638
Transfers recognised - operational	403,189,000	660,254,000	564,907,000	604,676,000	644,461,500
Other revenue	408,938,748	34,598,592	38,392,408	40,688,067	42,722,472
Total Revenue	1,375,762,309	1,639,726,356	1,627,864,778	1,722,829,055	1,813,618,259

Table 3 Percentage growth in revenue by main revenue Source

	Past performance		Current Year		MTREF					
Description	Audited Outcomes 2014/15		Adjusted Budget 2015/16		Budget Year 2016/17		Budget Year+1 2017/18		Budget Year+2 2018/19	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	109,184	8%	262,413	16%	207,596	13%	217,976	13%	228,875	13%
Service charges - electricity revenue	247,302	18%	442,600	27%	568,818	35%	598,930	35%	623,971	34%
Service charges - water revenue	71,289	5%	80,000	5%	73,882	5%	77,576	5%	81,455	4%
Service charges - sanitation revenue	49,226	4%	40,000	2%	39,224	2%	41,185	2%	43,245	2%
Income received by the entity (for water & sewer)	39,317	3%	55,036	3%	65,173	4%	68,431	4%	71,854	4%
Service charges - refuse revenue	27,700	2%	35,000	2%	32,860	2%	34,503	2%	36,228	2%
Rental of facilities and equipment	850	0%	1,345	0%	2,058	0%	2,161	0%	2,269	0%
Interest earned - external investments	1,116	0%	2,400	0%	2,400	0%	2,520	0%	2,646	0%
Interest earned - outstanding debtors	16,771	1%	25,000	2%	26,500	2%	27,825	2%	29,216	2%
Fines	889	0%	1,080	0%	6,055	0%	6,358	0%	6,675	0%
Transfers recognised - operational	403,189	29%	660,254	40%	564,907	35%	604,676	35%	644,462	36%
Other revenue	408,939	30%	34,599	2%	38,392	2%	40,688	2%	42,722	2%
TOTAL OPERATING REVENUE	1,375,772	100%	1,639,727	100%	1,627,865	100%	1,722,829	100%	1,813,618	100%

1.3.1.3 PROPERTY RATES

The municipality is in a process of transferring other properties to rightful owners; sites that are being developed; formalisation of rural area & the introduction of flat rate which will improve collection from rates & taxes. This source of revenue constitutes 13% of the total proposed revenue and it forms part of core functions of the municipality revenue base. Although the allocation decreased from the adjusted budget, the municipality will adjust the budget for rates & taxes after monitoring the 2016/17 mid-year outcomes according to the progress of the processes achieved.

1.3.1.4 ELECTRICITY REVENUE

The estimation for **electricity revenue** has increased by 29% from the Adjustment budget. This source of revenue constitutes 35% of the total operating revenue. Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund all these necessary upgrades through increases in the municipality electricity tariff since the resultant tariff increase would be unaffordable for the consumers, however the municipality has invested on new revenue enhancement management system to reduce the losses by the installation of smart meters on the household's and Automatic Meter Reading System (AMR) for all the businesses.

At this stage the Municipality is busy with the physical verification of all the meters within Maluti-A-Phofung. To date 40 meters were found and of which if maintained and serviced to charge properly, the collection could be used to service the Eskom debt.

1.3.1.5 WATER & SANITATION REVENUE

These services constitute 5% and 2% of the total operating revenue respectively.

1.3.1.6 INCOME RECEIVED BY THE ENTITY (SERVICE CHARGES- WATER AND SANITATION)

Income received by the Entity constitutes 4% of the total proposed revenue. The billing for all municipal services is run in the Municipality and the collection thereof is paid into the Municipality's bank account, the Entity then bills the Municipality for all cash received for water and sanitation on a monthly basis. **Note should be taken that water and sanitation are the responsibility of Maluti-A-Phofung Water Entity.**

1.3.1.7 REFUSE REMOVAL REVENUE

This source of revenue constitutes 2% of our proposed revenue. The municipality is in the process of entering into a lease agreement of yellow and white fleet in order to further improve the service.

1.3.1.8 GOVERNMENT GRANTS AND SUBSIDIES

This category constitutes 35% of our total operating income and the grants and subsidies consist of the following- see a table below: The equitable share allocations supplement municipalities' own revenues for the provision of basic services to poor households. Grants seem to have decreased by 15% from the adjustment budget due to the equitable share 2014/2015 allocation that was paid in the financial year 2015/2016.



Table 4 Operating Transfers and Grant Receipts (as per DoRA)

Description	Adjusted Budget 2015/16	Amount allocated for 2016/17	Amount allocated for 2017/18	Amount allocated for 2018/19
OPERATING GRANTS	R'000	R'000	R'000	R'000
Equitable Share	557 649	458 097	492 281	526 299
Finance Management Grant (MSCOA implementation)	1 675	1 810	2 145	2 274
Municipal System Improvement Programme Grant	930	-	-	-
Total Operating Grants	560 254	459 907	494 426	528 573

1.3.1.9 INTEREST EARNED ON EXTERNAL INVESTMENTS

The estimate for **interest earned on external investments** constitutes 0% of the proposed total revenue and it has remained stable when compared to the adjusted budget of 2015/2016. This depends on Municipality's cash flow.

1.3.1.10 INTEREST EARNED ON OUTSTANDING DEBTORS

The estimate for **interest earned on outstanding debtors** increased by 6% from the 2015/16 2nd adjustment budget, interest is not charged on government accounts, 7% of our outstanding debts are from government accounts, 10% from business, 60% from residential, 11% from FDC, 6% from indigents as at 31st May 2016. Note should be taken that non-payment is still a challenge but the Council has adopted the debt relief strategy that includes business and education consumers as well.

1.3.1.11 FINES

The Municipality has introduced the traffic fines management systems through a service provider and is in the process of increasing the installation of CCTV cameras

1.3.1.12 OTHER REVENUE

This group includes revenue generated through services provided to the community, i.e. building plan fees, water and electricity connection fees, fines, transport fees, dumping fees, rent of facilities, etc. and this constitutes 2% of our total Revenue.

1.4 CONSOLIDATED OPERATING REVENUE FRAMEWORK

1.4.1. PROPOSED TARIFF SETTING

Detailed Proposed tariffs for the 2016/17 financial year are attached to the budget document on

Annexure 4, however the summary of the proposed increase is as follows:

Table 5 summary of proposed tariffs

Description	Average Increase
Rates and Taxes	0%
Electricity	7.64%
Refuse	6%
Water	6%
General Tariffs	6%
Community Services	6%
Cemetery	6%
Advertising	6%
Sanitation	6%

1.4.1 Rates and Taxes Tariff

There is no proposed increase on the Property Rates tariff for 2016/2017 financial year because the new valuation roll was implemented as from the 1st of July 2015, the following tariffs will apply:

Table 6 Property rates Comparison

PROPERTY RATES AND TAXES TARIFFS						
Category	2016/2017 PROPOSED					
	PROPOSED 2016/17	Rate per Rand	Rebate %	Rebate Value per Rand	Rate Payable per Rand	Tariff Codes
RESIDENTIAL PROPERTY						
Market value (developed)	0.0076	0.3802	98%	0.3726	0.0076	VA0001
Market value (undeveloped)	0.0380	0.3802	90%	0.3422	0.0380	VA0002
Indigent	0.0000	0.3802	100%	0.3802	0.0000	VA0003
Old Age / Pensioners						
100% Rebate on first R200 000 of the market value	0.0000	0.3802	98%	0.3726	0.0076	VA0001
(Rebate on first R80 000 of market value is granted)						
(20% rebate will be granted on the full payment made in full before 30 September 2016 for residential only)						
BUSINESS						
Market value (developed)	0.0380	0.7604	95%	0.7224	0.0380	VA0004
Market value (undeveloped)	0.0760	0.7604	90%	0.6844	0.0760	VA0005
STATE OWNED PROPERTY						
Market value (developed)	0.0655	0.0851	23.00%	0.0196	0.0655	VA0025
Market value (undeveloped)	0.0655	0.0851	23.00%	0.0196	0.0655	VA0024
The rebate of (1c) one cents shall be given on for rates and taxes for government properties						

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

The following stipulations in the Property Rates Policy are highlighted:

The first R80 000 of the market value of a property used for residential purposes is excluded from rate-able value in addition to this 20% rebate will be granted to residential rate payers who will pay their rates account before the 30th of September 2016. 100 per cent rebate will be granted to registered indigents, Old age and state pensioners in terms of Indigent Policy. 100 per cent rebate will be granted to registered non- profit organisation

1.4.2 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 out-strips supply. The municipality is in a process of reviewing the current water tariff structure to ensure that water tariffs structures are cost reflective by 2017 and also to ensure that:

- 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.

Table 7 Comparison between current water charge and increase

WATER SERVICES TARIFFS			
SERVICE	APPROVED RATES 2015/2016 R	PROPOSED % INCREASE	PROPOSED RATES 2016/2017 R
TARIFF- 1			
MAP AREA - DOMESTIC USERS OLD AGE HOMES, HOSTELS AND FLATS			
0-6 kl	7.22	5.26%	7.60
7-12 kl	8.82	5.38%	9.30
13-25 kl	9.10	5.54%	9.60
26-40 kl	9.34	5.95%	9.90
41kl and upwards	10.49	4.88%	11.00
0-6kl free basic water for registered indigents only			
0-6 kl non inc municipal area, Plots & Farms	5.90	1.71%	6.00

1.4.3 Sanitation and impact of tariffs increases

A tariff increase of 6 per cent for sanitation from 1 July 2016 is proposed. This is based on the input cost assumptions related to water. 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 per cent subsidy) will be applicable to registered indigents; and
- The total revenue of sanitation expected to be generated amounts to R39.2 million for the 2016/2017 financial year

The following table compares the current and proposed final tariffs:

Table 8 Comparison between current Sanitation charge and increase

WASTE WATER MANAGEMENT (SANITATION) TARIFFS			
SERVICE	APPROVED	PROPOSED	PROPOSED
	RATES	%	RATES
	2015/2016	INCREASE	2016/2017
	R		R
TARIFF - 1			
DOMESTIC - BASIC CHARGE PER STAND			
Harrismith & Kestell: Domestic, Flats, Old age & Hostels (Residential town)	126.30	5.70%	133.50
Residential @ townships	76.10	5.78%	80.50
<i>Charged monthly</i>			

1.4.4 Electricity and impact of tariff increase

In terms of the Multi Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA), a tariff increase of 9.4 per cent has been approved for the 2016/17 financial year from Eskom to municipalities. However NERSA has not yet approved and published guidelines on municipal electricity price increase for the 2016/17 financial year. The municipality has applied for 7.64% tariff increase for the 2016/17 financial year.

The following table compares the current and approved tariffs

Table 9 Comparison between current Electricity charge and increase

ELECTRICITY TARIFFS				
ELECTRICITY	kWh	APPROVED	PROPOSED	PROPOSED
		RATES 2015/2016 R	% INCREASE	RATES 2016/2017 R
Consumer Cost (Tariffs do not include VAT)				
TARIFF -A- DOMESTIC TARIFFS				
House, Flats, Old Age Homes, Hotels, Church Offices, Charity Organisations, Schools, Sport Grounds, Clubs, Agricultural Societies.				
BASIC LEVY - PER MONTH				
Single Phase (Conventional Meters)		176.47	7.64%	189.95
Three Phase (Conventional Meters)		176.47	7.64%	189.95
Rural tariff		180.80	7.64%	194.61
TARIFF PER UNIT				
DOMESTIC NON RURAL				
Conventional Normal meter-per kWh(single phase)summer tariff	(0-50kWh)	0.81	3.97%	0.84
	(51-350kWh)	1.08	-0.34%	1.08
	(351-600kWh)	1.49	2.04%	1.52
	(>600kWh)	1.66	4.37%	1.73
Conventional Normal meter-per kWh(single phase)winter tariff	(0-50kWh)	0.85	3.72%	0.88
	(51-350kWh)	1.19	-2.36%	1.16
	(351-600kWh)	1.56	7.64%	1.68
	(>600kWh)	1.66	7.64%	1.78
Basic charge conventional NON RURAL(single/three phase)		176.47	7.64%	189.95
Pre-paid meter - per kWh(Single phase&three phase)summer tariff	(0-50kWh)	0.80	6.61%	0.85
	(51-350kWh)	1.15	7.64%	1.24
	(351-600kWh)	1.55	7.64%	1.66
	(>600kWh)	1.66	7.64%	1.78
Pre-paid meter - per kWh(Single phase&three phase)winter tariff	(0-50kWh)	0.91	6.60%	0.97
	(51-350kWh)	1.26	7.64%	1.35
	(351-600kWh)	1.55	7.64%	1.66
	(>600kWh)	1.66	7.64%	1.78

1.4.5 Waste management and impact of tariff increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. 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 main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

Considering the deficit, the municipality is doing a comprehensive investigation into the cost structure of solid waste function and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. An average of 6 per cent increase in the waste removal tariff is proposed from 1 July 2016



Table 10 Comparison between current Refuse removal charge and increase

WASTE MANAGEMENT TARIFFS			
SERVICE	APPROVED RATES 2015/2016 R	PROPOSED % INCREASE	PROPOSED RATES 2016/2017 R
<u>REFUSE REMOVAL</u>			
<u>TARIFF (excl. VAT)</u>			
<u>Residential:</u>	Per month for one refuse removal per week		Per month for one refuse removal per week
Residential properties	79.95	5.69%	84.50
Businesses, including businesses operated from residential dwellings (per container per month)	285.29	5.86%	302.00
Industrial Small 208	327.22	5.89%	346.50
Industrial Medium 600	703.42	5.98%	745.50
Industrial Larger 1800	2 109.14	5.97%	2 235.00
Building Waste - Self dumping	free		free
Government, Magistrate, Police	877.04	5.92%	929.00
Market value (undeveloped)			
Schools	447.59	5.90%	474.00
Hospitals	1 193.19	5.98%	1 264.50
Universities	3 157.58	6.00%	3 347.00
Colleges	1 288.44	5.94%	1 365.00
Dumping of refuse by Businesses & Industrial - self dumping per ton	38.25	5.87%	40.50
Flats (Per Units)	1 030.75	5.94%	1 092.00
Business	354.29	5.85%	375.00
Sales of rubbish bins	Actual cost+25%		Actual cost+25%
Emptying of cages measured by m ³	20.0000	5.00%	21.00
Taxi Ranks	1 267.80	5.93%	1 343.00
Garages	1 267.80	5.93%	1 343.00
Deed title per unit	2 088.14	5.98%	2 213.00
FDC Complexes (Rural)	1 021.69	6.00%	1 083.00
Hostels and Restaurants	354.29	5.85%	375.00
Tshame Bus 2 Ren Rw	142.65	5.86%	151.00



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

1.4.6 Overall impact of tariff increases on households

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

Table 11 MBRR Table SA14- Household bills

FS194 Maluti-a-Phofung - Supporting Table SA14 Household bills

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	275.50	275.50	275.50	275.50	392.67	392.67	-	392.67	393	393
Electricity: Basic levy	139.34	149.10	157.28	167.82	167.82	167.82	5.2%	176.47	185	195
Electricity: Consumption	1 090.00	1 155.40	1 224.72	1 298.21	1 298.21	1 298.21	7.9%	1 401.00	1 471	1 545
Water: Basic levy								-	-	-
Water: Consumption	280.00	296.80	314.61	333.48	333.48	333.48	6.3%	354.64	372	391
Sanitation	65.12	68.38	71.79	126.30	126.30	126.30	5.7%	133.50	140	147
Refuse removal	68.41	71.83	75.42	79.95	79.95	79.95	5.7%	84.50	89	93
Other										
sub-total	1 918.37	2 017.00	2 119.33	2 281.26	2 398.43	2 398.43	11.5%	2 542.78	2 650.29	2 763.17
VAT on Services										
Total large household bill:	1 918.37	2 017.00	2 119.33	2 281.26	2 398.43	2 398.43	11.5%	2 542.78	2 650.29	2 763.17
% increase/-decrease		5.1%	5.1%	7.6%	5.1%	-		6.0%	4.2%	4.3%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	280.00	296.80	314.61	333.48	266.00	266.00	-	266.00	266	266
Electricity: Basic levy	139.34	149.10	157.28	167.82	167.82	167.82	5.2%	176.47	185	195
Electricity: Consumption	470.00	498.20	528.09	559.78	559.78	559.78	6.9%	598.31	628	660
Water: Basic levy								-	-	-
Water: Consumption	170.00	180.20	191.01	202.47	202.47	202.47	6.0%	214.54	225	237
Sanitation	65.12	68.38	71.79	76.10	76.10	76.10	5.8%	80.50	85	89
Refuse removal	68.41	71.83	75.42	79.95	79.95	79.95	5.7%	84.50	89	93
Other										
sub-total	1 192.87	1 264.50	1 338.21	1 419.60	1 352.12	1 352.12	0.1%	1 420.32	1 478.04	1 538.64
VAT on Services										
Total small household bill:	1 192.87	1 264.50	1 338.21	1 419.60	1 352.12	1 352.12	0.1%	1 420.32	1 478.04	1 538.64
% increase/-decrease		6.0%	5.8%	6.1%	(4.8%)	-		5.0%	4.1%	4.1%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates								-	-	-
Electricity: Basic levy								-	-	-
Electricity: Consumption	435.34	464.50	487.73	42.50	42.50	42.50	662.4%	324.00	340	357
Water: Basic levy								-	-	-
Water: Consumption	106.51	112.37	117.99	43.32	43.32	43.32	190.2%	125.72	132	139
Sanitation	-	-	-					-	-	-
Refuse removal	-	-	-					-	-	-
Other										
sub-total	541.85	576.87	605.72	85.82	85.82	85.82	424.0%	449.72	472.21	495.82
VAT on Services										
Total small household bill:	541.85	576.87	605.72	85.82	85.82	85.82	424.0%	449.72	472.21	495.82
% increase/-decrease		6.5%	5.0%	(85.8%)	-	-		424.0%	5.0%	5.0%

SOCIAL PACKAGE

The following social package will be provided during 2016/17 financial year.

Table 12 social packages

Service charges	Residents (non-indigents)	Indigents
Electricity	0	50kWh per month
Water	0	6kl per month
Refuse removal	0	100%
Sanitation	0	100%
Assessment rates	(Rebate on first R80 000 of market value is granted)	100%
Assessment rates	(20% rebate will be granted on the full payment made in full before 30 September 2016)	

1.5 CONSOLIDATED OPERATING EXPENDITURE FRAMEWORK

The expenditure section of the operating budget outlines out all the operating expenses and cash outflows to both internal and external sources.

In order to facilitate accountability departments must budget for all expenditure necessary for the performance of their respective functions.

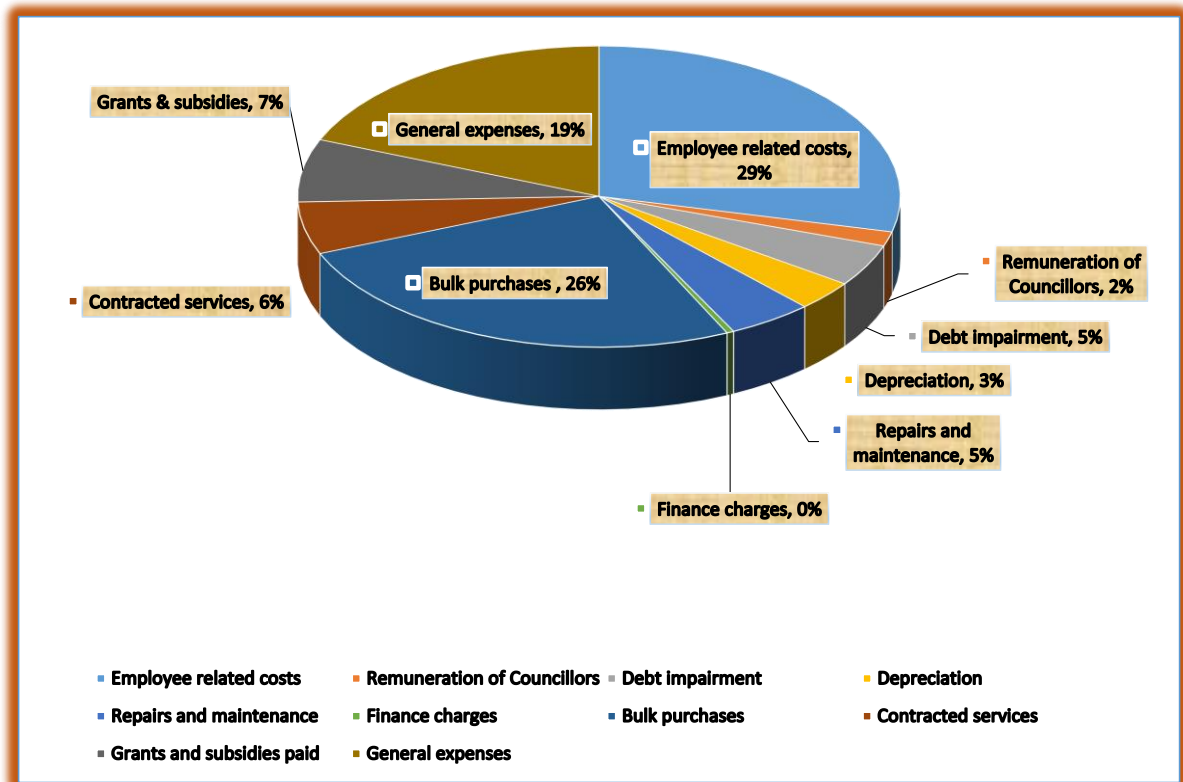
However, departments are required to address only the expenditure items directly manageable by the relevant department.

The zero-based types of analysis where all activities are open to in-depth review and scrutiny during the budget process provides an opportunity for the reallocation of resources to important priorities and avoid continuous growth in the budgeted expenditure of low priorities.

The expenditure budget consists of operational service delivery items and provides, inter alia, for the following:

Table13 Operating Expenditure by Standard classification item

Description	Audited Outcomes 2014/15	Adjusted Budget 2015/16	MTREF			
			Budget Year 2016/17	% in relation to 2016/17 budget year	Budget Year+1 2016/18	Budget Year+2 2018/19
	R'000	R'000	R'000		R'000	R'000
Employee related costs	336 339	407 576	447 899	29%	467 426	490 792
Remuneration of Councillors	23 489	22 718	24 098	2%	25 303	26 568
Debt impairment	(154 200)	102 887	70 050	5%	73 553	77 230
Depreciation	188 214	70 000	50 000	3%	52 500	55 125
Repairs and maintenance	451 755	130 310	71 220	5%	74 781	78 520
Finance charges	4 689	6 000	6 000	0%	6 300	6 615
Bulk purchases	457 383	219 846	400 838	26%	420 880	441 924
Contracted services	63 362	117 325	87 140	6%	91 497	96 072
Grants and subsidies paid	1 007	185 000	105 000	7%	110 250	115 763
General expenses	660 463	288 626	293 219	19%	308 093	323 636
TOTAL OPERATING EXPENDITURE BY TYPE	2 032 501	1 550 288	1 555 464	100%	1 630 583	1 712 245



The following table gives a breakdown of the main expenditure categories for the 2016/2017 financial year:

Table 14 Operating Expenditure By Vote

Expenditure By Vote	Audited Outcomes 2014/2015	Adjusted Budget 2015/16	MTREF			
			Budget Year 2016/17	% in relation to 2016/17 budget year	Budget Year +1 2017/18	Budget Year+2 2018/19
Legislative Authority	43,407,412	115,550,238	122,615,774	8%	128,746,563	135,183,891
Office of the Municipal Manager	16,746,641	29,086,898	52,735,907	3%	54,422,632	57,134,718
Corporate Services	31,101,099	42,624,286	38,990,945	3%	40,707,993	42,743,393
Budget & Treasury Office	333,330,121	528,857,061	349,041,287	22%	366,732,352	385,212,042
Municipal Infrastructure	352,843,361	142,796,189	86,822,977	6%	90,114,125	94,619,832
Community Services	6,377,836	12,360,914	13,299,366	1%	13,617,891	14,299,042
Public Safety & Transport	62,845,599	93,341,943	104,238,870	7%	109,240,814	114,702,854
Sports, Parks, Arts & Culture	35,096,852	40,370,522	51,372,699	3%	53,941,334	56,638,400
LED & Tourism	3,767,234	25,813,434	32,459,794	2%	34,082,784	35,784,923
Human Settlements	15,007,599	12,333,760	22,989,025	1%	24,033,476	25,235,149
Spatial Development, Planning & Traditional Affairs	7,787,196	10,378,568	13,880,301	1%	14,574,316	15,303,032
Electricity Department	986,479,504	341,428,408	496,844,928	32%	521,687,174	547,771,533
Maluti Water (Pty) Ltd	137,710,991	155,346,000	170,172,905	11%	178,681,550	187,615,627
Total	2,032,501,445	1,550,288,222	1,555,464,778	100%	1,630,583,002	1,712,244,437



Table 15 MBRR Table A3 – Budgeted Financial Performance (revenue and Expenditure by municipal vote)

FS194 Maluti-a-Phofung - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		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 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1,035	187	306	-	700	700	1,000	1,050	1,103
Vote 4 - Budget & Treasury Office		780,903	797,936	1,051,633	1,530,133	1,052,536	1,052,536	900,895	971,977	1,049,025
Vote 5 - Municipal Infrastructure		100,422	115,133	148,823	162,859	155,108	155,108	145,976	153,275	160,939
Vote 6 - Community Services		507	25	1,720	1,518	2,632	2,632	2,547	2,674	2,808
Vote 7 - Public Safety & Transport		1,277	2,647	1,965	21,042	1,778	1,778	7,112	7,467	7,840
Vote 8 - Sports, Parks, Arts & Culture		953	1,186	540	729	893	893	1,010	1,060	1,113
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	-	6,000	13,519	13,519	5,000	5,250	5,513
Vote 10 - Human Settlements		63	47	55	1,060	535	535	4,153	4,361	4,579
Vote 11 - Spatial Development, Planning & Traditional		659	434	602	875	390	390	3,626	4,374	4,593
Vote 12 - Electricity Department		264,324	104,202	248,774	504,422	443,553	443,553	571,893	602,159	627,363
Vote 13 - Maluti Water (Pty) Ltd		113,247	91,071	127,817	175,346	155,346	155,346	170,173	178,682	187,616
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,263,391	1,112,869	1,582,236	2,403,984	1,826,991	1,826,991	1,813,385	1,932,330	2,052,491
Expenditure by Vote to be appropriated	1									
Vote 1 - Legislative Authority		34,958	38,514	43,407	105,667	115,550	115,550	122,616	128,747	135,184
Vote 2 - Office of the Municipal Manager		11,720	27,386	16,747	31,874	29,087	29,087	52,736	54,423	57,135
Vote 3 - Corporate Services		15,377	17,957	31,101	25,331	42,624	42,624	38,991	40,708	42,743
Vote 4 - Budget & Treasury Office		562,355	561,925	333,330	569,089	528,857	528,857	349,041	366,732	385,212
Vote 5 - Municipal Infrastructure		177,394	139,027	352,843	109,477	142,796	142,796	86,823	90,114	94,620
Vote 6 - Community Services		5,944	7,283	6,378	11,701	12,361	12,361	13,299	13,618	14,299
Vote 7 - Public Safety & Transport		54,826	42,630	62,846	71,197	93,342	93,342	104,239	109,241	114,703
Vote 8 - Sports, Parks, Arts & Culture		29,583	35,651	35,097	36,790	40,371	40,371	51,373	53,941	56,638
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		2,727	10,384	3,767	30,546	25,813	25,813	32,460	34,083	35,785
Vote 10 - Human Settlements		11,597	16,103	15,008	14,061	12,334	12,334	22,989	24,033	25,235
Vote 11 - Spatial Development, Planning & Traditional		9,294	7,941	7,787	14,998	10,379	10,379	13,880	14,574	15,303
Vote 12 - Electricity Department		420,434	396,167	986,480	757,241	341,428	341,428	496,845	521,687	547,772
Vote 13 - Maluti Water (Pty) Ltd		113,247	85,269	137,711	175,346	155,346	155,346	170,173	178,682	187,616
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,449,457	1,386,237	2,032,501	1,953,319	1,550,288	1,550,288	1,555,465	1,630,583	1,712,244
Surplus/(Deficit) for the year	2	(186,066)	(273,368)	(450,265)	450,665	276,703	276,703	257,920	301,747	340,247

1.5.1 EMPLOYEE RELATED COST AND REMUNERATION OF COUNCILLORS

The allocation for employee related cost for 2016/17 amount to R447 million which equals to 29 per cent of the total operating expenditure, and R24 million for remuneration of Councillors allowances which constitutes 2% of the total operating expenditure. The increase in employee related costs is mainly due to the provision of salary increase in the next financial year (2016/17) which is based on the average CPI (Feb 2015 – Jan 2016) + 1 per cent according to circular 79 and other critical vacant positions.

1.5.2 REPAIRS AND MAINTENANCE

Repairs and Maintenance constitutes 5% of our total annual operating expenditure. This category includes all labour, vehicle and material costs for the repair and maintenance of the assets of the Municipality. It includes both contracted services and services performed by employees. The total cost of asset maintenance is disclosed in this category to enable an evaluation of asset performance.

The repairs and maintenance of electricity, roads, storm water systems, traffic lights, buildings, vehicles, grounds, and equipment will be included in this category.

The deferral of maintenance expenditure on assets has the effect of increasing future maintenance costs and also has potential for reducing the economic life of the asset and hence the flow of economic benefits. Deferrals and the impact thereof should be indicated clearly in the operational plans.

In determining the budget under this section, the following should also be allowed for:

- New assets to be acquired during the course of the year and which would require maintenance.
- Capital assets to be sold or disposed of in the course of the year and which would not require further maintenance.

Departments must indicate their needs to maintain the assets of the Municipality in the repairs and maintenance master plans. Departments must also indicate in their operational plans their annual requirements and the deferred maintenance needs.

Table 16 Repairs and Maintenance per asset class

DESCRIPTION	ADJUSTMENT BUDGET 2015/16	PROPOSED FINAL BUDGET 2016/17	FINAL BUDGET 2017/18	FINAL BUDGET 2018/19
R & M - BUILDINGS	6 000 000	5 000 000	5 250 000	5 512 500
R & M - COMPUTER EQUIPMENT	200 000	840 000	882 000	926 100
R & M - EQUIPMENT & TOOLS	50 000	115 000	120 750	126 788
R & M - FENCING	500 000	1 250 000	1 312 500	1 378 125
R & M - FURNITURE	300 000	315 000	330 750	347 288
R & M - RESURFACING OF ROADS	65 000 000	12 000 000	12 600 000	13 230 000
R & M - GROUNDS & OPEN SPACES	80 000	120 000	126 000	132 300
R & M - MOTORS & PUMPS	180 000	330 000	346 500	363 825
R & M - NETWORK RETICULATION	30 000 000	20 000 000	21 000 000	22 050 000
R & M - STREET LIGHTS	10 000 000	10 000 000	10 500 000	11 025 000
R & M - STREETS & STORMWATER- CO- OPERATIVES DEVELOPMENT	2 000 000	5 000 000	5 250 000	5 512 500
R & M - SUBSTATIONS	2 500 000	5 000 000	5 250 000	5 512 500
R & M - VEHICLES	5 500 000	2 000 000	2 100 000	2 205 000
R & M -TRAFFIC LIGHTS	2 000 000	3 000 000	3 150 000	3 307 500
R & M- CCTV CAMERAS	1 000 000	1 000 000	1 050 000	1 102 500
R & M- MAP WATER	5 000 000	5 250 000	5 512 500	5 788 125
TOTAL REPAIRS AND MAINTENANCE	130 310 000	71 220 000	74 781 000	78 520 050

1.5.3 BULK PURCHASES (ELECTRICITY & WATER)

Proposed Bulk purchases of electricity and water amounts to R400.8 million which constitutes 26% of the expenditure for 2016/2017 the change is directly informed by the tariff in purchases of bulk electricity from Eskom, actual payments to date in the current financial year and the amount to pay as per the repayment plan.

1.5.4 FINANCE CHARGES

Finance charges include the payment of interest and redemption on external loans by municipality. This constitutes 0% of the total annual operating expenditure for 2016/2017

1.5.6 CONTRACTED SERVICES

This includes services which the municipality lacks human capital and skills in, which have a period of more than one year and these services are electricity, financial systems, landside fill, refuse collection, streetlights, valuation roll, revenue enhancement project and Municipal building insurance. This constitutes 6% of the proposed expenditure for 2016/2017

1.5.7 GRANTS AND SUBSIDIES PAID

These are the grants that the municipality is paying over to the Entity and the free basic services given to registered indigents of Maluti-A-Phofung, it constitutes 11% of the proposed expenditure for 2016/2017

1.5.8 GENERAL EXPENSES

General expenses consist mainly of various line items relating to the daily operations of the municipality like, fuel cost, bank charges, consultant fees, training fees, electricity disconnection fees, stationary, printing and postage cost, telecommunication, various rentals, etc.

1.5.9 PROVISION FOR DEBTS IMPAIRMENT AND DEPRECIATION AND ASSETS IMPAIRMENT

The provision for debt impairment was determined based on an annual collection rate (Current payment levels) and this expenditure is considered to be a non-cash flow item, it constitutes 5% of the total operating expenditure. This line item was decreased because of the debt relief strategy in place and other collection strategies like debt collectors, issuing of notices, electronic mailing of statements in progress, issuing statements and regular follow ups by our credit controllers.

The provision for depreciation and assets impairment constitutes 3% of our total operating expenditure. The decrease from the adjustment budget was because of the municipality's intention to lease yellow & white fleet and disposing off old vehicles.

1.6 CAPITAL BUDGET

The IDP process informs the budget and the preparation of the capital budget is based on the capital development priorities approved through the Intergrated Development Plan (IDP).

The capital budget consists of the non-operational needs of the community as well. The procurement of assets, with a lifespan of more than one year is classified as capital expenditure also.

1.6.1 CONSOLIDATED CAPITAL BY FUNDING SOURCE

The projected annual capital budget amounts to R257,9 million for the 2016/17 financial year, which represents a decrease of R18,7 million (7%) below the approved capital budget for 2015/16.

Table 17 Medium Term Capital funding

Description	Approved allocation for 2015/16	Amount allocated for 2016/17	Amount allocated for 2017/18	Amount allocated for 2018/19
CAPITAL GRANTS	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant- MIG	157,047	154,870	166,843	176,873
Integrated National Electrification Programme (Municipal) Grant - INEP	20,000	3,000	10,000	20,000
Expanded Public Works Programme Incentive grant for Municipalities- EPWP	5,718	7,650	-	-
Rural Household Infrastructure Grant- RHIG	4,500	-	-	-
Regional Bulk Infrastructure Grant RBIG	-	-	26,658	42,000
Water Services Infrastructure Grant- WSIG	-	20,000	-	-
Energy Demand Management Grant- EDSMG	-	-	6,000	-
Total National Grants	187,265	185,520	209,501	238,873
OWN FUNDS ALLOCATIONS				
Capital Fixed Assets	6,243	14,400	13,780	18,969
Capital projects	83,195	58,000	78,466	82,405
Total own funds allocation	89,438	72,400	92,246	101,374
TOTAL ASSETS	276,703	257,920	301,747	340,247



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Table 18 MBRR Table A5- Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

FS194 Maluti-a-Phofung - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	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
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure	316,787	308,109	244,371	406,165	270,460	270,460	243,520	287,967	321,278
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport	-	-	-	-	-	-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agriculture	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements	-	-	-	-	-	-	-	-	-
Vote 11 - Spatial Development, Planning & Tradit	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Department	-	-	-	-	-	-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	316,787	308,109	244,371	406,165	270,460	270,460	243,520	287,967	321,278
Single-year expenditure to be appropriated									
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	480	673	3,000	4,900	4,900	5,500	2,625	2,756
Vote 3 - Corporate Services	-	-	-	-	-	-	500	525	551
Vote 4 - Budget & Treasury Office	-	1,752	808	1,000	500	500	-	-	-
Vote 5 - Municipal Infrastructure	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport	-	-	3,913	40,500	843	843	7,800	10,000	15,000
Vote 8 - Sports, Parks, Arts & Culture	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agriculture	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements	-	-	-	-	-	-	600	630	662
Vote 11 - Spatial Development, Planning & Tradit	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Department	-	-	-	-	-	-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	2,232	5,394	44,500	6,243	6,243	14,400	13,780	18,969
Total Capital Expenditure - Vote	316,787	310,341	249,765	450,665	276,703	276,703	257,920	301,747	340,247
Capital Expenditure - Standard									
Governance and administration	8,928	2,232	1,481	4,000	5,400	5,400	6,000	3,150	3,308
Executive and council	8,598	480	673	3,000	4,900	4,900	-	-	-
Budget and treasury office	330	1,752	808	1,000	500	500	-	-	-
Corporate services	-	-	-	-	-	-	6,000	3,150	3,308
Community and public safety	39,721	21,743	41,145	81,947	65,155	65,155	73,787	70,253	60,918
Community and social services	18,307	11,036	17,676	14,217	37,398	37,398	30,594	32,750	39,392
Sport and recreation	21,414	10,707	19,557	27,231	26,914	26,914	34,793	26,873	5,864
Public safety	-	-	3,913	40,500	843	843	7,800	10,000	15,000
Housing	-	-	-	-	-	-	600	630	662
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	60,964	98,170	30,012	165,476	69,040	69,040	86,782	112,902	119,002
Planning and development	12,898	6,389	1,565	82,179	-	-	-	-	-
Road transport	48,066	91,781	28,448	83,296	69,040	69,040	86,782	112,902	119,002
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	200,646	178,397	172,171	193,728	128,728	128,728	77,608	107,101	148,176
Electricity	19,585	34,539	37,606	31,340	37,329	37,329	10,048	21,000	28,000
Water	91,043	74,147	73,648	106,471	60,960	60,960	50,168	41,064	54,500
Waste water management	90,017	69,711	60,917	37,917	30,439	30,439	17,391	45,037	65,676
Waste management	-	-	-	18,000	-	-	-	-	-
Other	6,529	9,798	4,955	5,514	8,380	8,380	13,744	8,342	8,844
Total Capital Expenditure - Standard	316,787	310,341	249,765	450,665	276,703	276,703	257,920	301,747	340,247
Funded by:									
National Government	286,990	282,849	204,368	247,865	187,265	187,265	185,520	209,501	238,873
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	57,000	-	-	-	-	-
Transfers recognised - capital	286,990	282,849	204,368	304,865	187,265	187,265	185,520	209,501	238,873
Public contributions & donations									
Borrowing	20,093								
Internally generated funds	9,704	27,492	45,397	145,800	89,438	89,438	72,400	92,246	101,374
Total Capital Funding	316,787	310,341	249,765	450,665	276,703	276,703	257,920	301,747	340,247



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Table 19 -List of Capital Project for 2016/2017

PROJECTS FROM MIG GRANT		WARD NO	PROPOSED FINAL BUDGET 16/17	PROPOSED FINAL BUDGET 17/18	PROPOSED FINAL BUDGET 18/19
Phuthaditjhaba / QwaQwa: Intermodal/New taxi facility- Phase 1	Phuthaditjhaba	27	12 614 716	12 608 043	4 220 509
Intabazwe / Harrismith: New Commuter infrastructure facility	Intabazwe	22	10 203 358	1 604 756	
PMU Establishment	Project management		7 743 500	8 342 150	8 843 650
Kestell (Tlholong): 5km New paved roads phase 5	Tlholong	3	10 429 329	1 452 500	
Maluti-a-Phofung Phuthaditjhaba: Paving of Roads 14.5km- Phase 3	Phuthaditjhaba	27	3 299 580	1 164 350	
Namahadi: Construction of Paved Roads and Storm water: Qwa Rural: Paving-Retention	Namahadi	18	883 855	-	
Disaster Park: Paving of 4.5km roads - Phase 3	Disaster Park	34	15 087 793	2 219 600	
Phuthaditjhaba: Provision of water services for network extensions and 2940 erf connections	Manguang, Naledi	12 & 17	11 828 606	1 100 000	
Intabazwe: New indoor sport and recreational facility (Phase 1)	Intabazwe	22	4 708 939	-	-
Intabazwe Stadium	Intabazwe	22	16 200 188	16 401 668	4 487 697
Maluti-a-Phofung: 153 High mast lights in 4 towns	Still to be determined		3 048 401		-
Maluti-a-Phofung: Fencing and infrastructure at all cemeteries (Phase 1 C)	Bluegumbosch, Tshiamo, Tlholong	34, 1 and 3	3 476 013	1 249 900	-
Bluegumbosch: New indoor Sport and Recreational Facility	Bluegumbosch	34	16 381 398	10 470 950	1 376 460
Wilge: Upgrading of the Wilge Waste Water Treatment Works - Phase 1	Harrismith	6	10 756 553	-	-
Tshiamo B: Paving of 6km roads - Phase 2B	Tshiamo B	1	9 696 918	1 179 495	-
Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections	Bolata, Phameng	12 & 35	12 789 584	1 477 200	
Harrismith / Intabazwe Ext. 3: Sewer Outfall Line and Rising Main	Intabazwe Ext 3	5	-	9 824 093	5 675 907
Wilge: Construction of a 4 MI Reservoir	Wilgepark Harrismith	6	-	5 500 000	12 500 000
Intabazwe: New indoor sport and recreational facility phase 2	Intabazwe	22	2 721 269	-	
Tshiamo B: Construction of Paved Roads Phase 3	Tshiamo B	1	-	7 500 000	17 750 000
Maluti A Phofung construction of Paved road and stormwater: QwaQwa rural phase 2	Namahadi	18	2 000 000	13 875 000	13 625 000
Intabazwe /Harrismith establishment of fire station	Harrismith	22	-	7 000 000	7 700 000
Phuthaditjhaba Upgrading of Town hall	Phuthaditjhaba	29	-	4 500 000	5 000 000
Monontsha:Construction of footbridge	Monontsha; Bolata; Paballong	9; 11; 13	-	1 104 293	6 000 000
Tshiamo B: New Commuter Facility	Tshiamo B	1	-	5 330 000	2 338 812
Kestell/ Tlholong New Paved road Phase 6	Kestel	3	-	5 706 483	6 000 000
Maluti A Phofung high mast light 4 towns phase 2		6; 22	-	5 000 000	8 000 000
Intabazwe: Paving of 6km-Phase 2	Intabazwe	5	-	-	8 046 200
Tlholong: New Taxi Facility	Tlholong	3	-	6 246 235	5 753 765
Construction of sewer network for Namahadi	Namahadi	26	-	4 500 000	10 000 000
Intabazwe Paving of 4,5km roads - Phase 3	Intabazwe	4	-	4 945 000	14 555 000
Intabazwe Ext. 3: Construction of Waterborne Sewer Network	Intabazwe	5	-	3 000 000	12 000 000
Bluegumbosch: Refurbishment of Sewer Line	Bluegumbosch	34	-	4 000 000	10 000 000
Intabazwe Ext. 3: Construction of Internal Water Reticulation with Water Meters	Intabazwe	5	1 000 000	6 328 665	
Construction of Manguang sewer network	Manguang	17	-	4 712 618	5 000 000
Thabong/Kgotsong: Construction of Sewer Network	Lusaka	24, 30	-	8 500 000	8 000 000
TOTAL PROJECTS FROM MIG GRANT			154 870 000	166 843 000	176 873 000



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PROJECTS FROM OTHER SOURCES OF FUNDING		WARD NO	PROPOSED FINAL BUDGET 16/17	PROPOSED FINAL BUDGET 17/18	PROPOSED FINAL BUDGET 18/19
Electrification Programme	Makholokweng	1	3 000 000	10 000 000	20 000 000
Eradication of backlogs (DoE)	and Tshiame D				
Water Services Infrastructure Grant (WSIG)			20 000 000	-	-
EPWP			7 650 000	-	-
Energy Efficiency & Demand Side Management Grant (EDMG)			-	6 000 000	-
Regional Bulk Infrastructure Grant (RBIG)			-	26 658 000	42 000 000
TOTAL PROJECTS FROM OTHER SOURCES OF FUNDING			30 650 000	42 658 000	62 000 000
PROJECTS FROM OWN FUNDS		WARD NO	PROPOSED FINAL BUDGET 16/17	PROPOSED FINAL BUDGET 17/18	PROPOSED FINAL BUDGET 18/19
Sewerage connection Lusaka	Lusaka	30 and 24	4 000 000	-	-
Substation (11kv line to Nestle & Wilge treatment works)	Nuwejaar		4 000 000		
Motebang street - Rebuilt	Phuthaditjhaba	27	3 000 000	12 966 054	10 512 500
Maluti Contractor Development		25	18 000 000	20 000 000	26 692 500
Water Tanks (Jojo)			2 000 000	-	
Resurfacing of Roads (Tar)	Harrismith (Vowe, Southey, Piet Retief streets)	6,7,22,25, 28,29	-	10 000 000	10 000 000
Turfontein / Makeneng Road phase 2	Turfontein	16	4 000 000	5 000 000	5 199 822
Footbridges MAP	Tseki; Bolata; Naledi; Phuthadithaba	10,12,14, 29,31	3 500 000	10 000 000	
Maqhekung Infrastructure	Maqhekung	27	3 500 000	5 000 000	15 000 000
Construction of Bridge ; SANRAL	Harrismith	22	3 500 000	5 000 000	
Makholokweng sewer	Makholokweng	1	3 500 000	8 000 000	15 000 000
VIP toilets project (360 toilets / annum)			3 000 000	2 500 000	-
Health and Safety			3 000 000	-	
MIG counterfunding	PMU Projects		3 000 000	-	
TOTAL PROJECTS FROM OWN FUNDS			58 000 000	78 466 054	82 404 822
FIXED ASSETS		WARD NO	PROPOSED FINAL BUDGET 16/17	PROPOSED FINAL BUDGET 17/18	PROPOSED FINAL BUDGET 18/19
Buildings			3 000 000		
Communication system			800 000		
Computer & equipment			2 500 000	2 625 000	2 756 250
Equipment/tools/office machines			600 000	630 000	661 500
Furniture & fittings			500 000	525 000	551 250
Plant & Machinery			5 000 000	10 000 000	15 000 000
CCTV Cameras			2 000 000		
TOTAL FIXED ASSETS			14 400 000	13 780 000	18 969 000
TOTAL CAPITAL PROJECTS			257 920 000	301 747 054	340 246 822



1.7 PROPOSED ANNUAL BUDGET TABLES -PARENT MUNICIPALITY

The following tables present the Municipality's main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables indicate operating income and expenditure budget for 2016/17 and two outer years.

TABLE 20 MBRR Table A1 – Budget summary

FS194 Maluti-a-Phofung - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands									
Financial Performance									
Property rates	147,150	167,544	120,001	267,000	262,413	262,413	207,596	217,976	228,875
Service charges	330,428	202,476	395,516	664,830	597,600	597,600	714,784	752,194	784,900
Investment revenue	1,903	2,805	1,116	2,500	2,400	2,400	2,400	2,520	2,646
Transfers recognised - operational	348,013	362,667	403,189	454,044	560,254	560,254	459,907	494,426	528,699
Other own revenue	35,660	101,193	465,924	535,399	61,714	61,714	73,005	77,032	80,883
Total Revenue (excluding capital transfers and contributions)	863,154	836,685	1,385,747	1,923,773	1,484,380	1,484,380	1,457,692	1,544,148	1,626,003
Employee costs	198,636	230,121	255,372	280,582	308,576	308,576	336,890	350,866	368,404
Remuneration of councillors	19,390	20,134	23,390	23,643	22,718	22,718	24,098	25,303	26,568
Depreciation & asset impairment	214,697	215,649	186,121	175,000	70,000	70,000	50,000	52,500	55,125
Finance charges	7,583	5,769	4,468	6,000	6,000	6,000	6,000	6,300	6,615
Materials and bulk purchases	353,257	282,062	483,309	620,000	200,000	200,000	380,000	399,000	418,950
Transfers and grants	77,723	80,000	100,222	255,396	185,000	185,000	105,000	110,250	115,763
Other expenditure	464,923	547,232	985,094	417,351	602,648	602,648	483,304	507,683	533,205
Total Expenditure	1,336,210	1,380,967	2,037,976	1,777,973	1,394,942	1,394,942	1,385,292	1,451,901	1,524,629
Surplus/(Deficit)	(473,055)	(544,282)	(652,229)	145,800	89,438	89,438	72,400	92,246	101,374
Transfers recognised - capital	286,990	282,849	206,474	304,865	187,265	187,265	185,520	209,501	238,873
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(186,066)	(261,433)	(445,755)	450,665	276,703	276,703	257,920	301,747	340,247
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(186,066)	(261,433)	(445,755)	450,665	276,703	276,703	257,920	301,747	340,247
Capital expenditure & funds sources									
Capital expenditure	316,787	310,341	249,765	450,665	276,703	276,703	257,920	301,747	340,247
Transfers recognised - capital	286,990	282,849	204,368	304,865	187,265	187,265	185,520	209,501	238,873
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	20,093	-	-	-	-	-	-	-	-
Internally generated funds	9,704	27,492	45,397	145,800	89,438	89,438	72,400	92,246	101,374
Total sources of capital funds	316,787	310,341	249,765	450,665	276,703	276,703	257,920	301,747	340,247
Financial position									
Total current assets	383,906	326,803	556,382	465,455	574,453	574,453	934,276	980,989	1,030,039
Total non current assets	2,926,261	3,223,334	3,036,353	2,743,610	3,094,566	3,094,566	3,187,345	3,346,712	3,514,047
Total current liabilities	392,740	652,347	1,148,999	212,319	576,143	576,143	892,307	936,922	983,769
Total non current liabilities	71,107	62,281	53,982	41,167	69,188	69,188	54,316	53,632	53,063
Community wealth/Equity	2,846,319	2,835,509	2,389,754	2,955,579	3,023,688	3,023,688	3,174,997	3,337,147	3,507,255
Cash flows									
Net cash from (used) operating	237,487	286,783	45,395	675,665	493,791	493,791	379,966	434,095	479,213
Net cash from (used) investing	(275,060)	(296,013)	8,748	(448,165)	(250,791)	(250,791)	(251,920)	(301,747)	(340,247)
Net cash from (used) financing	(8,430)	(2,321)	(3,545)	(6,000)	(6,000)	(6,000)	(6,000)	(6,300)	(6,615)
Cash/cash equivalents at the year end	(32,319)	(43,870)	6,729	224,500	243,729	243,729	125,046	251,094	383,445
Cash backing/surplus reconciliation									
Cash and investments available	(31,689)	(43,870)	6,729	3,900	7,970	7,970	7,065	7,418	7,789
Application of cash and investments	153,447	507,524	710,221	(61,792)	(72,419)	(72,419)	(13,036)	(17,687)	(18,501)
Balance - surplus (shortfall)	(185,136)	(551,394)	(703,492)	65,692	80,389	80,389	20,101	25,105	26,291
Asset management									
Asset register summary (WDV)	2,876,725	2,870,207	3,035,205	3,013,718	3,043,333	3,043,333	3,296,764	3,461,602	3,634,682
Depreciation & asset impairment	214,697	215,649	186,121	175,000	70,000	70,000	50,000	52,500	55,125
Renewal of Existing Assets	2,500	10,309	3,497	-	12,082	12,082	24,808	27,902	17,188
Repairs and Maintenance	79,800	72,185	446,129	100,545	125,310	125,310	65,970	69,269	72,732
Free services									
Cost of Free Basic Services provided	95,080	59,751	57,927	104,958	45,873	45,873	48,254	50,666	53,200
Revenue cost of free services provided	579,421	616,242	715,927	584,000	3,390,717	3,390,717	2,697,827	2,832,718	2,974,354
Households below minimum service level									
Water:	6	4	4	4	4	4	4	4	4
Sanitation/sewage:	2	5	4	4	4	4	4	4	4
Energy:	47	48	45	42	42	42	39	36	33
Refuse:	70	74	73	73	73	73	73	73	73

Explanatory notes to MBRR Table A1- Budget Summary

- Table A1 represents a high-level summary of the Municipality's budget, providing a view that includes all major components of i.e. (Operating, Capital expenditure, financial position, cash flow, and MFMA funding compliance)
 - 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 services delivery backlogs.
 - Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flows Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
- 1) The municipality's financial performance shows surplus position over 2016/2017 MTREF.
 - 2) The municipality's capital expenditure is funded from the following
 - Transfers recognised- capital as reflected on the Financial Performance
 - Internally generated funds which will be financed from property tax and service charges. The affordability and sustainability of these funds is confirmed by the positive and increasing cash flow over the 2016/2017 MTREF.
 - 3) The municipality's cash backing/surplus reconciliation over the 2016/2017 MTREF shows a positive and increasing trend, which is an indication that the Municipality will be able to afford its commitments over the next three years.

TABLE 21

FS194 Maluti-a-Phofung - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	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
Revenue - Standard									
<i>Governance and administration</i>	781,938	895,991	1,190,347	1,530,157	1,053,344	1,053,344	901,895	973,027	1,050,127
Executive and council	—	—	—	—	—	—	—	—	—
Budget and treasury office	780,903	895,673	1,189,435	1,530,133	1,052,536	1,052,536	900,895	971,977	1,049,025
Corporate services	1,035	318	913	24	808	808	1,000	1,050	1,103
<i>Community and public safety</i>	2,800	3,904	4,281	24,349	5,839	5,839	14,821	15,563	16,341
Community and social services	570	71	1,775	1,668	2,782	2,782	2,720	2,856	2,999
Sport and recreation	953	1,186	540	729	893	893	1,010	1,060	1,113
Public safety	1,277	2,647	1,965	21,042	1,778	1,778	7,112	7,467	7,840
Housing	—	—	—	910	385	385	3,980	4,179	4,388
Health	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	659	434	604	880	390	390	3,636	4,385	4,604
Planning and development	659	434	602	875	390	390	3,626	4,374	4,593
Road transport	—	—	1	5	—	—	10	11	11
Environmental protection	—	—	—	—	—	—	—	—	—
<i>Trading services</i>	364,746	219,205	396,989	667,252	598,553	598,553	717,859	755,424	788,291
Electricity	264,324	104,202	248,774	504,422	443,553	443,553	571,893	602,159	627,363
Water	50,191	61,987	71,289	90,930	80,000	80,000	73,882	77,576	81,455
Waste water management	28,885	31,329	49,226	39,900	40,000	40,000	39,224	41,185	43,244
Waste management	21,346	21,688	27,700	32,000	35,000	35,000	32,860	34,503	36,228
<i>Other</i>	—	—	—	6,000	13,519	13,519	5,000	5,250	5,513
Total Revenue - Standard	1,150,144	1,119,534	1,592,221	2,228,638	1,671,645	1,671,645	1,643,212	1,753,649	1,864,876
Expenditure - Standard									
<i>Governance and administration</i>	625,634	730,010	569,790	740,690	723,317	723,317	570,864	598,464	628,521
Executive and council	44,700	62,778	55,465	127,009	139,255	139,255	159,978	167,035	175,387
Budget and treasury office	562,355	641,925	476,515	569,089	528,857	528,857	349,041	366,732	385,212
Corporate services	18,580	25,307	37,810	44,593	55,204	55,204	61,845	64,696	67,922
<i>Community and public safety</i>	100,726	98,363	117,280	133,749	158,407	158,407	184,420	192,979	202,629
Community and social services	11,995	14,412	14,049	18,888	18,939	18,939	21,668	22,405	23,525
Sport and recreation	29,583	35,651	35,097	36,790	40,371	40,371	51,373	53,941	56,638
Public safety	54,826	42,630	62,842	71,197	93,342	93,342	104,239	109,241	114,703
Housing	4,322	5,671	5,293	6,874	5,755	5,755	7,140	7,393	7,762
Health	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	153,477	107,261	313,913	94,945	106,443	106,443	72,005	75,605	79,385
Planning and development	10,156	12,121	9,534	31,312	17,708	17,708	29,880	31,374	32,943
Road transport	143,322	95,140	304,379	63,633	88,735	88,735	42,125	44,231	46,443
Environmental protection	—	—	—	—	—	—	—	—	—
<i>Trading services</i>	454,506	439,129	1,034,944	794,356	388,291	388,291	541,543	567,570	595,949
Electricity	420,434	396,167	986,480	757,241	341,428	341,428	496,845	521,687	547,772
Water	—	—	—	—	—	—	—	—	—
Waste water management	—	—	—	—	—	—	—	—	—
Waste management	34,073	42,962	48,464	37,115	46,863	46,863	44,698	45,883	48,177
<i>Other</i>	1,866	6,204	2,049	14,232	18,484	18,484	16,460	17,283	18,145
Total Expenditure - Standard	1,336,210	1,380,967	2,037,976	1,777,973	1,394,942	1,394,942	1,385,292	1,451,901	1,524,629
Surplus/(Deficit) for the year	(186,066)	(261,433)	(445,755)	450,665	276,703	276,703	257,920	301,747	340,247

Explanatory notes to MBRR Table A2- Budgeted Financial Performance (Revenue and expenditure by standard classification)

- Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 15 functional areas.
- This table highlights that the revenues for Electricity and refuse exceed their expenditure and this is absorbed within the rates revenue, however the municipality will undertake a project to compile a transparent tariff structure to explore ways of improving efficiencies.
- Other functions that show a deficit when comparing revenue and expenditure are financed from rates and taxes revenues and other revenues sources reflected under the Budget and treasury office.



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017
Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

TABLE 22

FS194 Maluti-a-Phofung - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	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
Revenue by Vote									
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	1,035	187	306	-	700	700	1,000	1,050	1,103
Vote 4 - Budget & Treasury Office	780,903	895,673	1,189,435	1,530,133	1,052,536	1,052,536	900,895	971,977	1,049,025
Vote 5 - Municipal Infrastructure	100,422	115,133	148,823	162,859	155,108	155,108	145,976	153,275	160,939
Vote 6 - Community Services	507	25	1,720	1,518	2,632	2,632	2,547	2,674	2,808
Vote 7 - Public Safety & Transport	1,277	2,647	1,965	21,042	1,778	1,778	7,112	7,467	7,840
Vote 8 - Sports, Parks, Arts & Culture	953	1,186	540	729	893	893	1,010	1,060	1,113
Vote 9 - LED, Tourism, SMME's, Rural & agriculture	-	-	-	6,000	13,519	13,519	5,000	5,250	5,513
Vote 10 - Human Settlements	63	47	55	1,060	535	535	4,153	4,361	4,579
Vote 11 - Spatial Development, Planning & Tradit	659	434	602	875	390	390	3,626	4,374	4,593
Vote 12 - Electricity Department	264,324	104,202	248,774	504,422	443,553	443,553	571,893	602,159	627,363
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	1,150,144	1,119,534	1,592,221	2,228,638	1,671,645	1,671,645	1,643,212	1,753,649	1,864,876
Expenditure by Vote to be appropriated									
Vote 1 - Legislative Authority	34,958	38,514	43,407	105,667	115,550	115,550	122,616	128,747	135,184
Vote 2 - Office of the Municipal Manager	11,720	27,386	16,747	31,874	29,087	29,087	52,736	54,423	57,135
Vote 3 - Corporate Services	15,377	17,957	31,101	25,331	42,624	42,624	38,991	40,708	42,743
Vote 4 - Budget & Treasury Office	562,355	641,925	476,515	569,089	528,857	528,857	349,041	366,732	385,212
Vote 5 - Municipal Infrastructure	177,394	139,027	352,843	109,477	142,796	142,796	86,823	90,114	94,620
Vote 6 - Community Services	5,944	7,283	6,378	11,701	12,361	12,361	13,299	13,618	14,299
Vote 7 - Public Safety & Transport	54,826	42,630	62,846	71,197	93,342	93,342	104,239	109,241	114,703
Vote 8 - Sports, Parks, Arts & Culture	29,583	35,651	35,097	36,790	40,371	40,371	51,373	53,941	56,638
Vote 9 - LED, Tourism, SMME's, Rural & agriculture	2,727	10,384	3,767	30,546	25,813	25,813	32,460	34,083	35,785
Vote 10 - Human Settlements	11,597	16,103	15,008	14,061	12,334	12,334	22,989	24,033	25,235
Vote 11 - Spatial Development, Planning & Tradit	9,294	7,941	7,787	14,998	10,379	10,379	13,880	14,574	15,303
Vote 12 - Electricity Department	420,434	396,167	986,480	757,241	341,428	341,428	496,845	521,687	547,772
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	1,336,210	1,380,967	2,037,976	1,777,973	1,394,942	1,394,942	1,385,292	1,451,901	1,524,629
Surplus/(Deficit) for the year	(186,066)	(261,433)	(445,755)	450,665	276,703	276,703	257,920	301,747	340,247

Explanatory notes to MBRR Table A3- Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote.
- The Water and sanitation is responsibility of the Municipal entity

TABLE 23

FS194 Maluti-a-Phofung - Table A4 Budgeted Financial Performance (revenue and expenditure)

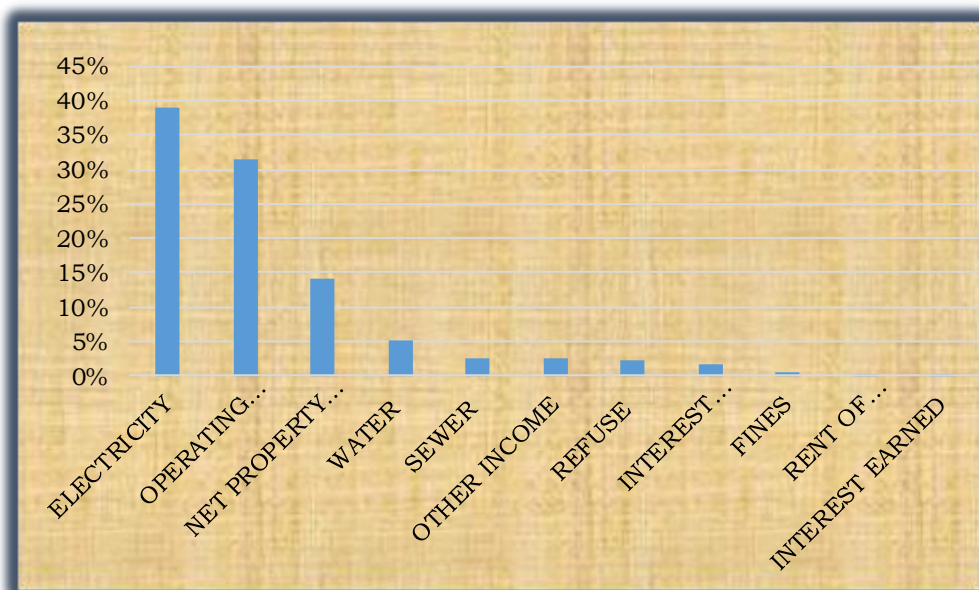
Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Revenue By Source									
Property rates	147,150	167,544	120,001	267,000	262,413	262,413	207,596	217,976	228,875
Property rates - penalties & collection charges									
Service charges - electricity revenue	230,006	87,473	247,302	502,000	442,600	442,600	568,818	598,930	623,972
Service charges - water revenue	50,191	61,987	71,289	90,930	80,000	80,000	73,882	77,576	81,455
Service charges - sanitation revenue	28,885	31,329	49,226	39,900	40,000	40,000	39,224	41,185	43,244
Service charges - refuse revenue	21,346	21,688	27,700	32,000	35,000	35,000	32,860	34,503	36,228
Service charges - other									
Rental of facilities and equipment	1,001	968	850	1,419	1,345	1,345	2,058	2,161	2,269
Interest earned - external investments	1,903	2,805	1,116	2,500	2,400	2,400	2,400	2,520	2,646
Interest earned - outstanding debtors	21,776	23,362	16,771	20,000	25,000	25,000	26,500	27,825	29,216
Dividends received									
Fines	938	843	880	20,000	1,080	1,080	6,055	6,358	6,676
Licences and permits									
Agency services									
Transfers recognised - operational	348,013	362,667	403,189	454,044	560,254	560,254	459,907	494,426	528,699
Other revenue	11,945	76,020	447,423	493,979	34,289	34,289	38,392	40,688	42,722
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	863,154	836,685	1,385,747	1,923,773	1,484,380	1,484,380	1,457,692	1,544,148	1,626,003
Expenditure By Type									
Employee related costs	198,636	230,121	255,372	280,582	308,576	308,576	336,890	350,866	368,404
Remuneration of councillors	19,390	20,134	23,390	23,643	22,718	22,718	24,098	25,303	26,568
Debt impairment	56,209	183,813	(162,969)	50,000	102,887	102,887	70,050	73,553	77,230
Depreciation & asset impairment	214,697	215,649	186,121	175,000	70,000	70,000	50,000	52,500	55,125
Finance charges	7,583	5,769	4,468	6,000	6,000	6,000	6,000	6,300	6,615
Bulk purchases	353,257	282,062	483,309	620,000	200,000	200,000	380,000	399,000	418,950
Other materials									
Contracted services	122,159	79,388	58,034	78,700	117,325	117,325	87,140	91,497	96,072
Transfers and grants	77,723	80,000	100,222	255,396	185,000	185,000	105,000	110,250	115,763
Other expenditure	286,555	284,032	1,090,029	288,651	382,436	382,436	326,114	342,633	359,902
Loss on disposal of PPE									
Total Expenditure	1,336,210	1,380,967	2,037,976	1,777,973	1,394,942	1,394,942	1,385,292	1,451,901	1,524,629
Surplus/(Deficit)	(473,055)	(544,282)	(652,229)	145,800	89,438	89,438	72,400	92,246	101,374
Transfers recognised - capital	286,990	282,849	206,474	304,865	187,265	187,265	185,520	209,501	238,873
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets									
Surplus/(Deficit) after capital transfers & contributions	(186,066)	(261,433)	(445,755)	450,665	276,703	276,703	257,920	301,747	340,247
Taxation									
Surplus/(Deficit) after taxation	(186,066)	(261,433)	(445,755)	450,665	276,703	276,703	257,920	301,747	340,247
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	(186,066)	(261,433)	(445,755)	450,665	276,703	276,703	257,920	301,747	340,247
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	(186,066)	(261,433)	(445,755)	450,665	276,703	276,703	257,920	301,747	340,247

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

- Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. The projected annual revenue as reflected in this table amounts to R1, 457,691,873 (R1.4 billion) for the 2016/17 financial year, which represents a decrease of R26.6 million (2%) less than the Adjustment budget for 2015/16. For the 2017/18 and 2018/19 financial years the annual budgeted revenue amounts to R1, 544,147,506 (R1.5 billion) which represents an increase of R86.4 million (6%) and R1, 626,002,631 (R1.6 billion) which represents an increase of R81.5 million (5%) respectively.

- Revenue to be generated from Property Rates amounts to R207, 596 million in the 2016/17 financial year and increases to R217, 976 million by 2017/18. This revenue represents 14% of the operating revenue base of the municipality and therefore remains significant funding source for the municipality.
- Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket of the municipality totalling to R714,784 million for the 2016/17 financial year and increasing to R752,195 million and R784,900 million in 2017/18 and 2018/2019 respectively. For the 2016/17 financial year, service charges are 49% of the total anticipated revenue.
- Transfers Recognised- Operating includes the equitable share and other operating grants from national government. The grants receipts from National government seem to be less by 18 per cent in 2016/2017 as compared to 2015/2016 due to the 2014/15 allocation of R106,210 million that was paid in 2015/2016, the allocations increase by 8% for 2017/18 and 7% for the 2018/19 outer years.

The following graph illustrates the major revenue items per type.



- Bulk purchases have increased and decreased as from the 2014/15 audited actuals to 2018/2019 period been escalating at an average of R400 million. This change is attributed to substantial increase in the cost of bulk electricity from Eskom.
- Employee related costs is also the main cost driver within the Municipality's operating Expenditure , i.e. from R308,576 million to R336, 890 million a provision has been made as per circular 79 and other critical vacant positions.
- Other Expenditure consist mainly of various line items relating to daily operations of the municipality like, fuel cost, bank charges, consultant fees, audit fees, telecommunication, printing and postage cost etc.



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

TABLE 24

FS194 Maluti-a-Phofung - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	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
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure	316,787	308,109	244,371	406,165	270,460	270,460	243,520	287,967	321,278
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport	-	-	-	-	-	-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agriculture	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements	-	-	-	-	-	-	-	-	-
Vote 11 - Spatial Development, Planning & Traditional	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Department	-	-	-	-	-	-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	316,787	308,109	244,371	406,165	270,460	270,460	243,520	287,967	321,278
Single-year expenditure to be appropriated									
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	480	673	3,000	4,900	4,900	5,500	2,625	2,756
Vote 3 - Corporate Services	-	-	-	-	-	-	500	525	551
Vote 4 - Budget & Treasury Office	-	1,752	808	1,000	500	500	-	-	-
Vote 5 - Municipal Infrastructure	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport	-	-	3,913	40,500	843	843	7,800	10,000	15,000
Vote 8 - Sports, Parks, Arts & Culture	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agriculture	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements	-	-	-	-	-	-	600	630	662
Vote 11 - Spatial Development, Planning & Traditional	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Department	-	-	-	-	-	-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	2,232	5,394	44,500	6,243	6,243	14,400	13,780	18,969
Total Capital Expenditure - Vote	316,787	310,341	249,765	450,665	276,703	276,703	257,920	301,747	340,247
Capital Expenditure - Standard									
Governance and administration	8,928	2,232	1,481	4,000	5,400	5,400	6,000	3,150	3,308
Executive and council	8,598	480	673	3,000	4,900	4,900	-	-	-
Budget and treasury office	330	1,752	808	1,000	500	500	-	-	-
Corporate services	-	-	-	-	-	-	6,000	3,150	3,308
Community and public safety	39,721	21,743	41,145	81,947	65,155	65,155	73,787	70,253	60,918
Community and social services	18,307	11,036	17,676	14,217	37,398	37,398	30,594	32,750	39,392
Sport and recreation	21,414	10,707	19,557	27,231	26,914	26,914	34,793	26,873	5,864
Public safety	-	-	3,913	40,500	843	843	7,800	10,000	15,000
Housing	-	-	-	-	-	-	600	630	662
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	60,964	98,170	30,012	165,476	69,040	69,040	86,782	112,902	119,002
Planning and development	12,898	6,389	1,565	82,179	-	-	-	-	-
Road transport	48,066	91,781	28,448	83,296	69,040	69,040	86,782	112,902	119,002
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	200,646	178,397	172,171	193,728	128,728	128,728	77,608	107,101	148,176
Electricity	19,585	34,539	37,606	31,340	37,329	37,329	10,048	21,000	28,000
Water	91,043	74,147	73,648	106,471	60,960	60,960	50,168	41,064	54,500
Waste water management	90,017	69,711	60,917	37,917	30,439	30,439	17,391	45,037	65,676
Waste management	-	-	-	18,000	-	-	-	-	-
Other	6,529	9,798	4,955	5,514	8,380	8,380	13,744	8,342	8,844
Total Capital Expenditure - Standard	316,787	310,341	249,765	450,665	276,703	276,703	257,920	301,747	340,247
Funded by:									
National Government	286,990	282,849	204,368	247,865	187,265	187,265	185,520	209,501	238,873
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	57,000	-	-	-	-	-
Transfers recognised - capital	286,990	282,849	204,368	304,865	187,265	187,265	185,520	209,501	238,873
Public contributions & donations									
Borrowing	20,093	-	-	-	-	-	-	-	-
Internally generated funds	9,704	27,492	45,397	145,800	89,438	89,438	72,400	92,246	101,374
Total Capital Funding	316,787	310,341	249,765	450,665	276,703	276,703	257,920	301,747	340,247



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

1. Table A5 is a breakdown of capital programme in relation to capital expenditure by municipal vote (multi-year and single- year appropriations) capital expenditure by standard classification, and funding sources required 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. The municipality has allocated multi-year appropriations amounting to R257,920 million in 2016/2017 increasing to R301,747 million and R340,247 million in 2017/2018 and 2018/2019 respectively.
3. The Capital Budget is funded by allocations made to the Municipality by National Government and internally generated funds from current year surpluses. For 2016/2017 capital transfers total to R185,520 million increased to R209,501 million and R238,873 million in 2017/2018 and 2018/2019 respectively with internally generated funding to proper rendering of services to the public

TABLE 25

FS194 Maluti-a-Phofung - Table A6 Budgeted Financial Position

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
ASSETS									
Current assets									
Cash	5 651	3 900	6 729	3 000	7 070	7 070	7 065	7 418	7 789
Call investment deposits	–	–	–	–	–	–	–	–	–
Consumer debtors	132 258	107 379	314 167	250 000	545 497	545 497	679 950	713 948	749 645
Other debtors	40 540	14 268	231 933	14 982	14 982	14 982	243 529	255 706	268 491
Current portion of long-term receivables	12 866	9 101	1 214	7 473	1 274	1 274	1 274	1 338	1 405
Inventory	192 591	192 154	2 340	190 000	5 630	5 630	2 457	2 580	2 709
Total current assets	383 906	326 803	556 382	465 455	574 453	574 453	934 276	980 989	1 030 039
Non current assets									
Long-term receivables	5 922	710	361	2 855	379	379	379	398	418
Investments	630	–	–	900	900	900	–	–	–
Investment property	42 877	42 520	42 163	44 646	44 271	44 271	44 271	46 485	48 809
Investment in Associate	–	0	0	–	–	–	–	–	–
Property, plant and equipment	2 876 725	3 179 466	2 993 040	2 695 207	3 049 013	3 049 013	3 142 692	3 299 827	3 464 818
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	106	1	1	2	2	2	2	2	2
Other non-current assets	0	636	787	–	–	–	–	–	–
Total non current assets	2 926 261	3 223 334	3 036 353	2 743 610	3 094 566	3 094 566	3 187 345	3 346 712	3 514 047
TOTAL ASSETS	3 310 166	3 550 137	3 592 736	3 209 065	3 669 019	3 669 019	4 121 620	4 327 701	4 544 086
LIABILITIES									
Current liabilities									
Bank overdraft	37 970	47 770	–	–	–	–	–	–	–
Borrowing	3 031	–	–	–	–	–	–	–	–
Consumer deposits	24 529	11 733	11 721	12 319	12 319	12 319	12 307	12 922	13 569
Trade and other payables	327 210	592 845	1 137 278	200 000	563 824	563 824	880 000	924 000	970 200
Provisions	–	–	–	–	–	–	–	–	–
Total current liabilities	392 740	652 347	1 148 999	212 319	576 143	576 143	892 307	936 922	983 769
Non current liabilities									
Borrowing	17 416	13 762	9 872	11 262	10 000	10 000	8 000	5 000	2 000
Provisions	53 692	48 519	44 110	29 905	59 188	59 188	46 316	48 632	51 063
Total non current liabilities	71 107	62 281	53 982	41 167	69 188	69 188	54 316	53 632	53 063
TOTAL LIABILITIES	463 848	714 628	1 202 982	253 486	645 331	645 331	946 623	990 554	1 036 832
NET ASSETS	2 846 319	2 835 509	2 389 754	2 955 579	3 023 688	3 023 688	3 174 997	3 337 147	3 507 255
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	2 846 319	2 835 509	2 389 754	2 955 579	3 023 688	3 023 688	3 174 997	3 337 147	3 507 255
Reserves	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2 846 319	2 835 509	2 389 754	2 955 579	3 023 688	3 023 688	3 174 997	3 337 147	3 507 255

Explanatory notes to Table A6 - Budgeted Financial Position

- The budgeted Statement of Financial Position of the Municipality has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years, to enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
- The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 which can be found on page 104) are provided with details of the major components of items such as:
 - ☐ Call Investment Deposits
 - ☐ Consumer Debtors



- ☐ Property, Plant and Equipment
- ☐ Trade and Other Payables
- ☐ Non-Current Provisions
- ☐ Changes in Net Assets
- ☐ Reserves

3. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the Municipality and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

TABLE 26

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	147,150	57,165	120,001	267,000	232,596	232,596	207,596	217,976	228,875
Service charges	338,674	202,476	367,771	664,830	575,300	575,300	710,780	752,190	784,895
Other revenue	13,180	6,594	279,219	515,399	241,725	241,725	46,505	49,207	51,667
Government - operating	348,013	362,667	403,189	454,044	560,954	560,954	459,907	494,426	528,699
Government - capital	284,563	282,040	206,474	304,865	190,265	190,265	185,520	209,501	238,873
Interest	1,903	2,805	1,116	22,500	2,400	2,400	28,900	30,345	31,862
Dividends							-	-	-
Payments									
Suppliers and employees	(810,690)	(621,194)	(1,327,906)	(1,291,576)	(1,111,449)	(1,111,449)	(1,154,242)	(1,209,299)	(1,269,896)
Finance charges	(7,583)	(5,769)	(4,468)	(6,000)	(6,000)	(6,000)	-	-	-
Transfers and Grants	(77,723)	-	-	(255,396)	(192,000)	(192,000)	(105,000)	(110,250)	(115,763)
NET CASH FROM/(USED) OPERATING ACTIVITIES	237,487	286,783	45,395	675,665	493,791	493,791	379,966	434,095	479,213
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	5,351	2,350	-	-	-	6,000	-	-
Decrease (increase) in non-current debtors		-	8,236	-	-	-	-	-	-
Decrease (increase) other non-current receivables	1,396	8,977	-	2,500	-	-	-	-	-
Decrease (increase) in non-current investments	1,770	-	(150)	-	10,000	10,000	-	-	-
Payments									
Capital assets	(278,226)	(310,341)	(1,688)	(450,665)	(260,791)	(260,791)	(257,920)	(301,747)	(340,247)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(275,060)	(296,013)	8,748	(448,165)	(250,791)	(250,791)	(251,920)	(301,747)	(340,247)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-	-	-
Borrowing long term/refinancing	5,355	-					-	-	-
Increase (decrease) in consumer deposits							-	-	-
Payments									
Repayment of borrowing	(13,785)	(2,321)	(3,545)	(6,000)	(6,000)	(6,000)	(6,000)	(6,300)	(6,615)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8,430)	(2,321)	(3,545)	(6,000)	(6,000)	(6,000)	(6,000)	(6,300)	(6,615)
NET INCREASE/ (DECREASE) IN CASH HELD	(46,002)	(11,551)	50,599	221,500	237,000	237,000	122,046	126,048	132,351
Cash/cash equivalents at the year begin:	13,683	(32,319)	(43,870)	3,000	6,729	6,729	3,000	125,046	251,094
Cash/cash equivalents at the year end:	(32,319)	(43,870)	6,729	224,500	243,729	243,729	125,046	251,094	383,445

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The table shows the cash and cash equivalents of the Municipality during the 2016/17 to 2018/19 MTREF.
2. The Municipality has embarked on an extensive debt collection process to boost cash levels it has appointed debt collectors and exercising strict credit control even to households to improve their collections. Debt relief strategy incentive has been re-introduced to focus on other consumers. These initiatives and interventions with Provincial government, might translate the municipality into a positive cash position.
3. 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 be R125 million by 2016/17 and steadily increasing to R383.4 million by 2018/19.

TABLE 27

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	(32,319)	(43,870)	6,729	224,500	243,729	243,729	125,046	251,094	383,445
Other current investments > 90 days	–	(0)	(0)	(221,500)	(236,658)	(236,658)	(117,981)	(243,676)	(375,656)
Non current assets - Investments	630	–	–	900	900	900	–	–	–
Cash and investments available:	(31,689)	(43,870)	6,729	3,900	7,970	7,970	7,065	7,418	7,789
Application of cash and investments									
Unspent conditional transfers	7,854	2,481	1,787	–	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	145,593	505,043	708,435	(64,186)	(74,856)	(74,856)	(15,547)	(20,273)	(21,165)
Other provisions	–	–	–	–	–	–	–	–	–
Long term investments committed	–	–	–	2,394	2,438	2,438	2,511	2,586	2,664
Reserves to be backed by cash/investments	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:	153,447	507,524	710,221	(61,792)	(72,419)	(72,419)	(13,036)	(17,687)	(18,501)
Surplus(shortfall)	(185,136)	(551,394)	(703,492)	65,692	80,389	80,389	20,101	25,105	26,291

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. From the table it can be seen that for the Municipality experienced a shortfall net cash flow position for the period 2012/13 to 2014/15 but it starts to be positive from 2015/2016 to 2018/2019.



5. 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 and aligned to section 18 of the MFMA.
6. As can be seen, the budget has been modelled to progressively move from a surplus of R20.1 million in 2016/17, R25.1 million in 2017/18 and R26.2 million in 2018/19.



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017
Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

TABLE 28

FS194 Maluti-a-Phofung - Table A9 Asset Management

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
CAPITAL EXPENDITURE									
<u>Total New Assets</u>	314,287	300,031	246,268	450,665	264,621	264,621	233,112	273,845	323,059
Infrastructure - Road transport	48,066	91,781	28,448	83,296	69,040	69,040	86,782	112,902	119,002
Infrastructure - Electricity	19,585	34,539	37,606	31,340	25,247	25,247	6,048	21,000	28,000
Infrastructure - Water	91,043	74,147	73,648	106,471	60,960	60,960	50,168	41,064	54,500
Infrastructure - Sanitation	90,017	69,711	60,917	37,917	30,439	30,439	17,391	45,037	65,676
Infrastructure - Other	6,529	9,798	4,955	23,514	8,380	8,380	13,744	8,342	8,844
Infrastructure	255,241	279,976	205,573	282,538	194,066	194,066	174,133	228,345	276,021
Community	37,221	17,823	35,300	41,447	64,312	64,312	44,579	31,721	28,069
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	21,825	2,232	5,394	126,679	6,243	6,243	14,400	13,780	18,969
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2,500	10,309	3,497	-	12,082	12,082	24,808	27,902	17,188
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	12,082	12,082	4,000	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	12,082	12,082	4,000	-	-
Community	2,500	3,920	1,932	-	-	-	20,808	27,902	17,188
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	6,389	1,565	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	48,066	91,781	28,448	83,296	69,040	69,040	86,782	112,902	119,002
Infrastructure - Road transport	48,066	91,781	28,448	83,296	69,040	69,040	86,782	112,902	119,002
Infrastructure - Electricity	19,585	34,539	37,606	31,340	25,247	25,247	6,048	21,000	28,000
Infrastructure - Water	91,043	74,147	73,648	106,471	60,960	60,960	50,168	41,064	54,500
Infrastructure - Sanitation	90,017	69,711	60,917	37,917	30,439	30,439	17,391	45,037	65,676
Infrastructure - Other	6,529	9,798	4,955	23,514	8,380	8,380	13,744	8,342	8,844
Infrastructure	255,241	279,976	205,573	282,538	194,066	194,066	174,133	228,345	276,021
Community	39,721	21,743	37,233	41,447	64,312	64,312	65,387	59,623	45,257
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	21,825	8,622	6,959	126,679	6,243	6,243	14,400	13,780	18,969
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	316,787	310,341	249,765	450,665	276,703	276,703	257,920	301,747	340,247
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	515,864	510,756	241,461	536,294	552,847	552,847	253,534	266,211	279,521
Infrastructure - Electricity	400,801	396,832	435,340	416,674	458,645	458,645	457,107	479,962	503,960
Infrastructure - Water	331,842	328,556	405,989	344,984	432,221	432,221	426,288	447,602	469,982
Infrastructure - Sanitation	90,129	89,237	159,841	93,699	191,659	191,659	167,833	176,224	185,035
Infrastructure - Other	6,242	6,180	118,855	6,489	6,489	6,489	124,797	131,037	137,589
Infrastructure	1,344,877	1,331,562	1,361,484	1,398,140	1,641,862	1,641,862	1,429,558	1,501,036	1,576,088
Community	313,473	310,369	309,436	325,888	309,436	309,436	324,908	341,154	358,211
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	42,877	42,520	42,163	44,646	44,271	44,271	44,271	46,485	48,809
Other assets	1,175,392	1,185,755	1,322,120	1,245,043	1,047,762	1,047,762	1,388,226	1,457,637	1,530,519
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	106	1	1	2	2	2	2	2	2
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2,876,725	2,870,207	3,035,205	3,013,718	3,043,333	3,043,333	3,186,965	3,346,313	3,513,629



Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. At this stage spending on repairs and maintenance cannot be reflected by asset class due to the misalignment of the existing asset classes with the plant maintenance asset classes on the financial system. To ensure compliance the Municipality will embark on an asset creation project which will be finalised over a couple of years.

TABLE 29

FS194 Maluti-a-Phofung - Table A10 Basic service delivery measurement

Description	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									
Water:									
Piped water inside dwelling	44 457	85 420	85 488	85 488	85 488	85 488	85 488	85 488	85 488
Piped water inside yard (but not in dwelling)	38 200	10 881	10 890	10 890	10 890	10 890	10 890	10 890	10 890
Using public tap (at least min.service level)	6 802	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	1 313	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	90 772	96 301	96 378	96 378	96 378	96 378	96 378	96 378	96 378
Using public tap (< min.service level)	2 100	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4 300	3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	6 400	3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850
Total number of households	97 172	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	31 500	32 941	35 642	35 642	35 642	35 642	35 642	35 642	35 642
Flush toilet (with septic tank)	1 983	2 607	2 633	2 633	2 633	2 633	2 633	2 633	2 633
Chemical toilet	3 500	3 195	2 099	2 099	2 099	2 099	2 099	2 099	2 099
Pit toilet (ventilated)	44 471	17 424	21 900	21 900	21 900	21 900	21 900	21 900	21 900
Other toilet provisions (> min.service level)	13 526	38 949	33 600	33 600	33 600	33 600	33 600	33 600	33 600
<i>Minimum Service Level and Above sub-total</i>	94 980	95 116	95 874	95 874	95 874	95 874	95 874	95 874	95 874
Bucket toilet	412	715	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	2 133	2 154	2 154	2 154	2 154	2 154	2 154	2 154
No toilet provisions	1 780	2 264	2 200	2 200	2 200	2 200	2 200	2 200	2 200
<i>Below Minimum Service Level sub-total</i>	2 192	5 112	4 354	4 354	4 354	4 354	4 354	4 354	4 354
Total number of households	97 172	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228
Energy:									
Electricity (at least min.service level)	50 000	52 500	55 125	57 881	57 881	57 881	60 775	63 814	67 005
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	50 000	52 500	55 125	57 881	57 881	57 881	60 775	63 814	67 005
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	47 172	47 728	45 103	42 347	42 347	42 347	39 453	36 414	33 223
<i>Below Minimum Service Level sub-total</i>	47 172	47 728	45 103	42 347	42 347	42 347	39 453	36 414	33 223
Total number of households	97 172	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228
Refuse:									
Removed at least once a week	27 025	26 567	26 833	26 833	26 833	26 833	26 833	26 833	26 833
<i>Minimum Service Level and Above sub-total</i>	27 025	26 567	26 833	26 833	26 833	26 833	26 833	26 833	26 833
Removed less frequently than once a week	489	491	496	496	496	496	496	496	496
Using communal refuse dump	5 200	5 224	5 276	5 276	5 276	5 276	5 276	5 276	5 276
Using own refuse dump	53 800	54 061	54 602	54 602	54 602	54 602	54 602	54 602	54 602
Other rubbish disposal	1 158	5 576	5 632	5 632	5 632	5 632	5 632	5 632	5 632
No rubbish disposal	9 500	8 309	7 390	7 390	7 390	7 390	7 390	7 390	7 390
<i>Below Minimum Service Level sub-total</i>	70 147	73 661	73 396	73 396	73 396	73 396	73 396	73 396	73 396
Total number of households	97 172	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	97 172	6 847	5 706	70 228	36 955	36 955	36 955	36 955	36 955
Sanitation (free minimum level service)	6 782	6 847	5 706	15 012	5 594	5 594	5 594	5 594	5 594
Electricity/other energy (50kwh per household per month)	97 172	100 228	100 228	70 228	25 295	25 295	25 295	25 295	25 295
Refuse (removed at least once a week)	6 782	6 847	5 706	15 012	5 594	5 594	5 594	5 594	5 594
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	42 818	3 183	2 798	36 509	20 222	20 222	20 222	21 233	22 295
Sanitation (free sanitation service to indigent households)	5 300	5 618	4 916	18 231	5 108	5 108	7 183	7 542	7 919
Electricity/other energy (50kwh per indigent household per month)	41 395	45 048	45 048	35 816	15 177	15 177	15 177	15 936	16 733
Refuse (removed once a week for indigent households)	5 567	5 902	5 164	14 402	5 366	5 366	5 672	5 956	6 254
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	-	-	-	-	-	-	-	-
Total cost of FBS provided	95 080	59 751	57 927	104 958	45 873	45 873	48 254	50 666	53 200
Highest level of free service provided per household									
Property rates (R v alue threshold)	65 000	65 000	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)	65	68	72	101	101	101	107	113	120
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	100	100	100	100	100	100	106	112	119
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)	579 421	616 242	715 927	584 000	3 390 717	3 390 717	2 697 827	2 832 718	2 974 354
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	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	579 421	616 242	715 927	584 000	3 390 717	3 390 717	2 697 827	2 832 718	2 974 354



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 is persistently striving to eradicate backlogs

PART 2: SUPPORTING DOCUMENTS

2.1 Overview of annual budget process

The MFMA requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of a budget. The new National Treasury Budget Regulations gives further effect to this by prescribing that the mayor of a municipality must establish a budget steering committee to assist in discharging the mayor's budget preparation responsibilities.

The Budget Steering Committee was established consisting of the following:

- The Executive Mayor
- MMCs
- Chief Financial Officer
- Municipal Manager
- Directors
- Managers

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in 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 IDP and Budget time schedule of the 2016/2017 budget cycle was approved by Council on 31st of August 2015, 10 months before the start of the budget year in compliance with legislative directives. The Process Plan set the framework for further engagements with various stakeholders to ensure adoption of the 2016/17 IDP and Budget by the end of May 2016. Most of the desired outcomes were met but the Budget process Plan will be re-submitted to council to condone actual dates of activities outlined in the document.

In line with the above requirements, the budget process for the 2016/2017 MTREF period proceeded according to the following timeline:

January 2016: A session of the Directors investigated past performance trends of operating and capital budgets, identified budget realities going forward, and set the criteria and basis of Municipality' budget prioritization process.

21 January 2016: The council considered the 2015/2016 Mid-year Performance Assessment Review

24 February 2016: The council approved the 2015/2016 Adjustment Budget

February 2016 – March 2016: Budget Steering Committee meeting to discuss the departmental inputs as draft before adoption by Council

March 2016: The annual operating and capital budgets, based on the parameters and assumptions set out in the MTREF model, was tabled at the Council meeting and the time table for budget and IDP participation was approved.

31 March 2016: The Draft Budget for 2016/2017 MTREF and Draft IDP for 2016/2017 was tabled in Council for public consultation

13 April – 05 May 2016: Public Consultation and acceptance of written inputs as on **Annexure 7**

May 2016 – Benchmarking process between the municipality and Provincial treasury

May 2016: Finalisation of the 2016/17 MTREF Budget taking into consideration comments received from the public and other stakeholders.

31 May 2016: Tabling of the 2016/17 MTREF budget and 2016/2017 IDP to Council for consideration and approval- (The Budget will be tabled for noting on the 31 May 2016)

June 2016: Notifying the public of the noted 2016/17 IDP and Budget and their approval

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is a principal strategic planning instrument, which guides and informs its on-going planning, 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. The process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Engaging communities/ward forums and sector organisations in obtaining their needs
- Compilation of departmental business plans including key performance indicators and targets
- Public participations process
- Compilation of the SDBIP
- The review of the performance management and monitoring processes
- Address community inputs and response to public inputs by line departments
- Tabling of draft IDP and Budget to Council

2.1.3 Financial Modelling and Key Planning Drivers

The municipality's MTREF model is annually reviewed to determine the most affordable level at which the municipality will be able to operate optimally. It sets out the economic context and assumptions that inform the compilation of the next three year's budget, In addition, sustainability forms the basis of the preparation of the operating and capital budgets.

The following key factors and planning strategies have informed the compilation of the 2016/2017 MTREF:

- Credible collection rates based on the collection achievements to date, incorporating improved anticipated for selected revenue items
- The assumption of a 100% capital expenditure implementation rate
- The need for tariff increases versus the ability of the community to pay for services
- Cash flow management strategy

2.1.4 Community Consultation

In accordance with the MFMA, the Municipal Systems Act (Act 32 of 2000) the 2016/17 MTREF and its accompanying documentation will be made public in the local newspaper and municipal website for public knowledge after it is tabled before Council on the 30 June 2016. The documents will be published on the municipal website and hard copies will be made available at Libraries and Municipal Building.

In addition, as legislated, the Final budget documentation will be submitted in print and electronic formats to both Provincial and National treasury after the budget was tabled before Council.

Ward councillors and ward committees were utilised to facilitate the community consultation process from the 13th April- 05th May 2016. The dates and venues were published on the local newspaper and 25 budget consultation sessions were conducted. Individual sessions were scheduled with Traditional Leaders, Business forums and non-profit organisations

The Budget Benchmarking Assessment between the Provincial Treasury and Municipality was done on the 16th, 21st, 22nd & 27th May 2016

The inputs received during the community consultation process will be addressed and where considered as part of the finalisation of 2016/17 MTREF.

2.2 Overview of alignment of annual budget with Integrated Development Plan

2.2.1 Municipality aligned to National, Provincial and District Alignment

Maluti-A-Phofung development needs to be aligned with the National Provincial and District initiatives to ensure optimal impact from the combined efforts of all tiers of Government. In this regard their five critical elements:

- Efficient and effective public services (Deliver more and better services in a caring and efficient manner)
- Municipalities' role in employment creation
- Shift resources to new priorities
- Move from debate to effective implementation and decisive action and
- Work in partnership with communities, labour and business to achieve our shared objectives

2.2.2 Key demographic, economic and other assumptions

1. Demographic and economic

The Maluti-A-Phofung area covers the greater Harrismith, Kestell Intabazwe and Phuthaditjhaba. The municipality of 35 wards and covers approximately 4 421 km² in extent. Phuthaditjhaba is urban Centre of Qwaqwa and serves as the administrative head offices of Maluti-A-Phofung Municipality, surrounding Phuthadithaba are rural villages of Qwaqwa established on tribal land administered by land affairs. Harissmith is a service centre for the surrounding rural areas and a trading belt serving the passing N3 which links the Gauteng and KwaZulu Natal provinces. Harrismith is surrounded by Tshiame located 12 km to the west and Intabazwe, which is located 1,5 km to the north. The town is an employment center for people living in Tshiame, Intabazwe and Qwaqwa.

Kestell is a service center for surrounding agricultural oriented rural area with Thlolong as the Township. Kestell is situated along the N5 road that links Harrismith with Bethlehem. The rural areas of Maluti-A-Phofung comprise commercial farms and major nature conservation centre such as Qwaqwa National Park, Platberg, Sterkfontein Dam and the Maluti Mountain Range. The area is not only tourism attraction, but also make a big contribution in generating gross agricultural income for the whole of the Province.

The National Treasury has continuously advised municipalities in previous budget circulars on financial management issues to be considered when compiling budgets. The 2016/17 MTREF budget assessment will critically consider the following:

- ☐ Cost reflective tariffs;
- ☐ Appropriateness of budget assumptions;
- ☐ Provision for asset renewal and maintenance;
- ☐ Credibility and level of funding of the budget (funded or not funded); and
- ☐ Alignment of the budgets to municipality's plans.

Therefore municipalities must ensure that their 2016/17 MTREF addresses the items listed above and further submit the methodology applied in setting tariffs when submitting budget documentation to the National Treasury in terms of the MFMA.



Developmental Objectives and Priorities on the IDP

Following an extensive and iterative consultation processes between the elected leaders, municipal administration, communities and stakeholders the municipality has agreed to the following developmental priorities that should be achieved in the next three years. These development priorities are steeped within the overall cluster system of government.

SUSTAINABLE INFRASTRUCTURE AND SERVICES	ECONOMIC DEVELOPMENT AND JOB CREATION
Water Sanitation Electricity Waste management Roads, streets, storm-water Housing Cemeteries Telecommunication Land development	Agricultural development Tourism development Land reform Industrial development Skills development SMME development
SOCIAL DEVELOPMENT AND COMMUNITY SERVICES	GOOD GOVERNANCE AND PUBLIC PARTICIPATION
Environmental management Education and training Parks , Sports and recreation services and library services Transport	Increased revenue base from rates and taxes Corporate governance Institutional transformation Community-based planning
PUBLIC SAFETY	
Disaster Management Safety and Security Traffic Control Emergency services	



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

TABLE 30

FS194 Maluti-a-Phofung - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	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
R thousand											
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution		50,191	61,987	71,289	90,930	80,000	80,000	73,882	77,576	81,455
Sustainable Infrastructure and Services	Electricity- to manage the restructuring of electricity distribution effectively		264,324	104,202	248,774	504,422	443,553	443,553	571,893	602,159	627,363
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents		28,885	31,329	49,226	39,900	40,000	40,000	39,224	41,185	43,244
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites		21,346	21,688	27,700	32,000	35,000	35,000	32,860	34,503	36,228
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered		570	71	1,775	1,168	2,382	2,382	2,220	2,331	2,448
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads				1	5	–	–	10	11	11
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries					500	400	400	500	525	551
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock					910	385	385	3,980	4,179	4,388
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties		659	434	602	875	390	390	3,626	4,374	4,593
Good Governance and public participation (operations and support)	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.		780,903	895,673	1,189,435	1,530,133	1,052,536	1,052,536	900,895	971,977	1,049,025
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel		1,035	318	913	24	808	808	1,000	1,050	1,103
Economic Development and Job Creation	Local Economic Development- to expand the tourism sector					6,000	13,519	13,519	5,000	5,250	5,513
Economic Development and Job Creation	SMME development- to strengthen institutional capacity of SMMEs and increase the number of viable emerging businesses										
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP		953	1,186	540	729	893	893	1,010	1,060	1,113
Public Safety	Emergency services/Fire - to improve response-time and efficiency of the Emergency services		279	371	274	302	165	165	252	265	278
Public Safety	Traffic Control- to improve the payment of traffic fines		998	2,277	1,691	20,740	1,613	1,613	6,860	7,202	7,563
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			1,150,144	1,119,534	1,592,221	2,228,638	1,671,645	1,671,645	1,643,212	1,753,649	1,864,876



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

TABLE 31

FS194 Maluti-a-Phofung - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	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
R thousand											
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution										
Sustainable Infrastructure and Services	Electricity - to manage the restructuring of electricity distribution effectively		420 434	396 167	986 480	757 241	341 428	341 428	496 845	521 687	547 772
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents										
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites		34 073	42 962	48 464	37 115	46 863	46 863	44 698	45 883	48 177
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered		5 944	7 283	6 378	9 430	8 419	8 419	10 032	10 396	10 916
Sustainable Infrastructure and Services	Roads, Streets, storm-water- to increase the safety and access to roads		144 546	99 368	306 423	72 361	95 933	95 933	42 125	44 231	46 443
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries					2 271	3 942	3 942	3 268	3 221	3 383
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock		10 372	12 800	12 963	14 061	12 334	12 334	22 989	24 033	25 235
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties		9 294	7 941	7 787	14 998	10 379	10 379	13 880	14 574	15 303
Good Governance and public participation	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.		562 355	641 925	476 515	569 089	528 857	528 857	349 041	366 732	385 212
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel		15 377	17 957	31 101	25 331	42 624	42 624	38 991	40 708	42 743
Good Governance and public participation	Community based planning- to ensure long-term planning and knowledge management and efficient coordination of service delivery										
Good Governance and public participation	Legislative Authority - to ensure effective coordination of governance processes and compliance to legislative requirements.		34 958	38 514	43 407	105 667	115 550	115 550	122 616	128 747	135 184
Good Governance and public participation	Office of the Municipal Manager- to ensure proper coordination and management of IDP and performance review		11 720	27 386	16 747	31 874	29 087	29 087	52 736	54 423	57 135
Economic Development and Job Creation	Agricultural, land, industrial, skills, SMME development- to expand the agricultural sector					6 558	5 880	5 880	3 849	4 041	4 243
Economic Development and Job Creation	Local Economic Development- to expand the tourism sector		2 727	10 384	3 767	20 852	17 933	17 933	28 012	29 412	30 881
Economic Development and Job Creation	SMME development- to strengthen institutional capacity of SMMEs and increase the number of viable emerging businesses					3 136	2 000	2 000	599	629	661
Social Development and community services	Parks, Sports & Recreation- to increase access to recreational facilities and promote arts and culture in MAP		29 583	35 651	35 097	36 790	40 371	40 371	51 373	53 941	56 638
Public Safety	Public Safety - to ensure the safety of all persons and increase awareness around public safety		18 208	14 454	1 397	23 024	29 818	29 818	20 935	21 982	23 081
Public Safety	Emergency services/Fire - to improve response-time and efficiency of the Emergency services		22 231	17 334	21 276	18 454	22 290	22 290	21 223	22 284	23 399
Public Safety	Disaster Management- to improve disaster management capacity at the municipality		691			1 450	3 000	3 000	10 435	10 957	11 505
Public Safety	Safety and Security - to create a safe and secure environment		6 321	—		13 607	23 454	23 454	21 834	22 925	24 072
Public Safety	Traffic Control- to improve the payment of traffic fines		7 375	10 841	40 172	14 663	14 781	14 781	29 812	31 092	32 647
Allocations to other priorities											
Total Expenditure			1 336 210	1 380 967	2 037 976	1 777 973	1 394 942	1 394 942	1 385 292	1 451 901	1 524 629



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

TABLE 32

FS194 Maluti-a-Phofung - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	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
R thousand											
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution	A	91,043	74,147	73,648	106,471	60,960	60,960	50,168	41,064	54,500
Sustainable Infrastructure and Services	Electricity- to manage the restructuring of electricity distribution effectively	B	19,585	34,539	37,606	31,340	37,329	37,329	10,048	21,000	28,000
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents	C	90,017	69,711	60,917	37,917	30,439	30,439	17,391	45,037	65,676
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites	D				18,000					
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social problems occurring in their specific wards and services rendered	E	18,307	11,036	17,676	5,718	30,524	30,524	9,950	11,500	12,700
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads	F	48,066	91,781	28,448	83,296	69,040	69,040	86,782	112,902	119,002
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries	G		–		8,499	6,874	6,874	2,644	1,250	
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock	H							600	630	662
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties	I	12,898	6,389	1,565	82,179					
Good Governance and public participation	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.	J	330	1,752	808	1,000	500	500			
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel	K							500	525	551
Good Governance and public participation	Community based planning- to ensure long-term planning and knowledge management and efficient coordination of service delivery	L	6,529	9,798	4,955	5,514	8,380	8,380	13,744	8,342	8,844
Good Governance and public participation	Office of the Municipal Manager- to ensure proper coordination and management of IDP and performance review	N	8,598	480	673	3,000	4,900	4,900	5,500	2,625	2,756
Economic Development and Job Creation	SMME development- to strengthen institutional capacity of SMMEs and increase the number of viable emerging businesses	Q							18,000	20,000	26,692
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP	R	21,414	10,707	19,557	27,231	26,914	26,914	34,793	26,873	5,864
Public Safety	Public Safety- to ensure the safety of all persons and increase awareness around public safety	V			3,913	40,500	843	843	7,800	10,000	15,000
		P									
Allocations to other priorities											
Total Capital Expenditure			316,787	310,341	249,765	450,665	276,703	276,703	257,920	301,747	340,247

2.3 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 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 employee's 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, budget, implementation and reporting stages.

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



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

TABLE 33

FS194 Maluti-a-Phofung - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2016/17 Medium Term Revenue & Expenditure Framework		
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
VOTE 1:OFFICE OF THE MUNICIPAL MANAGER				
Function1: IDP& PMS				
Sub-Function1:				
To ensure proper coordination and management of IDP and performance review	% of reviewed and completed IDP within prescribed legislative time frames.	100.0%		
To ensure effective coordination of governance processes and compliance to legislative requirements	% compliance to governance processes and legislative requirements	100.0%		
To encourage communities to participating in the activities of the municipality	No. of wards inclusive of stakeholders participated in IDP review	35		
VOTE 2: CORPORATE SERVICES DIRECTORATE				
Function 1: Human Resources				
Sub-function 1: Safe keeping of record				
To ensure that the records are kept in a safe place	Number of cabinets procured by June 2017	6		
Sub-function 2 - Administration				
To render an effective & efficient record management systems to Council	Records Management Policy developed by January 2017	1		
To administer the booking of Council buildings and halls	Number of bookings administered	300		
To provide Council,Mayoral and Portfolio Committees with administration support	Number of meetings held and supported	124		
To recruit competent employees in order for the municipal to achieve its IDP objectives	Number of competent of staff appointed	200		
Function 2 - Legal Matters				
To ensure that contracts that are entered into are legally correct and comply with relevant legislation	% of compliance on contracts entered into.	100%		
To provide effective and efficient Customer Care Services	Customer Care Policy developed by January 2017	1		
VOTE 3: FINANCIAL SERVICES				
Function 1:BUDGET				
Sub-function:Budget and Treasury Office				
To enhance revenue collection	Increase number of pay-points by 30 June 2017 Increase number of vending stations	2 100		
To ensure proper budgetary process and related matters are adhered to	No. of budget book to be submitted to council for approval 30 days before the start of the financial year No. of consultative meetings with stakeholders	1		
Function 2:ASSETS				
Sub-function: Asset Management				
To ensure the safeguarding and proper recording of asset	No. of regular update of assets register No. of updates on loans and investments	12.00 12.00		
Function 3: FINANCIAL ACCOUNTING				
Sub-function: Financial Matters				
To record and report on all financial matters	No. of AFS to be submitted to Auditor General by 31 August 2016 Number of VAT Returns submitted to SARS	1.00 12.00		
Function 4: EXPENDITURE				
Sub-function: Expenditure Management				
Manage expenditure in accordance with the budget	Quarterly reports on preparation of monthly creditors reconciliations Quarterly reports on compliance with Supply Chain Management Policy	12 4		



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

FS194 Maluti-a-Phofung - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2016/17 Medium Term Revenue & Expenditure Framework		
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
VOTE 4: MUNICIPAL INFRASTRUCTURE				
Function 1: Roads To accelerate the delivery of infrastructure services				
Sub-Function: Roads Construction				
<i>new roads to be constructed</i>	number of km	50		
<i>Intabazwe paving of road</i>	measured by kilo meters of road paved	50		
<i>Tshame paving of roads</i>	Total % of construction in Phuthaditjhaba New Taxi Facility Phase 1	50		
<i>Namahadi</i>	Total km of paved roads constructed	12.5 km		
<i>Phuthaditjhaba</i>	Number of VIP toilets constructed	4358		
<i>To improve waste removal services</i>	Implement a programme for the disposal of domestic waste and commercial services to industrial and business customer	50		
Sub-function:To increase awareness by educating communities about environmental issues and how to protect the environment				
<i>resurfacing</i>	number cleaning campaigns organized	30		
Function 5: WASTE WATER MANAGEMENT				
Sub-function:Sanitation				
<i>mandela park sanitation</i>	stands			
<i>phase 10-VIP toilets</i>	number of households			
<i>Phase 11- VIP toilets</i>	number of households			
<i>Phase 12- VIP toilets</i>	number of households			
Function 3: ELECTRICITY				
Sub-function: Connections				
<i>electricity connections</i>				
Sub-function: streetlights				
<i>High mast lights</i>	No of highmast lights installed			
<i>streetlights</i>	No of streetlights installed			
Function 4: WATER				
Sub-function:Water connections				
<i>To ensure that residents have access to portable water</i>				
<i>Phase 3A</i>	No. of ERF connected			
<i>Phase 3B</i>	No. of ERF connected	2940		
<i>Phase 3C</i>	No. of ERF connected	3907		
VOTE 5: COMMUNITY SERVICES				
Function 1: Social development				
Sub-function: Social Services				
<i>To reduce substance abuse through the local drug action committee</i>	Local Drug Action Plan in place	1		
	Awareness campaigns on substance abuse	15		
<i>To facilitate provision of social security services</i>	Number of pauper and indigent burials attended to	100.0%		
	Number of pauper and indigent stakeholders meetings held	4		
<i>To improve people's life skills</i>	Number of life skills programs conducted	10		
<i>To ensure that community have access to relevant information</i>	Number of consignment received	100.0%		
<i>To develop support networks for Older persons</i>	Local Older Persons Action Plan in place			
	Launch Local Older Persons Action plan	1		
<i>To raise awareness on the rights of woman, children and people living with disabilities</i>	Number of info-sessions, workshops, training and awareness campaigns held			
	Number of national awareness days held	4		
<i>To develop policies and facilitate the implementation of departmental policies and operational plans with regards to gender,</i>	Number of local policies formulated	2		
	Number of policies analysed	3		
	Number of presentations to line managers	3		
Function 2: Library Services				
Sub-function:Improve access to libraries				
<i>To improve access to libraries and functioning libraries</i>	Number outreach programs conducted	4		
<i>To contribute towards the improvement of education</i>	Number of learning material issued	12		
Function 3: Cemetery Services				
Sub-fuction: Cemeteries				
<i>To provide and maintain municipal cemeteries</i>	Number of graves provided	14		
	Electronic burial register in place	1		
<i>To establish new cemeteries</i>	Number of cemeteries established/extended	2		
VOTE 6: PUBLIC SAFETY				
Function 1:Fire and disaster management				
<i>To optimise income</i>	Amount to be collected from traffic fines	R 6 000 000.00		
<i>To review Disaster Management Plan</i>	Conduct consultative meetings.	1		
Function 2: Transport				
<i>To improve municipal transport capacity</i>	Conduct inspections on municipal vehicles	2		
	To facilitate in-service training to staff	20		
<i>To operate and maintain municipal fleet</i>	Verification of driver's licenses through e-natis.	150		
Function 3:Safety and security				
<i>To comply with SANS requirements with regard to response time</i>	Conduct fire safety inspection on buildings	200		
	Installation of radio communication	100%		
	CCTV Cameras	15		



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

FS194 Maluti-a-Phofung - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2016/17 Medium Term Revenue & Expenditure Framework		
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
VOTE 7: SPORTS, RECREATION AND COMMUNITY FACILITIES				
Function 1: PARKS				
Sub-Function1: To promote sports activities				
To develop new sporting codes	Number of parks developed with recreation equipment	8		
	Number of sporting codes developed	20		
	Number of Sports Federations introduced for different sporting codes	12		
	Number of tournaments and competitions organized	12		
Sub-function 2:To maintain sports and recreation facilities		7		
To provide new sports equipment	Number of maintenance programs developed for different sports facilities	7		
	Number of new sports equipment provided per sports codes	18		
To encourage communities to participate in the activities of the Municipality	Implement existing Public Participation Programme			
Sub-function 3:To develop sports facilities				
To develop and promote Arts and culture	Number of Sports and Recreation facilities developed	4		
	Number of Arts and Culture centers developed	2		
	Number of exhibitions and workshops conducted	40		
	Number of cultural festivals/cultural concerts conducted	25.00		
VOTE 8: LOCAL ECONOMIC DEVELOPMENT				
Function1: Tourism				
Sub-Function1: Tourism to expand tourism sector in the region				
To expand tourism sector in the region	number of tourism products developed	3		
To market Maluti A Phofung tourism destination	monitor environmental risks in high risk areas	100.0%		
to promote compliance to environmental legislation,policiesand by laws	air quality management by laws developed	100.0%		
Function2:SMME Development				
Sub-function2: SMME's				
Capacity of SMME and increase the number of viable emerging businesses	number of emerging SMME's formalised	25		
To expand mining beneficiation sector in the region	number of emerging and small scale miners formalised	4		
Function3: Economic Development				
Sub-function3: LED				
To draw new investment to the area	number of new investment attracted	3		
To facilitate the industrial development in the region	number of companies retained	80		
To expandthe manufacturing sectorin the region	number of retained companies and entrants into the sector	4		
Function4: Agriculture and rural development				
Sub-function4: Agricultural development				
To expand the agricultural sector in the region	number of new agricultural projects identified and implemented	3		
VOTE 9: HUMAN SETTLEMENTS, SPATIAL DEVELOPMENT, PLANNING AND TRADITIONAL AFFAIRS				
FUNCTION: To facilitate access to subsistence and commercial farming	Number of Leased and utilized town lands and camps			
Sub function: Developing		25		
To secure tenure rights for all in MAP	Number of title deeds given out through discount benefit scheme.	1000		
Review of the SDF and Human Settlement Sector	Selling of sites; building plan fees;relaxations;encroachment; rezoning and sub divisions	Quarterly		
To provide and maintain Cemeteries	No of Sustainable cemeteries established	Tshame & Extensionof Bluegumbosch cemetery		
Formalization of Rural Qwaqwa	11 townships & 16 geotechnical reports	Sessions with Traditional Leaders from 11 Districts.		
To manage advertisement space monthly	Number of New and old advertisement boards monitored and billed accordingly	44 Billboards and 1000 posters		
To prevent and eradicate all informal settlements	Number of illegal structures on un-proclaimed areas to be reallocated and formalized.	Formalization of informal settlement and re-allocation into sites at Intabazwe 600 sites(1st phase) and Disaster Park 70 Stands.		



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

TABLE 34

FS194 Maluti-a-Phofung - Supporting 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	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.6%	0.6%	0.4%	0.7%	0.9%	0.9%	0.9%	0.9%	0.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.1%	1.7%	0.8%	0.8%	1.3%	1.3%	1.2%	1.2%	1.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	18.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.0	0.5	0.5	2.2	1.0	1.0	1.0	1.0	1.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.0	0.5	0.5	2.2	1.0	1.0	1.0	1.0	1.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		102.0%	72.6%	96.2%	100.3%	93.9%	0.0%	99.6%	99.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		101.7%	70.2%	94.6%	100.0%	93.9%	93.9%	99.6%	99.6%	99.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	22.2%	15.7%	39.5%	14.3%	37.9%	37.9%	63.5%	63.3%	63.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))									
Creditors to Cash and Investments		-988.1%	-1308.8%	16875.1%	89.1%	231.3%	231.3%	703.7%	374.2%	258.8%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)									
	Total Cost of Losses (Rand '000)									
	% Volume (units purchased and generated less units sold)/units purchased and generated									
Water Distribution Losses (2)	Total Volume Losses (kℓ)									
	Total Cost of Losses (Rand '000)									
	% Volume (units purchased and generated less units sold)/units purchased and generated									
Employee costs	Employee costs/(Total Revenue - capital revenue)	23.0%	27.5%	18.4%	14.6%	20.8%	20.8%	23.1%	22.9%	22.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	25.3%	29.9%	20.1%	15.8%	21.6%	21.6%	24.8%	24.5%	24.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	9.2%	8.6%	32.2%	5.2%	8.4%	8.4%	4.5%	4.5%	4.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	25.8%	26.5%	13.8%	9.4%	5.1%	5.1%	3.8%	3.8%	3.8%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	100.5	101.7	34.5	175.0	175.0	175.0	27.2	27.0	28.1
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	38.8%	35.2%	106.0%	29.2%	65.2%	65.2%	100.0%	100.9%	101.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.4)	(0.5)	0.1	2.1	2.9	2.9	1.3	2.5	3.6

Performance indicators and benchmarks

1. *Borrowing Management*

The Municipality's capital expenditure is funded from two sources, namely, National government grants and internally generated funds. The Municipality's borrowing if it intends on taking a loan will be done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. Currently the source of funding is as stated above.

The following financial performance indicators have formed part of the compilation of the 2016/17 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 0.9% over the 2016/17 MTREF which indicates that the Municipality spends an average of 0.9% of its operating expenditure budget annually on finance charges, which is considered feasible and sustainable.
- Borrowing funding as a ratio of own capital expenditure reflects the degree to which own capital expenditure (excluding grants and contributions) has been funded by surplus of the current financial year. However the ratio averages 0,0% over the 2016/17 MTREF.

2. *Safety of Capital*

- The debt 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.
- The gearing ratio is a measure of the total long term borrowings over funds and reserves.

3. *Liquidity*

- Current ratio measures the extent which current assets cover current liabilities. It is preferable that the ratio is at least above one. This ratio for the Municipality averages 1.0 over the 2016/17 MTREF.
- The liquidity ratio is a measure of the ability of the Municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally a 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. This ratio for the Municipality averages 0.0 over the 2016/17 MTREF.

4. *Revenue Management*

- The municipality has appointed debt collectors and exercises credit control even to households so actions are carried out against debtors who are in arrears, and loyal customers.
- The Municipality has provided an affordable payment plan for debtors to offset their arrears, where compliance with the payment plan leads



to the suspension of all debt management actions and interest being raised.

- Debtors who are experiencing difficulties in paying their accounts are given options to either register as indigent or make affordable arrangements.
- Debt relief strategy incentive was also re-introduced

5. Creditors Management

- In compliance with Section 65 of the Municipal Finance Management Act (MFMA), the Municipality is continually trying to manage payments to creditors within 30 days of invoice or statement in all cases where goods and services are rendered, but this is directly linked to cash flow.

2.4 OVERVIEW OF BUDGET-RELATED POLICIES

The following budget related policies will be submitted to Council and after approval are available on the Municipality's website. The following policies have been used as basis for the preparation of the annual budget and were reviewed as was listed on **Annexure 5** of the budget document noted in May 2016. The **Credit Control Policy** will be attached under **Annexure 5** to submit changes and clauses for approval.

A) Tariff policy

The Municipal System Act (section 74) requires Council to adopt a Tariff Policy. The general financial management functions as stated in section 62(1) (f) of the MFMA also states that the municipality must have and implement the policy, when determining this policy specific legislation applicable to each service has been taken into consideration.

B) Credit control policy (Attached)

This policy has been formulated in terms of section 96(b) and 98 of the Local Government: Municipal Systems Act, 2000.

C) Rates policy

This policy is formulated in terms of section 3 of the MPRA

D) Supply chain management & subsistence and travelling policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. This policy is under review

E) Indigent policy

The objective of this policy is to assist households which are not able to service their municipal accounts as and when they are due and payable, as result of local economic, social and environmental challenges other than through negligence or unwillingness to pay.

F) Budget & reporting policy

The budget policy aims to develop, maintain processes required in developing a municipality budget and detailing the responsibilities of all stakeholders inclusive of the accounting officer, the council, the public through public participation programmes.

G) Cash and investment policy

The investment Policy deals with the management of the municipality's surplus cash resources and the investment thereof.

H) Impairment of debtors and write off policy

The policy aims to ensure that debtors are disclosed in the annual financial statements at the amounts deemed to be collectable and uncollectable debt is written off within the guidelines of existing policies and applicable legislation

I) Virement policy

This policy applies only to transfers between line items within votes of the Municipality's operating budget

J) Assets policy

This policy focuses on amongst others, effective and efficient control, utilization, safeguarding and management of a municipality's property, plant and equipment.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 External factors

The 2016 Budget Review notes that since the tabling of the Medium Term Budget Policy Statement (MTBPS) in October 2015 the global economic crisis has deepened, exposing the depth of South Africa's external vulnerabilities and the internal constraints that limit its potential for growth. Global conditions have exposed South Africa's own economic weaknesses, with projected GDP growth revised down to 0.9 per cent for 2016 improving gradually to 1.7 per cent in 2017 and 2.4 per cent in 2018.

The weaker outlook is as a result of lower commodity prices, higher borrowing costs, drought and diminished business and consumer confidence. Constrained electricity supply continues to limit growth and deter fixed investment. Exchange rate depreciation is contributing to a higher inflation outlook during 2016.

These factors are expected to ease over the medium term. An upturn in global trade and investment, improved policy certainty, recovering consumer and business confidence, and greater availability and reliability of electricity in the outer years should support stronger growth. Job creation remains one of the most pressing concerns for the economy. Headline employment grew by 3.7 per cent in the first three quarters of 2015. According to Statistics South Africa, 19 000 jobs were created in the formal sector and 273 000 in the informal sector in the first three quarters of 2015. The unemployment rate stood at 25.5 per cent in the third quarter of 2015, with the number of South Africans categorised as long-term unemployed 5.7 per cent higher than in 2014.

Higher inflation and weaker employment growth will impact on the ability of all municipalities to generate and collect revenue on services, to keep expenditures within budgeted allocations, and to borrow to fund capital expenditure programmes at affordable rates. Therefore it is critical for municipalities to review how they conduct their business to ensure value for money is obtained in all their expenditures, that revenue administration systems are operating effectively, that

borrowing programmes are realistic, and that creditors (including bulk service providers) continue to be paid timeously and in full.

Municipalities should carefully consider the costs associated with service delivery while keeping in mind affordability and inflation when setting revenue raising measures. Once again, approving tariffs that are far below levels representing the cost of providing the services would negatively impact on the financial sustainability of municipalities.

Employee related costs

The South African Local Government Bargaining Council recently entered into a three-year *Salary and Wage Collective Agreement* for the period 01 July 2015 to 30 June 2018. The agreement reached is as follows:

- ☐ 2015/16 Financial Year – 7 per cent
- ☐ 2016/17 Financial Year – average CPI (Feb 2015 – Jan 2016) + 1 per cent
- ☐ 2017/18 Financial Year – average CPI (Feb 2016 – Jan 2017) + 1 per cent

Municipalities are advised to use this Salary and Wage Agreement preparing their 2016/17 MTREF budgets.

Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published on 21 December 2015 by the Department of Cooperative Governance.

Cost containment measures

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

The National Treasury has continuously advised municipalities in previous budget circulars on financial management issues to be considered when compiling budgets. The 2016/17 MTREF budget assessment will critically consider the following:

- ☐ Cost reflective tariffs;
- ☐ Appropriateness of budget assumptions;
- ☐ Provision for asset renewal and maintenance;
- ☐ Credibility and level of funding of the budget (funded or not funded); and
- ☐ Alignment of the budgets to municipality's plans.

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Breakdown of operating revenue over the medium term

TABLE 35

Description	Medium Term Revenue & Expenditure Framework					
	Budget Year 2016/17		Budget Year +1 2017/18		Budget Year +2 2018/19	
	R'000	%	R'000	%	R'000	%
Rates & Taxes	207,596	14%	217,976	14%	228,875	14%
Service charges	714,784	49%	752,194	49%	784,899	49%
Interest revenue	28,900	2%	30,345	2%	31,862	2%
Transfers recognised - operational	459,907	32%	494,426	32%	528,699	33%
Other own revenue	46,505	3%	39,207	3%	36,668	2%
TOTAL OPERATING REVENUE	1,457,692	100%	1,534,148	100%	1,611,003	100%

Revenue to be generated from **property rates** is R207.5 million in the 2016/17 financial year and increases to R217.9 million by 2017/18 and R 228.8 million by 2018/19 which represents an average of 14 per cent of the operating revenue base of the municipality. It increases by 5% over the medium-term. In addition there are still outstanding objections.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R714.7 million for the 2016/17 financial year and increasing to R784.9 million by 2018/19. For the 2016/17 financial year services charges amount to 49 per cent of the total revenue base and grows by 5 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and other tariff charges.

Operational grants and subsidies amount to R459.9 million, R494.4 million and R528.6 million for each of the respective financial years of the MTREF, or 32 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 8% average.

Interest revenue contributes to 2% of the total operating amounting to R28.9 million, R30.3 million and R31.8 million for the respective three financial years of the 2016/17 MTREF.



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

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

TABLE 36

FS194 Maluti-a-Phofung - Supporting Table SA15 Investment particulars by type

Investment type	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
R thousand									
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	630	-	-	900	900	900			
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	630	-	-	900	900	900	-	-	-
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:	630	-	-	900	900	900	-	-	-

TABLE 37

FS194 Maluti-a-Phofung - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months								
Parent municipality									
Sanlam- 5926- 9000026112500	Yrs	money market	Yes	Variable	393	-			393
Sanlam - Money Market-50189027-90000261123	Yrs	money market	Yes	Variable	1 590	9			1 599
Sanlam- 11690236x2-9000026112400	Yrs	money market	Yes	Variable	394	-			394
FNB Call Account- 62027358292- 900002611010	Yrs	call account	Yes	Variable	1	0			1
FNB Call Account - MIG Funds- 62199534580- 9	Yrs	call account	Yes	Variable	2	0			
FNB JAZZ FUND -62387689824	Yrs	call account	Yes	Variable	1	0			1
FNB Call Account - INT/HA CORR- 6221289634	Yrs	call account	Yes	Variable	10	1			11
Standard BANK- 348526407- 9000026110300	Yrs	call account	Yes	Variable	76	0			76
Municipality sub-total					2 468		-	-	2 475
Entities									
									-
									-
									-
									-
									-
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST					2 468		-	-	2 475

2.6.2 Breakdown of the capital revenue for MTREF

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

TABLE 38

			2016/17 Medium Term Revenue & Expenditure Framework					
CAPITAL GRANTS	Adjusted Budget	%	Budget Year 2016/17	%	Budget Year +2 2017/18	%	Budget Year +2 2018/19	%
Funded by:								
National Government	187,265		185,520		209,501		238,873	
Transfers recognised - capital	187,265	68%	185,520	72%	209,501	69%	238,873	70%
Internally generated funds	89,438	32%	72,400	28%	92,246	31%	101,374	30%
Total Capital Funding	276,703	100%	257,920	100%	301,747	100%	340,247	100%

Capital grants and receipts from national government equals to 72 per cent of the total funding source which represents R185.5 million for the 2016/17 financial year and increases by 13% to R209.5 million by 2017/18, further increases to R238.8 million by 2018/19 which is 14%. Increase relating to grant receipts is 5 over the medium-term.

Grants from national sources still remain a significant funding source for the 2016/17 to 2018/19 Capital Budget.

The following table is a detailed analysis of the municipality's borrowing

TABLE 39

FS194 Maluti-a-Phofung - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	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
Parent municipality									
Long-Term Loans (annuity/reducing balance)	17 416	13 762	9 872	11 262	10 000	10 000	8 000	5 000	2 000
Long-Term Loans (non-annuity)									
Municipality sub-total	17 416	13 762	9 872	11 262	10 000	10 000	8 000	5 000	2 000
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	17 416	13 762	9 872	11 262	10 000	10 000	8 000	5 000	2 000

TABLE 40

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts

Description R thousand	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
RECEIPTS:									
Operating Transfers and Grants									
National Government:	348 037	369 210	403 189	454 044	560 254	560 254	459 907	494 426	528 699
Local Government Equitable Share	338 076	361 770	392 155	451 439	557 649	557 649	458 097	492 281	526 299
Finance Management	1 500	1 550	1 600	1 675	1 675	1 675	1 810	2 145	2 400
Municipal Systems Improvement	800	890	934	930	930	930			
Water Services Operating Subsidy	7 661	5 000	8 500	-					
Other transfers/grants [insert description]									
Provincial Government:	-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
SETA									
Total Operating Transfers and Grants	348 037	369 210	403 189	454 044	560 254	560 254	459 907	494 426	528 699
Capital Transfers and Grants									
National Government:	297 568	289 258	206 474	247 865	187 265	187 265	185 520	209 501	238 873
Municipal Infrastructure Grant (MIG)	207 842	197 323	154 260	157 047	157 047	157 047	154 870	166 843	176 873
Regional Bulk Infrastructure	63 620	49 500	31 548	57 600	-	-	-	26 658	42 000
DoE- Intergrated National Electrification Progra	10 000	20 000	11 300	20 000	20 000	20 000	3 000	10 000	20 000
Expanded Public Works Incentive Programmr	13 106	10 210	4 866	5 718	5 718	5 718	7 650		
Rural Households Infrastructure		2 225	4 499	4 500	4 500	4 500			
EDMG; Schoonplatz human settlement	3 000	10 000		3 000			20 000	6 000	
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	57 000	-	-	-	-	-
Department of Environmental affairs(DEA)				17 000					
Land reform & rural development : DoE(construction of maseleeng substation)				40 000					
Total Capital Transfers and Grants	297 568	289 258	206 474	304 865	187 265	187 265	185 520	209 501	238 873
TOTAL RECEIPTS OF TRANSFERS & GRANTS	645 605	658 468	609 663	758 909	747 519	747 519	645 427	703 927	767 572

2.6.3 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 provided 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**

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	147,150	57,165	120,001	267,000	232,596	232,596	207,596	217,976	228,875
Service charges	338,674	202,476	367,771	664,830	575,300	575,300	710,780	752,190	784,895
Other revenue	13,180	6,594	279,219	515,399	241,725	241,725	46,505	49,207	51,667
Government - operating	348,013	362,667	403,189	454,044	560,954	560,954	459,907	494,426	528,699
Government - capital	284,563	282,040	206,474	304,865	190,265	190,265	185,520	209,501	238,873
Interest	1,903	2,805	1,116	22,500	2,400	2,400	28,900	30,345	31,862
Dividends							-	-	-
Payments									
Suppliers and employees	(810,690)	(621,194)	(1,327,906)	(1,291,576)	(1,111,449)	(1,111,449)	(1,154,242)	(1,209,299)	(1,269,896)
Finance charges	(7,583)	(5,769)	(4,468)	(6,000)	(6,000)	(6,000)	-	-	-
Transfers and Grants	(77,723)	-	-	(255,396)	(192,000)	(192,000)	(105,000)	(110,250)	(115,763)
NET CASH FROM/(USED) OPERATING ACTIVITIES	237,487	286,783	45,395	675,665	493,791	493,791	379,966	434,095	479,213
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	5,351	2,350	-	-	-	6,000	-	-
Decrease (Increase) in non-current debtors	-	-	8,236	-	-	-	-	-	-
Decrease (increase) other non-current receivable	1,396	8,977	-	2,500	-	-	-	-	-
Decrease (increase) in non-current investments	1,770	-	(150)	-	10,000	10,000	-	-	-
Payments									
Capital assets	(278,226)	(310,341)	(1,688)	(450,665)	(260,791)	(260,791)	(257,920)	(301,747)	(340,247)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(275,060)	(296,013)	8,748	(448,165)	(250,791)	(250,791)	(251,920)	(301,747)	(340,247)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-	-	-
Borrowing long term/refinancing	5,355	-					-	-	-
Increase (decrease) in consumer deposits							-	-	-
Payments									
Repayment of borrowing	(13,785)	(2,321)	(3,545)	(6,000)	(6,000)	(6,000)	(6,000)	(6,300)	(6,615)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8,430)	(2,321)	(3,545)	(6,000)	(6,000)	(6,000)	(6,000)	(6,300)	(6,615)
NET INCREASE/ (DECREASE) IN CASH HELD	(46,002)	(11,551)	50,599	221,500	237,000	237,000	122,046	126,048	132,351
Cash/cash equivalents at the year begin:	13,683	(32,319)	(43,870)	3,000	6,729	6,729	3,000	125,046	251,094
Cash/cash equivalents at the year end:	(32,319)	(43,870)	6,729	224,500	243,729	243,729	125,046	251,094	383,445

2.6.4 Cash backed reserves/accumulated surplus reconciliation

The following table meets the requirements of the 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'. Noncompliance 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

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	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	(32,319)	(43,870)	6,729	224,500	243,729	243,729	125,046	251,094	383,445
Other current investments > 90 days	—	(0)	(0)	(221,500)	(236,658)	(236,658)	(117,981)	(243,676)	(375,656)
Non current assets - Investments	630	—	—	900	900	900	—	—	—
Cash and investments available:	(31,689)	(43,870)	6,729	3,900	7,970	7,970	7,065	7,418	7,789
Application of cash and investments									
Unspent conditional transfers	7,854	2,481	1,787	—	—	—	—	—	—
Unspent borrowing	—	—	—	—	—	—	—	—	—
Statutory requirements	—	—	—	—	—	—	—	—	—
Other working capital requirements	145,593	505,043	708,435	(64,186)	(74,856)	(74,856)	(15,547)	(20,273)	(21,165)
Other provisions	—	—	—	—	—	—	—	—	—
Long term investments committed	—	—	—	2,394	2,438	2,438	2,511	2,586	2,664
Reserves to be backed by cash/investments	—	—	—	—	—	—	—	—	—
Total Application of cash and investments:	153,447	507,524	710,221	(61,792)	(72,419)	(72,419)	(13,036)	(17,687)	(18,501)
Surplus(shortfall)	(185,136)	(551,394)	(703,492)	65,692	80,389	80,389	20,101	25,105	26,291

2.6.5 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

FS194 Maluti-a-Phofung Supporting Table SA10 Funding measurement

Description	MFMA section	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
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	(32,319)	(43,870)	6,729	224,500	243,729	243,729	125,046	251,094	383,445
Cash + investments at the yr end less applications - R'000	18(1)b	(185,136)	(551,394)	(703,492)	65,692	80,389	80,389	20,101	25,105	26,291
Cash year end/monthly employee/supplier payments	18(1)b	(0.4)	(0.5)	0.1	2.1	2.9	2.9	1.3	2.5	3.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(186,066)	(261,433)	(445,755)	450,665	276,703	276,703	257,920	301,747	340,247
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	N.A.	(28.5%)	33.3%	74.8%	(13.7%)	(6.0%)	1.3%	(0.8%)	(1.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	97.2%	56.5%	78.1%	98.6%	113.9%	113.9%	96.9%	97.3%	97.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	11.8%	49.7%	(31.6%)	5.4%	12.0%	12.0%	7.6%	7.6%	7.6%
Capital payments % of capital expenditure	18(1)c;19	87.8%	100.0%	0.7%	100.0%	94.2%	94.2%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	18.0%	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	—	—	—	—	—	—	100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(29.6%)	318.6%	(50.2%)	106.2%	0.0%	64.6%	5.0%	5.0%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(88.0%)	(49.1%)	690.1%	(86.7%)	0.0%	0.0%	5.0%	5.0%
R&M % of Property Plant & Equipment	20(1)(vi)	2.8%	2.3%	14.9%	3.7%	4.1%	4.1%	2.1%	2.1%	2.1%
Asset renewal % of capital budget	20(1)(vi)	0.8%	3.3%	1.4%	0.0%	4.4%	4.4%	9.6%	9.2%	5.1%

2.6.5.1 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 likely to meet the 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 show a positive R125million, R246 million and R374 million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality applies its available cash and investments. In the Municipality's case, the total of cash plus investment, less applications, is more than the commitments for each corresponding year the 2016/17 MTREF, which shows that the Municipality can afford its commitments in the medium term. 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.

2.6.5.3 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 (i.e. the number of times that average monthly payments are covered) from a collection and cash in-flow perspective. This ratio is 1.3 in 2016/17, 2.5 in 17/18 and 3.7 in 18/19 MTREF period, which shows that stable provision in respect of the monthly payment coverage has been made. The municipal's view is that one months' provision is sufficient.

2.6.5.4 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 2016/2017 MTREF the indicative outcome is a surplus of R 257.9 million, R301.7 million and R340.2 million which means forecast tariffs and taxes are sufficient, implying that the community is making an adequate contribution to the economic benefits they receive.

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

The purpose of this measure is to test 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. At 1.3%, -0.8% and -1.5% for the three MTREF years the ratio for 2016/17 is less than the National Treasury CPI targets

2.6.5.6 Cash receipts as a percentage of ratepayers 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 96.9% for 2016/17, 97.3% for 2017/18 and 2018/2019. Given that the assumed collection rate was based on the 100 per cent performance target, the cash flow statement has been conservatively determined.

2.6.5.7 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 assumption for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 7.6% average per cent over the MTREF. Considering the debt collectors 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.

2.6.5.8 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. It can be seen that a 100% per cent timing discount has been factored into the cash position forecasted in 2016/2017 financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 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. Extremely funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0% per cent of own funded capital for the 2016/17 financial year.

2.6.5.10 Transfers/grants revenue as 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 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

2.6.5.11 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 two 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 debtor's accounts within 30 days.

2.6.5.12 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 assess 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.

2.6.5.13 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



2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

TABLE 44

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:									
Operating Transfers and Grants									
National Government:	348 037	369 210	403 189	454 044	560 254	560 254	459 907	494 426	528 699
Local Government Equitable Share	338 076	361 770	392 155	451 439	557 649	557 649	458 097	492 281	526 299
Finance Management	1 500	1 550	1 600	1 675	1 675	1 675	1 810	2 145	2 400
Municipal Systems Improvement	800	890	934	930	930	930			
Water Services Operating Subsidy	7 661	5 000	8 500	-					
Other transfers/grants [insert description]									
Provincial Government:	-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
SETA									
Total Operating Transfers and Grants	348 037	369 210	403 189	454 044	560 254	560 254	459 907	494 426	528 699
Capital Transfers and Grants									
National Government:	297 568	289 258	206 474	247 865	187 265	187 265	185 520	209 501	238 873
Municipal Infrastructure Grant (MIG)	207 842	197 323	154 260	157 047	157 047	157 047	154 870	166 843	176 873
Regional Bulk Infrastructure	63 620	49 500	31 548	57 600	-	-	-	26 658	42 000
DoE- Intergrated National Electrification Program	10 000	20 000	11 300	20 000	20 000	20 000	3 000	10 000	20 000
Expanded Public Works Incentive Programme	13 106	10 210	4 866	5 718	5 718	5 718	7 650		
Rural Households Infrastructure		2 225	4 499	4 500	4 500	4 500			
EDMG; Schoonplatz human settlement	3 000	10 000		3 000			20 000	6 000	
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	57 000	-	-	-	-	-
Department of Environmental affairs(DEA)				17 000					
Land reform & rural development ; DoE(construction of maseleng substation)				40 000					
Total Capital Transfers and Grants	297 568	289 258	206 474	304 865	187 265	187 265	185 520	209 501	238 873
TOTAL RECEIPTS OF TRANSFERS & GRANTS	645 605	658 468	609 663	758 909	747 519	747 519	645 427	703 927	767 572



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TABLE 45

FS194 Maluti-a-Phofung - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	348 013	365 116	403 189	454 044	560 254	560 254	459 907	494 426	528 699
Local Government Equitable Share	338 051	355 227	392 155	451 439	557 649	557 649	458 097	492 281	526 299
Finance Management	1 500	1 550	1 600	1 675	1 675	1 675	1 810	2 145	2 400
Municipal Systems Improvement	801	890	934	930	930	930			
Water Services Operating Subsidy	7 661	5 000	8 500	-					
Operation Hlasela	-	2 449							
Provincial Government:	-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-	-	-
SETA									
Total operating expenditure of Transfers and Grants	348 013	365 116	403 189	454 044	560 254	560 254	459 907	494 426	528 699
Capital expenditure of Transfers and Grants									
National Government:	286 990	280 400	206 474	247 865	187 265	187 265	185 520	209 501	238 873
Municipal Infrastructure Grant (MIG)	209 851	197 323	154 260	157 047	157 047	157 047	154 870	166 843	176 873
Regional Bulk Infrastructure	52 811	50 507	31 548	57 600	-	-	-	26 658	42 000
DoE- Intergrated National Electrification Programme	9 422	20 000	11 300	20 000	20 000	20 000	3 000	10 000	20 000
Expanded Public Works Incentive Programme	11 906	12 570	4 866	5 718	5 718	5 718	7 650		
Rural Households Infrastructure		-	4 499	4 500	4 500	4 500			
EDMG & WSIG	3 000	-		3 000			20 000	6 000	
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:	-	-	-	57 000	-	-	-	-	-
Department of Environmental affairs(DEA)				17 000					
Land reform & rural development ; DoE(construction of maseleng substation)				40 000					
Total capital expenditure of Transfers and Grants	286 990	280 400	206 474	304 865	187 265	187 265	185 520	209 501	238 873
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	635 002	645 516	609 663	758 909	747 519	747 519	645 427	703 927	767 572

TABLE 46

FS194 Maluti-a-Phofung - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	3 766	3 765							
Current year receipts	348 012	366 667	403 189	454 044	560 254	560 254	459 907	494 426	528 699
Conditions met - transferred to revenue	348 013	367 983	403 189	454 044	560 254	560 254	459 907	494 426	528 699
Conditions still to be met - transferred to liabilities	3 765	2 449							
Provincial Government:									
Balance unspent at beginning of the year	1 149	1 149							
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	1 149	1 149							
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 operating transfers and grants revenue	348 013	367 983	403 189	454 044	560 254	560 254	459 907	494 426	528 699
Total operating transfers and grants - CTBM	4 914	3 598	-	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	5 366	2 940	-						
Current year receipts	284 564	278 040	206 474	247 865	187 265	187 265	185 520	209 501	238 873
Conditions met - transferred to revenue	286 990	280 400	204 687	247 865	187 265	187 265	185 520	209 501	238 873
Conditions still to be met - transferred to liabilities	2 940	580	1 787						
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
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				57 000					
Conditions met - transferred to revenue	-	-	-	57 000	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	286 990	280 400	204 687	304 865	187 265	187 265	185 520	209 501	238 873
Total capital transfers and grants - CTBM	2 940	580	1 787	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	635 002	648 383	607 876	758 909	747 519	747 519	645 427	703 927	767 572
TOTAL TRANSFERS AND GRANTS - CTBM	7 854	4 178	1 787	-	-	-	-	-	-



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Allocations and grants made by the municipality

TABLE 47

FS194 Maluti-a-Phofung - Supporting Table SA21 Transfers and grants made by the municipality

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Total Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms									
Water Subsidy to Maluti water	18 061	5 000	8 500	-					
Equitable share to Maluti Water	59 662	75 000	91 722	115 440	100 000	100 000	105 000	110 250	115 763
Total Cash Transfers To Entities/Ems'	77 723	80 000	100 222	115 440	100 000	100 000	105 000	110 250	115 763
Total Cash Transfers To Groups Of Individuals:	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	77 723	80 000	100 222	115 440	100 000	100 000	105 000	110 250	115 763
Groups of Individuals									
Indigent Households				139 957	85 000	85 000			
Total Non-Cash Grants To Groups Of Individuals:	-	-	-	139 957	85 000	85 000	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS	-	-	-	139 957	85 000	85 000	-	-	-
TOTAL TRANSFERS AND GRANTS	77 723	80 000	100 222	255 396	185 000	185 000	105 000	110 250	115 763



2.8 COUNCILLORS AND EMPLOYEE BENEFITS

TABLE 48

FS194 Maluti-a-Phofung - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	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
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	–	–	–	–	–	–	–	–	–
Pension and UIF Contributions	1 671	1 696	1 789	1 953	1 993	1 993	2 061	2 164	2 272
Medical Aid Contributions	275	245	248	249	250	250	252	264	278
Motor Vehicle Allowance	2 922	3 061	3 047	3 131	2 951	2 951	3 235	3 396	3 566
Cellphone Allowance	939	1 384	1 471	1 524	1 410	1 410	1 584	1 663	1 746
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	13 582	13 749	16 835	16 786	16 113	16 113	16 967	17 815	18 706
Sub Total - Councillors	19 390	20 134	23 390	23 643	22 718	22 718	24 098	25 303	26 568
% increase		3.8%	16.2%	1.1%	(3.9%)	–	6.1%	5.0%	5.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 681	12 256	7 269	25 746	9 100	9 100	9 101	9 556	10 034
Pension and UIF Contributions	246	487	1 520	3 367	424	424	799	839	881
Medical Aid Contributions	377	124	25	1 219	87	87	100	105	110
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	1 515	1 185	1 807	5 678	1 153	1 153	1 325	1 392	1 461
Cellphone Allowance	144	115	96	384	115	115	240	252	265
Housing Allowances	26	–	–	188	–	–	–	–	–
Other benefits and allowances	–	85	–	439	177	177	–	–	–
Payments in lieu of leave	422	–	–	–	292	292	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	7 411	14 252	10 716	37 021	11 347	11 347	11 565	12 144	12 751
% increase		92.3%	(24.8%)	245.5%	(69.3%)	–	1.9%	5.0%	5.0%
Other Municipal Staff									
Basic Salaries and Wages	122 277	133 095	154 015	167 250	191 569	191 569	228 493	239 442	251 412
Pension and UIF Contributions	20 923	17 666	24 299	17 031	31 122	31 122	35 142	36 811	38 652
Medical Aid Contributions	6 426	8 560	9 082	11 288	10 588	10 588	12 599	13 181	13 840
Overtime	12 223	20 221	26 863	3 710	28 116	28 116	5 452	4 360	4 578
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	573	949	3 369	6 610	6 987	6 987	13 601	14 136	14 842
Cellphone Allowance	247	365	693	565	934	934	1 091	1 138	1 195
Housing Allowances	568	652	678	885	1 338	1 338	1 508	1 577	1 656
Other benefits and allowances	23 648	27 995	12 780	17 437	7 617	7 617	6 957	6 774	7 113
Payments in lieu of leave	4 467	6 638	13 029	17 127	16 952	16 952	19 044	19 820	20 811
Long service awards	(128)	(108)	(152)	1 657	2 007	2 007	1 438	1 484	1 554
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	191 226	216 035	244 657	243 562	297 229	297 229	325 324	338 722	355 653
% increase		13.0%	13.2%	(0.4%)	22.0%	–	9.5%	4.1%	5.0%
Total Parent Municipality	218 026	250 421	278 762	304 225	331 294	331 294	360 987	376 169	394 971

**FS194 Maluti-a-Phofung - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior manager**82

TABLE 50

FS194 Maluti-a-Phofung - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	2014/15			Current Year 2015/16			Budget Year 2016/17		
	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)	69	11	58	67	15	52	68	15	53
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
Municipal employees									
Municipal Manager and Senior Managers	8	-	8	10	2	8	10	2	8
Other Managers	43	43	-	45	45	-	47	47	-
Professionals	776	663	113	814	692	122	835	783	52
Finance	49	49	-	38	38	-	44	44	-
Spatial/town planning	27	27	-	27	27	-	29	29	-
Information Technology	2	2	-	2	2	-	3	3	-
Roads	16	16	-	14	14	-	18	18	-
Electricity	54	25	29	109	70	39	112	60	52
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Refuse	50	49	1	46	46	-	51	51	-
Other	578	495	83	578	495	83	578	578	-
Technicians	401	305	96	375	262	113	381	379	2
Finance	-	-	-	-	-	-	-	-	-
Spatial/town planning	-	-	-	1	1	-	1	1	-
Information Technology	2	2	-	2	2	-	4	4	-
Roads	-	-	-	-	-	-	-	-	-
Electricity	3	3	-	3	3	-	5	3	2
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Other	396	300	96	369	256	113	371	371	-
Clerks (Clerical and administrative)	46	42	4	45	40	5	47	47	-
Service and sales workers									
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators									
Elementary Occupations									
TOTAL PERSONNEL NUMBERS	1 343	1 064	279	1 356	1 056	300	1 388	1 273	115
% increase				1.0%	(0.8%)	7.5%	2.4%	20.5%	(61.7%)
Total municipal employees headcount									
Finance personnel headcount									
Human Resources personnel headcount									



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2.8.1 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

TABLE 51

FS194 Maluti-a-Phofung - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	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	18,061	14,532	17,853	16,608	17,438	15,570	17,853	18,061	17,646	19,722	17,023	17,230	207,596	217,976	228,875
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	49,487	39,817	48,918	45,505	47,781	42,661	48,918	49,487	48,349	54,038	46,643	47,212	568,818	598,930	623,972
Service charges - water revenue	6,428	5,172	6,354	5,911	6,206	5,541	6,354	6,428	6,280	7,019	6,058	6,132	73,882	77,576	81,455
Service charges - sanitation revenue	3,412	2,746	3,373	3,138	3,295	2,942	3,373	3,412	3,334	3,726	3,216	3,256	39,224	41,185	43,244
Service charges - refuse revenue	2,859	2,300	2,826	2,629	2,760	2,465	2,826	2,859	2,793	3,122	2,695	2,727	32,860	34,503	36,228
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	179	144	177	165	173	154	177	179	175	196	169	171	2,058	2,161	2,269
Interest earned - external investments	209	168	206	192	202	180	206	209	204	228	197	199	2,400	2,520	2,646
Interest earned - outstanding debtors	2,306	1,855	2,279	2,120	2,226	1,988	2,279	2,306	2,253	2,518	2,173	2,200	26,500	27,825	29,216
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	527	424	521	484	509	454	521	527	515	575	497	503	6,055	6,358	6,676
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	150,000	-	-	-	150,905	-	-	-	159,002	-	-	-	459,907	494,426	528,699
Other revenue	3,340	2,687	3,302	3,071	3,225	2,879	3,302	3,340	3,263	3,647	3,148	3,187	38,392	40,688	42,722
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and	236,807	69,845	85,809	79,823	234,719	74,834	85,809	86,807	243,814	94,790	81,818	82,816	1,457,692	1,544,148	1,626,003
Expenditure By Type															
Employee related costs	29,309	23,582	28,973	26,951	28,299	25,267	28,973	29,309	28,636	32,005	27,625	27,962	336,890	350,866	368,404
Remuneration of councillors	2,097	1,687	2,072	1,928	2,024	1,807	2,072	2,097	2,048	2,289	1,976	2,000	24,098	25,303	26,568
Debt impairment	6,094	4,904	6,024	5,604	5,884	5,254	6,024	6,094	5,954	6,655	5,744	5,814	70,050	73,553	77,230
Depreciation & asset impairment	4,350	3,500	4,300	4,000	4,200	3,750	4,300	4,350	4,250	4,750	4,100	4,150	50,000	52,500	55,125
Finance charges	522	420	516	480	504	450	516	522	510	570	492	498	6,000	6,300	6,615
Bulk purchases	33,060	26,600	32,680	30,400	31,920	28,500	32,680	33,060	32,300	36,100	31,160	31,540	380,000	399,000	418,950
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	7,581	6,100	7,494	6,971	7,320	6,536	7,494	7,581	7,407	8,278	7,146	7,233	87,140	91,497	96,072
Transfers and grants	9,135	7,350	9,030	8,400	8,820	7,875	9,030	9,135	8,925	9,975	8,610	8,715	105,000	110,250	115,763
Other expenditure	28,372	22,828	28,046	26,089	27,394	24,459	28,046	28,372	27,720	30,981	26,741	27,067	326,114	342,633	359,902
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	120,520	96,970	119,135	110,823	116,365	103,897	119,135	120,520	117,750	131,603	113,594	114,979	1,385,292	1,451,901	1,524,629
Surplus/(Deficit)	116,287	(27,125)	(33,326)	(31,001)	118,354	(29,063)	(33,326)	(33,713)	126,064	(36,813)	(31,776)	(32,163)	72,400	92,246	101,374
Transfers recognised - capital	60,000	-	-	-	-	50,000	-	-	75,520	-	-	-	185,520	209,501	238,873
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	176,287	(27,125)	(33,326)	(31,001)	118,354	20,937	(33,326)	(33,713)	201,584	(36,813)	(31,776)	(32,163)	257,920	301,747	340,247
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	176,287	(27,125)	(33,326)	(31,001)	118,354	20,937	(33,326)	(33,713)	201,584	(36,813)	(31,776)	(32,163)	257,920	301,747	340,247

TABLE 52

FS194 Maluti-a-Phofung - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	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 Vote															
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	87	70	86	80	84	75	86	87	85	95	82	83	1,000	1,050	1,103
Vote 4 - Budget & Treasury Office	232,226	17,883	21,970	20,437	172,364	69,160	21,970	22,226	256,237	24,269	20,948	21,204	900,895	971,977	1,049,025
Vote 5 - Municipal Infrastructure	12,700	10,218	12,554	11,678	12,262	10,948	12,554	12,700	12,408	13,868	11,970	12,116	145,976	153,275	160,939
Vote 6 - Community Services	222	178	219	204	214	191	219	222	216	242	209	211	2,547	2,674	2,808
Vote 7 - Public Safety & Transport	619	498	612	569	597	533	612	619	604	676	583	590	7,112	7,467	7,840
Vote 8 - Sports, Parks, Arts & Culture	88	71	87	81	85	76	87	88	86	96	83	84	1,010	1,060	1,113
Vote 9 - LED, Tourism, SMME's, Rural & agriculture	435	350	430	400	420	375	430	435	425	475	410	415	5,000	5,250	5,513
Vote 10 - Human Settlements	361	291	357	332	349	312	357	361	353	395	341	345	4,153	4,361	4,579
Vote 11 - Spatial Development, Planning & Tradit	315	254	312	290	305	272	312	315	308	344	297	301	3,626	4,374	4,593
Vote 12 - Electricity Department	49,755	40,033	49,183	45,751	48,039	42,892	49,183	49,755	48,611	54,330	46,895	47,467	571,893	602,159	627,363
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	296,807	69,845	85,809	79,823	234,719	124,834	85,809	86,807	319,334	94,790	81,818	82,816	1,643,212	1,753,649	1,864,876
Expenditure by Vote to be appropriated															
Vote 1 - Legislative Authority	10,668	8,583	10,545	9,809	10,300	9,196	10,545	10,668	10,422	11,648	10,054	10,177	122,616	128,747	135,184
Vote 2 - Office of the Municipal Manager	4,588	3,692	4,535	4,219	4,430	3,955	4,535	4,588	4,483	5,010	4,324	4,377	52,736	54,423	57,135
Vote 3 - Corporate Services	3,392	2,729	3,353	3,119	3,275	2,924	3,353	3,392	3,314	3,704	3,197	3,236	38,991	40,708	42,743
Vote 4 - Budget & Treasury Office	30,367	24,433	30,018	27,923	29,319	26,178	30,018	30,367	29,669	33,159	28,621	28,970	349,041	366,732	385,212
Vote 5 - Municipal Infrastructure	7,554	6,078	7,467	6,946	7,293	6,512	7,467	7,554	7,380	8,248	7,119	7,206	86,823	90,114	94,620
Vote 6 - Community Services	1,157	931	1,144	1,064	1,117	997	1,144	1,157	1,130	1,263	1,091	1,104	13,299	13,618	14,299
Vote 7 - Public Safety & Transport	9,069	7,297	8,965	8,339	8,756	7,818	8,965	9,069	8,860	9,903	8,548	8,652	104,239	109,241	114,703
Vote 8 - Sports, Parks, Arts & Culture	4,469	3,596	4,418	4,110	4,315	3,853	4,418	4,469	4,367	4,880	4,213	4,264	51,373	53,941	56,638
Vote 9 - LED, Tourism, SMME's, Rural & agriculture	2,824	2,272	2,792	2,597	2,727	2,434	2,792	2,824	2,759	3,084	2,662	2,694	32,460	34,083	35,785
Vote 10 - Human Settlements	2,000	1,609	1,977	1,839	1,931	1,724	1,977	2,000	1,954	2,184	1,885	1,908	22,989	24,033	25,235
Vote 11 - Spatial Development, Planning & Tradit	1,208	972	1,194	1,110	1,166	1,041	1,194	1,208	1,180	1,319	1,138	1,152	13,880	14,574	15,303
Vote 12 - Electricity Department	43,226	34,779	42,729	39,748	41,735	37,263	42,729	43,226	42,232	47,200	40,741	41,238	496,845	521,687	547,772
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	120,520	96,970	119,135	110,823	116,365	103,897	119,135	120,520	117,750	131,603	113,594	114,979	1,385,292	1,451,901	1,524,629
Surplus/(Deficit) before assoc.	176,287	(27,125)	(33,326)	(31,001)	118,354	20,937	(33,326)	(33,713)	201,584	(36,813)	(31,776)	(32,163)	257,920	301,747	340,247
Taxation													-	-	-
Attributable to minorities													-	-	-
Share of surplus/ (deficit) of associate													-	-	-
Surplus/(Deficit)	176,287	(27,125)	(33,326)	(31,001)	118,354	20,937	(33,326)	(33,713)	201,584	(36,813)	(31,776)	(32,163)	257,920	301,747	340,247



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

TABLE 53

FS194 Maluti-a-Phofung - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	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															
<i>Governance and administration</i>	232,313	17,953	22,056	20,517	172,448	69,235	22,056	22,313	256,322	24,364	21,030	21,287	901,895	973,027	1,050,127
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	232,226	17,883	21,970	20,437	172,364	69,160	21,970	22,226	256,237	24,269	20,948	21,204	900,895	971,977	1,049,025
Corporate services	87	70	86	80	84	75	86	87	85	95	82	83	1,000	1,050	1,103
<i>Community and public safety</i>	1,289	1,038	1,275	1,186	1,245	1,112	1,275	1,289	1,260	1,408	1,215	1,230	14,821	15,563	16,341
Community and social services	237	190	234	218	229	204	234	237	231	258	223	226	2,720	2,856	2,999
Sport and recreation	88	71	87	81	85	76	87	88	86	96	83	84	1,010	1,060	1,113
Public safety	619	498	612	569	597	533	612	619	604	676	583	590	7,112	7,467	7,840
Housing	346	279	342	318	334	299	342	346	338	378	326	330	3,980	4,179	4,388
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	316	255	313	291	305	273	313	316	309	345	298	302	3,636	4,385	4,604
Planning and development	315	254	312	290	305	272	312	315	308	344	297	301	3,626	4,374	4,593
Road transport	1	1	1	1	1	1	1	1	1	1	1	1	10	11	11
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	62,454	50,250	61,736	57,429	60,300	53,839	61,736	62,454	61,018	68,197	58,864	59,582	717,859	755,424	788,291
Electricity	49,755	40,033	49,183	45,751	48,039	42,892	49,183	49,755	48,611	54,330	46,895	47,467	571,893	602,159	627,363
Water	6,428	5,172	6,354	5,911	6,206	5,541	6,354	6,428	6,280	7,019	6,058	6,132	73,882	77,576	81,455
Waste water management	3,412	2,746	3,373	3,138	3,295	2,942	3,373	3,412	3,334	3,726	3,216	3,266	39,224	41,185	43,244
Waste management	2,859	2,300	2,826	2,629	2,760	2,465	2,826	2,859	2,793	3,122	2,695	2,727	32,860	34,503	36,228
Other	435	350	430	400	420	375	430	435	425	475	410	415	5,000	5,250	5,513
Total Revenue - Standard	296,807	69,845	85,809	79,823	234,719	124,834	85,809	86,807	319,334	94,790	81,818	82,816	1,643,212	1,753,649	1,864,876
Expenditure - Standard															
<i>Governance and administration</i>	49,665	39,960	49,094	45,669	47,953	42,815	49,094	49,665	48,523	54,232	46,811	47,382	570,864	598,464	628,521
Executive and council	13,918	11,198	13,758	12,798	13,438	11,998	13,758	13,918	13,598	15,198	13,118	13,278	159,978	167,035	175,387
Budget and treasury office	30,367	24,433	30,018	27,923	29,319	26,178	30,018	30,367	29,669	33,159	28,621	28,970	349,041	366,732	385,212
Corporate services	5,381	4,329	5,319	4,948	5,195	4,638	5,319	5,381	5,257	5,875	5,071	5,133	61,845	64,696	67,922
<i>Community and public safety</i>	16,045	12,909	15,860	14,754	15,491	13,831	15,860	16,045	15,676	17,520	15,122	15,307	184,420	192,979	202,629
Community and social services	1,885	1,517	1,863	1,733	1,820	1,625	1,863	1,885	1,842	2,058	1,777	1,798	21,668	22,405	23,525
Sport and recreation	4,469	3,596	4,418	4,110	4,315	3,853	4,418	4,469	4,367	4,880	4,213	4,264	51,373	53,941	56,638
Public safety	9,069	7,297	8,965	8,339	8,756	7,818	8,965	9,069	8,860	9,903	8,548	8,652	104,239	109,241	114,703
Housing	621	500	614	571	600	536	614	621	607	678	586	593	7,140	7,393	7,762
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	6,264	5,040	6,192	5,760	6,048	5,400	6,192	6,264	6,120	6,840	5,904	5,976	72,005	75,605	79,385
Planning and development	2,600	2,092	2,570	2,390	2,510	2,241	2,570	2,600	2,540	2,839	2,450	2,480	29,880	31,374	32,943
Road transport	3,665	2,949	3,623	3,370	3,538	3,159	3,623	3,665	3,581	4,002	3,454	3,496	42,125	44,231	46,443
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	47,114	37,908	46,573	43,323	45,490	40,616	46,573	47,114	46,031	51,447	44,407	44,948	541,543	567,570	595,949
Electricity	43,226	34,779	42,729	39,748	41,735	37,263	42,729	43,226	42,232	47,200	40,741	41,238	496,845	521,687	547,772
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	3,889	3,129	3,844	3,576	3,755	3,352	3,844	3,889	3,799	4,246	3,665	3,710	44,698	45,883	48,177
Other	1,432	1,152	1,416	1,317	1,383	1,235	1,416	1,432	1,399	1,564	1,350	1,366	16,460	17,283	18,145
Total Expenditure - Standard	120,520	96,970	119,135	110,823	116,365	103,897	119,135	120,520	117,750	131,603	113,594	114,979	1,385,292	1,451,901	1,524,629
Surplus/(Deficit) before assoc.	176,287	(27,125)	(33,326)	(31,001)	118,354	20,937	(33,326)	(33,713)	201,584	(36,813)	(31,776)	(32,163)	257,920	301,747	340,247
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	176,287	(27,125)	(33,326)	(31,001)	118,354	20,937	(33,326)	(33,713)	201,584	(36,813)	(31,776)	(32,163)	257,920	301,747	340,247



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

TABLE 54

FS194 Maluti-a-Phofung - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	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
Multi-year expenditure to be appropriated															
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure	21,186	17,046	20,943	19,482	20,456	18,264	20,943	21,186	20,699	23,134	19,969	20,212	243,520	287,967	321,278
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Spatial Development, Planning & Tradition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Department	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	21,186	17,046	20,943	19,482	20,456	18,264	20,943	21,186	20,699	23,134	19,969	20,212	243,520	287,967	321,278
Single-year expenditure to be appropriated															
Vote 1 - Legislative Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	479	385	473	440	462	413	473	479	468	523	451	457	5,500	2,625	2,756
Vote 3 - Corporate Services	44	35	43	40	42	38	43	44	43	48	41	42	500	525	551
Vote 4 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport	679	546	671	624	655	585	671	679	663	741	640	647	7,800	10,000	15,000
Vote 8 - Sports, Parks, Arts & Culture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements	52	42	52	48	50	45	52	52	51	57	49	50	600	630	662
Vote 11 - Spatial Development, Planning & Tradition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Electricity Department	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Maluti Water (Pty) Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	1,253	1,008	1,238	1,152	1,210	1,080	1,238	1,253	1,224	1,368	1,181	1,195	14,400	13,780	18,969
Total Capital Expenditure	22,439	18,054	22,181	20,634	21,665	19,344	22,181	22,439	21,923	24,502	21,149	21,407	257,920	301,747	340,247



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017
Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

TABLE 55

FS194 Maluti-a-Phofung - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	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															
<i>Governance and administration</i>	522	420	516	480	504	450	516	522	510	570	492	498	6,000	3,150	3,308
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate services	522	420	516	480	504	450	516	522	510	570	492	498	6,000	3,150	3,308
<i>Community and public safety</i>	6,419	5,165	6,346	5,903	6,198	5,534	6,346	6,419	6,272	7,010	6,051	6,124	73,787	70,253	60,918
Community and social services	2,662	2,142	2,631	2,448	2,570	2,295	2,631	2,662	2,600	2,906	2,509	2,539	30,594	32,750	39,392
Sport and recreation	3,027	2,436	2,992	2,783	2,923	2,609	2,992	3,027	2,957	3,305	2,853	2,888	34,793	26,873	5,864
Public safety	679	546	671	624	655	585	671	679	663	741	640	647	7,800	10,000	15,000
Housing	52	42	52	48	50	45	52	52	51	57	49	50	600	630	662
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7,550	6,075	7,463	6,943	7,290	6,509	7,463	7,550	7,376	8,244	7,116	7,203	86,782	112,902	119,002
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	7,550	6,075	7,463	6,943	7,290	6,509	7,463	7,550	7,376	8,244	7,116	7,203	86,782	112,902	119,002
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	6,752	5,433	6,674	6,209	6,519	5,821	6,674	6,752	6,597	7,373	6,364	6,441	77,608	107,101	148,176
Electricity	874	703	864	804	844	754	864	874	854	955	824	834	10,048	21,000	28,000
Water	4,365	3,512	4,314	4,013	4,214	3,763	4,314	4,365	4,264	4,766	4,114	4,164	50,168	41,064	54,500
Waste water management	1,513	1,217	1,496	1,391	1,461	1,304	1,496	1,513	1,478	1,652	1,426	1,443	17,391	45,037	65,676
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	1,196	962	1,182	1,099	1,154	1,031	1,182	1,196	1,168	1,306	1,127	1,141	13,744	8,342	8,844
Total Capital Expenditure - Standard	22,439	18,054	22,181	20,634	21,665	19,344	22,181	22,439	21,923	24,502	21,149	21,407	257,920	301,747	340,247
Funded by:															
National Government	16,140	12,986	15,955	14,842	15,584	13,914	15,955	16,140	15,769	17,624	15,213	15,398	185,520	209,501	238,873
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	16,140	12,986	15,955	14,842	15,584	13,914	15,955	16,140	15,769	17,624	15,213	15,398	185,520	209,501	238,873
Public contributions & donations															
Borrowing															
Internally generated funds	6,299	5,068	6,226	5,792	6,082	5,430	6,226	6,299	6,154	6,878	5,937	6,009	72,400	92,246	101,374
Total Capital Funding	22,439	18,054	22,181	20,634	21,665	19,344	22,181	22,439	21,923	24,502	21,149	21,407	257,920	301,747	340,247



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

TABLE 56

FS194 Maluti-a-Phofung - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	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	18,061	14,532	17,853	16,608	17,438	15,570	17,853	18,061	17,646	19,722	17,023	17,230	207,596	217,976	228,875
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	49,139	39,537	48,574	45,185	47,445	42,361	48,574	49,139	48,009	53,658	46,315	46,880	564,818	598,930	623,972
Service charges - water revenue	6,428	5,172	6,354	5,911	6,206	5,541	6,354	6,428	6,280	7,019	6,058	6,132	73,882	77,576	81,455
Service charges - sanitation revenue	3,412	2,745	3,373	3,138	3,294	2,942	3,373	3,412	3,334	3,726	3,216	3,255	39,220	41,181	43,240
Service charges - refuse revenue	2,859	2,300	2,826	2,629	2,760	2,465	2,826	2,859	2,793	3,122	2,695	2,727	32,860	34,503	36,228
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	179	144	177	165	173	154	177	179	175	196	169	171	2,058	2,161	2,269
Interest earned - external investments	209	168	206	192	202	180	206	209	204	228	197	199	2,400	2,520	2,646
Interest earned - outstanding debtors	2,306	1,855	2,279	2,120	2,226	1,988	2,279	2,306	2,253	2,518	2,173	2,200	26,500	27,825	29,216
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	527	424	521	484	509	454	521	527	515	575	497	503	6,055	6,358	6,676
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	150,000	-	-	-	150,905	-	-	-	159,002	-	-	-	459,907	494,426	528,699
Other revenue	3,340	2,687	3,302	3,071	3,225	2,879	3,302	3,340	3,263	3,647	3,148	3,187	38,392	40,688	42,722
Cash Receipts by Source	236,459	69,565	85,465	79,502	234,383	74,534	85,465	86,459	243,473	94,409	81,490	82,484	1,453,688	1,544,143	1,625,998
Other Cash Flows by Source															
Transfer receipts - capital	60,000	-	-	-	-	50,000	-	-	75,520	-	-	-	185,520	209,501	238,873
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	6,000	-	-	-	-	-	-	-	6,000	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	296,459	69,565	85,465	79,502	240,383	124,534	85,465	86,459	318,993	94,409	81,490	82,484	1,645,208	1,753,644	1,864,871
Cash Payments by Type															
Employee related costs	29,309	23,582	28,973	26,951	28,299	25,267	28,973	29,309	28,636	32,005	27,625	27,962	336,890	350,866	368,404
Remuneration of councillors	2,097	1,687	2,072	1,928	2,024	1,807	2,072	2,097	2,048	2,289	1,976	2,000	24,098	25,303	26,568
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	33,060	26,600	32,680	30,400	31,920	28,500	32,680	33,060	32,300	36,100	31,160	31,540	380,000	399,000	418,950
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	7,581	6,100	7,494	6,971	7,320	6,536	7,494	7,581	7,407	8,278	7,146	7,233	87,140	91,497	96,072
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	9,135	7,350	9,030	8,400	8,820	7,875	9,030	9,135	8,925	9,975	8,610	8,715	105,000	110,250	115,763
Other expenditure	28,372	22,828	28,046	26,089	27,394	24,459	28,046	28,372	27,720	30,981	26,741	27,067	326,114	342,633	359,902
Cash Payments by Type	109,554	88,147	108,295	100,739	105,776	94,443	108,295	109,554	107,036	119,628	103,258	104,517	1,259,242	1,319,549	1,385,659
Other Cash Flows/Payments by Type															
Capital assets	22,439	18,054	22,181	20,634	21,665	19,344	22,181	22,439	21,923	24,502	21,149	21,407	257,920	301,747	340,247
Repayment of borrowing	2,600	-	-	-	-	-	-	-	-	-	-	3,400	6,000	6,300	6,615
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	134,593	106,201	130,476	121,373	127,442	113,787	130,476	131,993	128,959	144,130	124,407	129,324	1,523,162	1,627,596	1,732,521
NET INCREASE/(DECREASE) IN CASH HELD	161,866	(36,637)	(45,011)	(41,870)	112,941	10,746	(45,011)	(45,534)	190,035	(49,721)	(42,917)	(46,841)	122,046	126,048	132,351
Cash/cash equivalents at the monthly year begin:	3,000	164,866	128,229	83,218	41,348	154,289	165,035	120,025	74,490	264,525	214,804	171,887	3,000	125,046	251,094
Cash/cash equivalents at the monthly year end:	164,866	128,229	83,218	41,348	154,289	165,035	120,025	74,490	264,525	214,804	171,887	125,046	125,046	251,094	383,445

2.10 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – INTERNAL DEPARTMENTS

The SDBIP gives effect to the Integrated Development Plan and Budget of the municipality. It is the expression of the objectives of the MAP municipality with the expected outcomes which will be implemented by the administration (Directorates) within MAP municipality. It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It facilitates oversight of financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, The Executive Mayor/ Council to monitor the performance of the Municipal Manager, and the community to monitor the performance of the Municipality. The Service Delivery Budget Implementation Plan (SDBIP) will be approved the Executive Mayor after the approval of the annual budget.

In terms of section 53(1) © (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is expected to be approved by the mayor within 28 days after the approval of the budget and In addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval

The SDBIP must contain the following:

- Measurable objectives,
- Monthly Projections
- Service delivery strategies,
- Key outputs,
- Performance/service delivery indicators, and
- Performance/service delivery targets.

These plans will be used as justification for the allocation of funds, whether it is of a capital or an operational nature. It is important that Portfolio Committee members are involved in the compilation of these operational plans to ensure that they address political aspirations.



2.11 CONTRACT 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).

TABLE 57

FS194 Maluti-a-Phofung - Supporting Table SA33 Contracts having future budgetary implications

Description	Preceding Years	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
Revenue Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
Municipal assets Insurance	125 117	41 700	20 150	21 158	22 216								230 341
Indigent Register	3 685	-											
Photocopy machines	965												
Dinatlwa debt collectors	-	9 094											
Landfill site Management	6 118	2 925	2 340	2 457	2 580								
Valuation roll/Credit control charges	7 077	4 000	1 500	1 575	1 654								
Revenue Enhancement	18 074	11 000	20 000	21 000	22 050								
Financial System	6 648	2 500	2 000	2 100	2 205								
Call outs	24 190	13 000	9 000	9 450	9 923								
Collection costs/printing consumer accounts	2 638	500	500	525	551								
Streetslights-energy efficient lighting	46 317	10 000	10 000	10 500	11 025								
Debt collectors	67 979	2 906	2 000	2 100	2 205								
VAT Review	-	6 000											
Compilation of Financial Statements	-	11 000	5 000	5 250	5 513								
Assets Verification	-	700	1 000	1 050	1 103								
Urban Renewal	-	2 000	5 400	5 670	5 954								
SCM Database			450	473	496								
SCM Management Support			800	840	882								
Traffic management			2 000	2 100	2 205								
Security Services			5 000	5 250	5 513								
Contract 2													-
Contract 3 etc													-
Total Operating Expenditure Implication	308 808	117 325	87 140	91 497	96 072	-	-	-	-	-	-	-	700 843
Capital Expenditure Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication	308 808	117 325	87 140	91 497	96 072	-	-	-	-	-	-	-	700 843



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies

2.12 CAPITAL EXPENDITURE DETAIL

TABLE 58

FS194 Maluti-a-Phofung - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	255,241	279,976	205,573	282,538	194,066	194,066	174,133	228,345	276,021
Infrastructure - Road transport	48,066	91,781	28,448	83,296	69,040	69,040	86,782	112,902	119,002
Roads, Pavements & Bridges	48,066	91,781	28,448	83,296	69,040	69,040	86,782	112,902	119,002
Storm water									
Infrastructure - Electricity	19,585	34,539	37,606	31,340	25,247	25,247	6,048	21,000	28,000
Generation									
Transmission & Reticulation	19,585	18,869	29,487	23,000	20,000	20,000	3,000	16,000	20,000
Street Lighting	–	15,670	8,119	8,340	5,247	5,247	3,048	5,000	8,000
Infrastructure - Water	91,043	74,147	73,648	106,471	60,960	60,960	50,168	41,064	54,500
Dams & Reservoirs					2,372	2,372	–	5,500	12,500
Water purification					–	–			
Reticulation	91,043	74,147	73,648	106,471	58,588	58,588	50,168	35,564	42,000
Infrastructure - Sanitation	90,017	69,711	60,917	37,917	30,439	30,439	17,391	45,037	65,676
Reticulation	90,017	69,711	60,917	37,917	30,439	30,439	17,391	45,037	65,676
Sewerage purification									
Infrastructure - Other	6,529	9,798	4,955	23,514	8,380	8,380	13,744	8,342	8,844
Waste Management				18,000	–	–			
Transportation					–	–			
Gas					–	–			
Other	6,529	9,798	4,955	5,514	8,380	8,380	13,744	8,342	8,844
Community	37,221	17,823	35,300	41,447	64,312	64,312	44,579	31,721	28,069
Parks & gardens									
Sportsfields & stadia	21,414	6,667	15,782	27,231	8,100	8,100			
Swimming pools		–			–	–			
Community halls		–			–	–			
Libraries					–	–			
Recreational facilities		4,041	3,774		18,814	18,814	16,285	10,471	1,376
Fire, safety & emergency					–	–			
Security and policing					–	–			
Buses					–	–			
Clinics					–	–			
Museums & Art Galleries					–	–			
Cemeteries		–		8,499	6,874	6,874	2,644	1,250	–
Social rental housing					–	–			
Other	15,807	7,116	15,744	5,718	30,524	30,524	25,650	20,000	26,692
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	–	–	–	–	–	–	–	–	–
Housing development									
Other									
Other assets	21,825	2,232	5,394	126,679	6,243	6,243	14,400	13,780	18,969
General vehicles	6,981		3,913	40,000					
Specialised vehicles	–	–	–	–	–	–	5,000	10,000	15,000
Plant & equipment	8,598	480	808	3,000	830	830			
Computers - hardware/equipment	330	1,752	673	1,000	1,900	1,900	3,300	2,625	2,756
Furniture and other office equipment	–				500	500	1,100	1,155	1,213
Abattoirs	–				–	–			
Markets	–				–	–			
Civic Land and Buildings	–				–	–			
Other Buildings	–				3,000	3,000	3,000		
Other Land	–				–	–			
Surplus Assets - (Investment or Inventory)	–				–	–			
Other	5,917			82,679	13	13	2,000		
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other (list sub-class)									
Total Capital Expenditure on new assets	314,287	300,031	246,268	450,665	264,621	264,621	233,112	273,845	323,059
Specialised vehicles	–	–	–	–	–	–	5,000	10,000	15,000
Refuse							5,000	10,000	15,000
Fire									
Conservancy									
Ambulances									



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TABLE 59

FS194 Maluti-a-Phofung - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description R thousand	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
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	-	-	-	-	12 082	12 082	4 000	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges									
Storm water									
Infrastructure - Electricity	-	-	-	-	12 082	12 082	4 000	-	-
Generation									
Transmission & Reticulation					12 082	12 082	4 000		
Street Lighting									
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Dams & Reservoirs									
Water purification									
Reticulation									
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation									
Sewerage purification									
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management									
Transportation									
Gas									
Other									
Community	2 500	3 920	1 932	-	-	-	20 808	27 902	17 188
Parks & gardens							18 508	16 402	4 488
Sportsfields & stadia									
Swimming pools									
Community halls	2 500	3 920	1 932				-	4 500	5 000
Libraries									
Recreational facilities									
Fire, safety & emergency							2 300	7 000	7 700
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	-	-	-	-	-	-	-	-
Housing development									
Other									
Other assets	-	6 389	1 565	-	-	-	-	-	-
General vehicles									
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings		6 389	1 565						
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class									
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									
Total Capital Expenditure on renewal of existing	2 500	10 309	3 497	-	12 082	12 082	24 808	27 902	17 188

TABLE 60

FS194 Maluti-a-Phofung - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	72 343	49 509	441 990	84 061	109 500	109 500	55 000	57 750	60 638
Infrastructure - Road transport	40 928	32 813	61 801	46 000	67 000	67 000	17 000	17 850	18 743
Roads, Pavements & Bridges	40 872	32 813	61 801	40 000	65 000	65 000	12 000	12 600	13 230
Storm water	57	-	-	6 000	2 000	2 000	5 000	5 250	5 513
Infrastructure - Electricity	31 414	16 317	28 176	38 061	42 500	42 500	38 000	39 900	41 895
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	12 814	7 720	22 411	24 000	32 500	32 500	25 000	26 250	27 563
Street Lighting	18 600	8 598	5 765	14 061	10 000	10 000	13 000	13 650	14 333
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	378	352 013	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	378	352 013	-	-	-	-	-	-
Community	1 631	-	181	108	2 580	2 580	1 370	1 439	1 510
Parks & gardens	799	-	-	-	-	-	120	126	132
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	833	-	181	108	2 580	2 580	1 250	1 313	1 378
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	5 826	22 677	3 959	16 376	13 230	13 230	9 600	10 080	10 584
General vehicles	3 828	3 709	2 703	4 000	5 680	5 680	2 000	2 100	2 205
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	149	337	47	500	-	-	-	-	-
Computers - hardware/equipment	29	155	99	800	200	200	1 840	1 932	2 029
Furniture and other office equipment	-	-	-	300	350	350	430	452	474
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	1 290	2 570	1 109	4 000	6 000	6 000	5 000	5 250	5 513
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	531	15 906	-	6 776	1 000	1 000	330	347	364
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	79 800	72 185	446 129	100 545	125 310	125 310	65 970	69 269	72 732



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TABLE 61

FS194 Maluti-a-Phofung - Supporting Table SA34d Depreciation by asset class

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Depreciation 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									
Gas									
Other									
Community	-	-	-	-	-	-	-	-	-
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other									
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings									
Other									
Investment properties	-	-	-	-	-	-	-	-	-
Housing development									
Other									
Other assets	214 697	215 725	186 121	175 000	70 000	70 000	50 000	52 500	55 125
General vehicles									
Specialised vehicles	-	-	-	-	-	-	-	-	-
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	214 697	215 725	186 121	175 000	70 000	70 000	50 000	52 500	55 125
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class									
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									
Total Depreciation	214 697	215 725	186 121	175 000	70 000	70 000	50 000	52 500	55 125

TABLE 62

Table SA36 Detailed capital budget											
Municipal Vote/Capital project	Program/Project description	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
					Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
R thousand		3	3								
Parent municipality: List all capital projects grouped by Municipal Vote											
MUNICIPAL INFRASTRUCTURE(MIG)	Sediba hall	Community	Community halls		1 932					ward 1	renewal
(EPWP)	Incentive grant for municipality (expwp)	Community	Other		-	5 718	7 650	-	-	all wards	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Epwp mayoral project	Community	Other		5 866	-	-	-	-	all wards	new
	Maluti Contractor Development Programme	Community	Other								
LED & SMME's (OWN SOURCE)		Community	Other		436	15 740	18 000	20 000	26 692		new
MUNICIPAL INFRASTRUCTURE(MIG)	Fencing and infra at cemeteries 1 (c)	Community	Cemeteries	23 010	661	5 773	2 644	1 250	-	34, 1 and 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Fencing of cemeteries phase 2	Community	Cemeteries	14 000	3 977	1 101				ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)	Fencing and infrastructure at cemeteries 1 (b)	Community	Cemeteries							all wards	new
	Intabazwe/Harrismith: Establishment of										
MUNICIPAL INFRASTRUCTURE(MIG)	Fire Station	Community	Fire, safety & emergency	17 000			2 300	7 000	7 700	ward 22	renewal
	Phuthaditjhaba: Upgrading of Town										
MUNICIPAL INFRASTRUCTURE(MIG)	Hall	Community	Community halls	32 000		-	-	4 500	5 000	ward 27	renewal
MUNICIPAL INFRASTRUCTURE(MIG)	Bluegumbosch stadium	Community	Sportsfields & stadia		2 672					ward 34	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe stadium	Community	Sportsfields & stadia	49 020	4 391	8 100	18 508	16 402	4 488	ward 22	renewal
	Intabazwe new indoor sport &										
MUNICIPAL INFRASTRUCTURE(MIG)	recreational facility	Community	Recreational facilities	34 758	8 719	7 802	4 590	-	-	ward 22	new
	Phuthaditjhaba new indoor sport &										
MUNICIPAL INFRASTRUCTURE(MIG)	recreational facility	Community	Recreational facilities	34 730	3 774					ward 27	new
	Intabazwe new indoor sport &										
MUNICIPAL INFRASTRUCTURE(MIG)	recreational facility phase 2	Community	Recreational facilities	6 426		6 889	643	-		ward 22	new
	Bluegumbosch new indoor recreational										
MUNICIPAL INFRASTRUCTURE(MIG)	facility	Community	Recreational facilities	29 070		4 124	11 052	10 471	1 376	ward 34	new
MUNICIPAL INFRASTRUCTURE(MIG)	Harrismith upgrading of clubhouse	Community	Recreational facilities			-				ward 22	renewal
ELECTRICITY (INEPG-DoE)	Integrated National Electrification Grant	Infrastructure - Electricity	Transmission & Reticulation		11 300	20 000	3 000	10 000	20 000	ward 1	new
	Energy Demand Side Management										
ELECTRICITY (EDSMG)	Grant	Infrastructure - Electricity	Transmission & Reticulation			-		6 000		all wards	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Upgrading/repairs of substation	Infrastructure - Electricity	Transmission & Reticulation		19 575	12 082	4 000	-		ward 22	renewal
	Maluti-a-Phofung: 153 High mast lights										
MUNICIPAL INFRASTRUCTURE(MIG)	in 4 towns	Infrastructure - Electricity	Street Lighting	32 382	4 253	5 247	3 048		-	all wards	new
	Maluti-a-Phofung: 153 High mast lights										
MUNICIPAL INFRASTRUCTURE(MIG)	in 4 - phase 2 towns	Infrastructure - Electricity	Street Lighting	22 000			-	5 000	8 000	ward 6 and 22	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Footbridges Map	Infrastructure - Road transport	Roads, Pavements & Bridges		710	1 388	3 500	10 000		10,12,14,29,31	new
	Kestell (Tlholong): 5km New paved										
MUNICIPAL INFRASTRUCTURE(MIG)	roads	Infrastructure - Road transport	Roads, Pavements & Bridges	32 500	3 424	17 256	7 374	1 453		ward 3	new
	phase 5										
	Maluti-a-Phofung Phuthaditjhaba:										
MUNICIPAL INFRASTRUCTURE(MIG)	Paving of Roads 14.5km) Phase 3	Infrastructure - Road transport	Roads, Pavements & Bridges	29 612	4 298	21 355	3 300	1 164		ward 29	new



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Table SA36 Detailed capital budget

Municipal Vote/Capital project R thousand	Program/Project description	Asset Class 3	Asset Sub-Class 3	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
					Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
Parent municipality: List all capital projects grouped by Municipal Vote											
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Roads Schoonplatz	Infrastructure - Road transport	Roads, Pavements & Bridges		1 754	-					new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe Paving of 4,5km roads - Phase 3	Infrastructure - Road transport	Roads, Pavements & Bridges	32 500			-	4 945	14 555	ward 4	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Resurfacing Of Roads Tar	Infrastructure - Road transport	Roads, Pavements & Bridges			6 781	-	10 000	10 000	6,7,22,25,28,29	new
MUNICIPAL INFRASTRUCTURE(MIG)	Disaster Park: Paving of 4,5km roads - Phase 3	Infrastructure - Road transport	Roads, Pavements & Bridges	29 612	1 143	12 589	14 498	2 220		ward 32	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe Paved Roads 2	Infrastructure - Road transport	Roads, Pavements & Bridges	20 000	422		-		8 046	ward 4	new
MUNICIPAL INFRASTRUCTURE(MIG)	Tshiame B: Paving of 6km roads - Phase 2B	Infrastructure - Road transport	Roads, Pavements & Bridges	29 891		-	12 697	1 179	-	ward 1	new
MUNICIPAL INFRASTRUCTURE(MIG)	Namahadi: Paving of Roads and Storm water: PHASE 1	Infrastructure - Road transport	Roads, Pavements & Bridges	26 236	10 629	4 028	884	-		ward 18	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Construction of bridge (SANRAL)	Infrastructure - Road transport	Roads, Pavements & Bridges			-	3 500	5 000		ward 22	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Turfontein/Makeneng Internal Paved Roads Phase 2	Infrastructure - Road transport	Roads, Pavements & Bridges		5 960	549	4 000	5 000	5 200	ward 16	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Maqhekung Infrastructure	Infrastructure - Road transport	Roads, Pavements & Bridges			5 029	3 500	5 000	15 000	ward 27	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Molebang street - Rebuilt	Infrastructure - Road transport	Roads, Pavements & Bridges			65	3 000	12 966	10 513	ward 27	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Roads Honeyville & Matshekeng (Paved Roads 1.5km) Phase 1	Infrastructure - Road transport	Roads, Pavements & Bridges			-				ward 29	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Phuthaditjhaba paved roads - 1.25 km	Infrastructure - Road transport	Roads, Pavements & Bridges			-				ward 1	new
MUNICIPAL INFRASTRUCTURE(MIG)	Monontsha:Construction of footbridge	Infrastructure - Road transport	Roads, Pavements & Bridges	19 000			-	1 104	6 000	9; 11; 13	new
MUNICIPAL INFRASTRUCTURE(MIG)	Kestell/ Tiholong New Paved road Phase 6	Infrastructure - Road transport	Roads, Pavements & Bridges	32 000			-	5 706	6 000	ward 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Tshiame B: Construction of Paved Roads Phase 3	Infrastructure - Road transport	Roads, Pavements & Bridges	29 250			2 000	7 500	17 750	ward 1	new
MUNICIPAL INFRASTRUCTURE(MIG)	Namahadi Paving of road and stormwater: PHASE 2	Infrastructure - Road transport	Roads, Pavements & Bridges	32 500			2 000	13 875	13 625	ward 18	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe/Harrismitlh: New Commuter infrastructure facility (MIS:225752)	Infrastructure - Road transport	Other	17 374	1 843	4 000	8 510	1 605		ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)	Phuthaditjhaba/Qwaqwa: New taxi facility - phase 1 (MIS:226018)	Infrastructure - Road transport	Other	47 401	4 396	5 066	18 019	12 608	4 221	ward 29	new
MUNICIPAL INFRASTRUCTURE(MIG)	Tshiame: New Commuter Facility	Infrastructure - Road transport	Other	17 000			-	5 330	2 339	ward 1	new
MUNICIPAL INFRASTRUCTURE(MIG)	Tiholong: New Taxi Facility	Infrastructure - Road transport	Other	17 000			-	6 246	5 754	ward 3	new
RHIG- RURAL HOUSEHOLD											
INFRASTRUCTURE GRANT	360 VIP Toilets (RHIG)	Infrastructure - Sanitation	Reticulation		4 500	4 500	-	-	-	10 and 19	new
MUNICIPAL INFRASTRUCTURE(MIG)	VIP Toilet Project Phase 10	Infrastructure - Sanitation	Reticulation							all wards	new
MUNICIPAL INFRASTRUCTURE(MIG)	VIP Toilet Project Phase 11	Infrastructure - Sanitation	Reticulation	89 708	42 919	4 000				ward 6	new



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Municipal Vote/Capital project		Asset Class	Asset Sub-Class		Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
	Program/Project description			Total Project Estimate	Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
R thousand		3	3								
Parent municipality: List all capital projects grouped by Municipal Vote											
MUNICIPAL INFRASTRUCTURE(MIG)	Wilge Waste Water Treatmentworks Phase 1	Infrastructure - Sanitation	Reticulation	77,862	14,378	12,095	1,568	–	–	ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)	Construction of Mangaung sewer network	Infrastructure - Sanitation	Reticulation	10,000			1,200	4,713	5,000	ward 18	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Makhokweng Sewer	Infrastructure - Sanitation	Reticulation			383	3,500	8,000	15,000	ward 1	new
MUNICIPAL INFRASTRUCTURE(MIG)	Mandela Park Sanitation 650 Stands	Infrastructure - Sanitation	Reticulation	14,058	8,722	856				ward 24 & 30	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Lusaka Sewerage	Infrastructure - Sanitation	Reticulation		3,655	5,000	4,000			30 and 24	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Mobile Toilets	Infrastructure - Sanitation	Reticulation			600				3 and 31	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	VIP Toilets (360 toilets per annum)	Infrastructure - Sanitation	Reticulation			3,005	3,000	2,500	–	ward 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Thabong/Kgotsong: Construction of Sewer Network	Infrastructure - Sanitation	Reticulation	31,500			1,624	8,500	8,000	24 and 30	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe Ext. 3: Construction of Waterborne Sewer Network	Infrastructure - Sanitation	Reticulation	10,857			–	3,000	12,000	ward 5	new
MUNICIPAL INFRASTRUCTURE(MIG)	Bluegumbosch: Refurbishment of Sewer Line	Infrastructure - Sanitation	Reticulation	30,000			–	4,000	10,000	ward 34	new
MUNICIPAL INFRASTRUCTURE(MIG)	Harrismith / Intabazwe Ext. 3: Sewer Outfall	Infrastructure - Sanitation	Reticulation	18,000			–	9,824	5,676	ward 5	new
MUNICIPAL INFRASTRUCTURE(MIG)	Line and Rising Main	Infrastructure - Sanitation	Reticulation				2,500				
MUNICIPAL INFRASTRUCTURE(MIG)	Namahadi: Construction of Sewer Network	Infrastructure - Sanitation	Reticulation	30,000			–	4,500	10,000	ward 18	new
MUNICIPAL INFRASTRUCTURE (DWA)	Sterkfontein/Qwaqwa Bulk Water Scheme	Infrastructure - Water	Transmission & Reticulation		39,196			26,658	42,000	ward 1	new
MUNICIPAL INFRASTRUCTURE(WSIG)	Water services infrastructure grant	Infrastructure - Water	Transmission & Reticulation				20,000	–	–	map	new
MUNICIPAL INFRASTRUCTURE(MIG)	Kestell/Tholong Water Total Solution	Infrastructure - Water	Transmission & Reticulation		3,063					ward 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Makhokweng Area: Construction of a 4ML Reservoir	Infrastructure - Water	Dams & Reservoirs	14,579	1,922					ward 1	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Makhokweng water networks	Infrastructure - Water	Transmission & Reticulation			26,462				ward 1	new
MUNICIPAL INFRASTRUCTURE(MIG)	Qwaqwa Rural: Water Network Phase 3 (A)	Infrastructure - Water	Transmission & Reticulation		8,071					qwaqwa rural areas	new
MUNICIPAL INFRASTRUCTURE(MIG)	Qwaqwa Rural: Water Network Phase 3 (C)	Infrastructure - Water	Transmission & Reticulation		6,245					qwaqwa rural areas	new
PROJECT MANAGEMENT UNIT(OWN SOURCE)	Fika Pato	Infrastructure - Water	Water purification		7,430	2,372				qwaqwa	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe: Construction of a Reservoir and pump station	Infrastructure - Water	Dams & Reservoirs			–				ward 5	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe/Harrismith Ext 3 Bulk Water Infrastructure	Infrastructure - Water	Transmission & Reticulation			–				Ward 1	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Tholong water network connection	Infrastructure - Water	Transmission & Reticulation			2,773				ward 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Wilge: Construction of a 4 ML Reservoir	Infrastructure - Water	Dams & Reservoirs	20,000		–	–	5,500	12,500	ward 22	new
MUNICIPAL INFRASTRUCTURE(MIG)	Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections	Infrastructure - Water	Transmission & Reticulation	38,666		10,395	15,790	1,477		13 and 25	new
MUNICIPAL INFRASTRUCTURE(MIG)	Phuthaditjhaba: Provision of water services for network extensions and 2940 erf connections	Infrastructure - Water	Transmission & Reticulation	28,586		10,702	11,279	1,100		ward 17	new
MUNICIPAL INFRASTRUCTURE(MIG)	Phuthaditjhaba: Provision of water services for network extensions and 3346 erf connections	Infrastructure - Water	Transmission & Reticulation	37,499		7,080					new
MUNICIPAL INFRASTRUCTURE(MIG)	Kestell (Tholong): Upgrading of water networks system Bulk Water Services	Infrastructure - Water	Transmission & Reticulation	15,326		210				ward 3	new
MUNICIPAL INFRASTRUCTURE(MIG)	Intabazwe Ext. 3: Construction of Internal Water Reticulation with Water Meters	Infrastructure - Water	Transmission & Reticulation	7,429			1,100	6,329		ward 5	new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Water Tanks (Jojo)	Infrastructure - Water	Transportation			966	2,000				new
WASTE MANAGEMENT (OWN SOURCE)	Rehabilitation Of Landfill Sites	Community	Waste Management			–				ward 34	new
MUNICIPAL INFRASTRUCTURE(OWN SOURCE)	MIG counterfunding	Infrastructure - Other	Other				3,000				new
MUNICIPAL INFRASTRUCTURE(OWN SOURCE)	Health and safety	Infrastructure - Other	Other				3,000				new
MUNICIPAL INFRASTRUCTURE(MIG)	Project Management Unit	Infrastructure - Other	PMU		4,955	8,380	7,744	8,342	8,844		new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Fleet Vehicle & Equipment For Road Construction / Maintenance	Other Assets	Specialised vehicles - Refuse			830	5,000	10,000	15,000		new
PUBLIC SAFETY & TRANSPORT (OWN SOURCE)	Cctv Cameras	Other Assets	Computers - hardware/equipment		981		2,000				new
PUBLIC SAFETY & TRANSPORT (OWN SOURCE)	Communication System	Other Assets	Computers - software & programming			13	800				new
INFORMATION TECHNOLOGY (OWN SOURCE)	Computer & Equipment	Other Assets	Computers - hardware/equipment		1	400	2,500	2,625	2,756		new
COUNCIL BUILDINGS (OWN SOURCE)	Equipment And Tools	Other Assets	Furniture and other office equipment		781	1,500	600	630	662		new
CORPORATE SERVICES(OWN SOURCE)	Furniture	Other Assets	Furniture and other office equipment		808	500	500	525	551		new
MUNICIPAL INFRASTRUCTURE (OWN SOURCE)	Harrismith Logistic Hub	Other Assets	Other			–					new
MUNICIPAL INFRASTRUCTURE(MIG)	Retention Various Projects	Other Assets	Other			–					new
INFORMATION TECHNOLOGY-(OWN SOURCE)	Buildings	Other Assets	Other Buildings			3,000					new
Parent Capital expenditure							257 920	301 747	340 247		



TABLE 63

FS194 Maluti-a-Phofung - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Previous target year to complete	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
					Original Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand				Year					
Parent municipality:									
<i>List all capital projects grouped by Municipal Vote</i>									
Entities:									
<i>List all capital projects grouped by Municipal Entity</i>									
Entity Name									
<i>Project name</i>									

2.13 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 Executive Mayor (within 10 working days) has progressively improved and includes quarterly published financial performance on the municipality's website

2. Preparation of the annual Budget and adjustments budget

3. Internship programme

The municipality was participating in the Municipal Financial Management Internship programme and all interns who were employed are now permanently employed so the grant will be redirected to mSCOA processes.

4. Budget and Treasury Office

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

5. Audit Committee

An Audit Committee has been established and is fully functional.

6. Service Delivery Implementation Plan

The detail Draft SDBIP will be submitted to council with the Draft Budget 2016 MTREF as per circular 78 and 79.

7. Policies

An amendment of the Municipal Supply Chain Policy was announced in Government Gazette 34350 on 08 June 2011. The ratios as prescribed in the Regulations have been complied with.

As we however converted to GAMAP/GRAP in 2006 already certain aspects off the legislation is applicable to Maluti - A - Phofung and as such the Asset Register will be audited in April 2016 as the Municipality is trying to achieve full compliance.

2.14 OTHER SUPPORTING DOCUMENTS

TABLE 64

FS194 Maluti-a-Phofung - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	726,571	783,787	835,929	851,000	3,653,129	3,653,129	2,905,423	3,050,694	3,203,229
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	579,421	616,242	715,927	584,000	3,390,717	3,390,717	2,697,827	2,832,718	2,974,354
Net Property Rates	147,150	167,544	120,001	267,000	262,413	262,413	207,596	217,976	228,875
Service charges - electricity revenue									
Total Service charges - electricity revenue	271,401	132,521	292,350	537,816	457,777	457,777	583,995	614,866	640,705
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>									
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	41,395	45,048	45,048	35,816	15,177	15,177	15,177	15,936	16,733
Net Service charges - electricity revenue	230,006	87,473	247,302	502,000	442,600	442,600	568,818	598,930	623,972
Service charges - water revenue									
Total Service charges - water revenue	93,009	65,170	74,087	127,439	100,222	100,222	94,104	98,809	103,749
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>									
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	42,818	3,183	2,798	36,509	20,222	20,222	20,222	21,233	22,295
Net Service charges - water revenue	50,191	61,987	71,289	90,930	80,000	80,000	73,882	77,576	81,455
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	34,185	36,947	54,142	58,131	45,108	45,108	46,407	48,727	51,163
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>									
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	5,300	5,618	4,916	18,231	5,108	5,108	7,183	7,542	7,919
Net Service charges - sanitation revenue	28,885	31,329	49,226	39,900	40,000	40,000	39,224	41,185	43,244
Service charges - refuse revenue									
Total refuse removal revenue	26,914	27,589	32,865	46,402	40,366	40,366	38,532	40,459	42,482
Total landfill revenue									
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>									
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	5,567	5,902	5,164	14,402	5,366	5,366	5,672	5,956	6,254
Net Service charges - refuse revenue	21,346	21,688	27,700	32,000	35,000	35,000	32,860	34,503	36,228
Other Revenue by source									
Advertisement signs	87	50	124	2,005	110	110	2,000	2,100	2,205
Medical aid income	394	441	453	370	446	446	600	630	662
Building Plans Fees	218	143	282	405	216	216	1,000	1,050	1,103
Cemetery Fees	251	267	289	824	470	470	500	525	551
Commission received	198	229	(67)	50	13	13	14	14	15
Disconnections/Final reading & reconnections	527	372	1,528	250	-	-	-	-	-
Connections: Pre-paid Meters	10	-	-	100	80	80	150	158	165
Fair Value Adjustment	86	106	-	-	-	-	-	-	-
Insurance claims	107	494	-	-	12,150	12,150	15,210	15,971	16,769
Sale of Tender documents	350	228	230	406	400	400	500	525	551
INCOME RECEIVED FROM OLD DEBT	-	-	-	475,637	-	-	-	-	-
Other Revenue by source (incl. fair value adjustment)	9,716	73,690	444,585	13,933	20,403	20,403	18,419	19,716	20,702
Total 'Other' Revenue	11,945	76,020	447,423	493,979	34,289	34,289	38,392	40,688	42,722



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	126 958	145 351	161 284	192 996	200 669	200 669	237 594	248 998	261 446
Pension and UIF Contributions	21 169	18 153	25 819	20 398	31 546	31 546	35 885	37 592	39 471
Medical Aid Contributions	6 803	8 683	9 107	12 507	10 675	10 675	12 599	13 181	13 840
Overtime	12 223	20 221	26 863	3 710	28 116	28 116	5 452	4 360	4 578
Performance Bonus									
Motor Vehicle Allowance	2 089	2 135	5 175	12 288	8 139	8 139	14 926	15 527	16 304
Cellphone Allowance	391	480	789	949	1 049	1 049	1 265	1 321	1 387
Housing Allowances	595	652	678	1 073	1 338	1 338	1 508	1 577	1 656
Other benefits and allowances	23 648	27 915	12 780	17 877	7 793	7 793	7 178	7 007	7 357
Payments in lieu of leave	4 889	6 638	13 029	17 127	17 245	17 245	19 044	19 820	20 811
Long service awards	(128)	(108)	(152)	1 657	2 007	2 007	1 438	1 484	1 554
Post-retirement benefit obligations									
sub-total	198 636	230 121	255 372	280 582	308 576	308 576	336 890	350 866	368 404
Less: Employees costs capitalised to PPE									
Total Employee related costs	198 636	230 121	255 372	280 582	308 576	308 576	336 890	350 866	368 404
Contributions recognised - capital									
<i>List contributions by contract</i>									
Total Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	214 697	215 649	186 121	175 000	70 000	70 000	50 000	52 500	55 125
Lease amortisation									
Capital asset impairment									
Depreciation resulting from revaluation of PPE									
Total Depreciation & asset impairment	214 697	215 649	186 121	175 000	70 000	70 000	50 000	52 500	55 125
Bulk purchases									
Electricity Bulk Purchases	353 257	282 062	483 309	620 000	200 000	200 000	380 000	399 000	418 950
Water Bulk Purchases									
Total bulk purchases	353 257	282 062	483 309	620 000	200 000	200 000	380 000	399 000	418 950
Transfers and grants									
Cash transfers and grants	77 723	80 000	100 222	115 440	100 000	100 000	105 000	110 250	115 763
Non-cash transfers and grants	-	-	-	139 957	85 000	85 000	-	-	-
Total transfers and grants	77 723	80 000	100 222	255 396	185 000	185 000	105 000	110 250	115 763
Contracted services									
Municipal assets Insurance	30 148	31 647	17 566	30 000	41 700	41 700	20 000	21 000	22 050
Indigent Register	1 249	425	-	-	-	-	-	-	-
Dinatla Debt collectors					9 094	9 094			
Landfill site Management	2 169	2 299	2 145	3 000	2 925	2 925	2 340	2 457	2 580
Valuation roll/Credit control charges	548	1 295	3 774	3 400	4 000	4 000	1 500	1 575	1 654
Revenue Enhancement	7 579	494	10 533	10 500	11 000	11 000	15 150	15 908	16 703
Financial System	1 669	1 605	1 962	2 000	2 500	2 500	2 000	2 100	2 205
Call outs	12 596	6 594	6 707	8 000	13 000	13 000	9 000	9 450	9 923
Collection costs/printing consumer accounts	1 079	854	699	500	500	500	500	525	551
Streetlights-ennergy efficient ligthing	26 364	9 953	10 914	8 000	10 000	10 000	10 000	10 500	11 025
Debt collectors	38 757	24 221	3 734	1 000	2 906	2 906	2 000	2 100	2 205
VAT Review	-	-		1 000	6 000	6 000	5 000	5 250	5 513
Compilation of Financial Statements	-	-		5 000	11 000	11 000	5 000	5 250	5 513
Assets Verification	-	-		1 300	700	700	1 000	1 050	1 103
Urban Renewal	-	-		5 000	2 000	2 000	5 400	5 670	5 954
SCM Database							450	473	496
SCM Management Support							800	840	882
Traffic management							2 000	2 100	2 205
Security Services							5 000	5 250	5 513
sub-total	122 159	79 388	58 034	78 700	117 325	117 325	87 140	91 497	96 072
Allocations to organs of state:									
Electricity									
Water									
Sanitation									
Other									
Total contracted services	122 159	79 388	58 034	78 700	117 325	117 325	87 140	91 497	96 072



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Other Expenditure By Type									
Collection costs									
Contributions to 'other' provisions									
Consultant fees	18 756	6 084	4 538	–	1 661	1 661	–	–	–
Audit fees	4 084	4 694	5 630	5 680	13 000	13 000	5 000	5 250	5 513
General expenses	10 103	22 970	15 000	20 000	–	–	–	–	–
DEPARTMENTAL CHARGES	7 135	4 231	30 557	4 836	6 270	6 270	7 682	8 066	8 470
MSIG EXPENDITURE	800	890	934	930	–	–	–	–	–
REPAIRS AND MAINTENANCE	79 800	72 185	446 129	100 545	125 310	125 310	65 970	69 269	72 732
RESTATEMENT OF ASSETS	88 069	–	–	–	–	–	–	–	–
COMMUNITY PROJECT EXPENDITURE	10 047	75 224	249 765	–	–	–	–	–	–
TRAINING	814	1 621	2 455	2 815	6 309	6 309	500	503	528
DUSTBINS	5	227	–	1 500	460	460	2 000	2 100	2 205
FUEL & OIL	5 903	6 022	8 074	2 000	7 000	7 000	6 000	6 300	6 615
PROTECTIVE CLOTHING	5 640	1 131	714	700	4 930	4 930	6 000	6 300	6 615
WATER LEVIES REFUND	33 925	27 865	39 419	30 000	45 000	45 000	35 068	36 822	38 663
BANK CHARGES	1 803	1 427	2 324	1 500	2 500	2 500	2 000	2 100	2 205
INDIGENT SUBSIDY	10 390	8 600	877	–	–	–	–	–	–
TELEPHONE	2 739	2 867	2 803	2 000	3 500	3 500	2 500	2 625	2 756
LEGAL CHARGES	948	2 388	4 536	4 500	6 000	6 000	5 000	5 250	5 513
EMPLOYEES WELLNESS	1 881	1 178	–	1 300	1 300	1 300	2 500	2 625	2 756
DATA LINE & ICT STRATEGY	303	1 306	1 871	1 600	2 000	2 000	1 680	1 764	1 852
IDP PROJECTS	206	5 094	732	12 350	11 800	11 800	21 255	22 318	23 434
MAYORAL FUND	473	3 553	525	–	–	–	–	–	–
BURSARIES	132	2 258	3 917	9 000	15 000	15 000	15 000	15 750	16 538
SPECIAL PROGRAMMS	136	–	–	50 000	–	–	58 665	61 598	64 678
MEMBERSHIP FEES: SALGA	1 770	1 928	1 226	3 800	6 551	6 551	3 300	3 465	3 638
Other Expenditure By Type	692	30 289	268 003	33 595	123 846	123 846	85 994	90 529	95 194
Total 'Other' Expenditure	286 555	284 032	1 090 029	288 651	382 436	382 436	326 114	342 633	359 902

Repairs and Maintenance									
Employee related costs									
Other materials									
Contracted Services									
Other Expenditure	79 800	72 185	446 129	100 545	125 310	125 310	65 970	69 269	72 732
Total Repairs and Maintenance Expenditure	79 800	72 185	446 129	100 545	125 310	125 310	65 970	69 269	72 732

TABLE 65

FS194 Maluti-a-Phofung - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Vote 1 - Legislative Authority	Vote 2 - Office of the Municipal Manager	Vote 3 - Corporate Services	Vote 4 - Budget & Treasury Office	Vote 5 - Municipal Infrastructur e	Vote 6 - Community Services	Vote 7 - Public Safety & Transport	Vote 8 - Sports, Parks, Arts & Culture	Vote 9 - LED,Tourism & SMME's,Rur al & Commu nity	Vote 10 - Human Settlements	Vote 11 - Spatial Development , Planning & Environment	Vote 12 - Electricity Department	Vote 13 - Maluti Water (Phy) Ltd	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand																
Revenue By Source																
Property rates				207,596												207,596
Property rates - penalties & collection charges																–
Service charges - electricity revenue					73,882							568,818				568,818
Service charges - water revenue					39,224											73,882
Service charges - sanitation revenue					32,860											39,224
Service charges - refuse revenue																32,860
Service charges - other																–
Rental of facilities and equipment								905		1,153						2,058
Interest earned - external investments				2,400												2,400
Interest earned - outstanding debtors				26,500												26,500
Dividends received																–
Fines							6,055									6,055
Licences and permits																–
Agency services																–
Other revenue		–	1,000	18,972	10	2,547	1,057	105	5,000	3,000	3,626	3,076				38,392
Transfers recognised - operational		–		459,907												459,907
Gains on disposal of PPE																–
Total Revenue (excluding capital transfers and contributions)	–	–	1,000	715,375	145,976	2,547	7,112	1,010	5,000	4,153	3,626	571,893	–	–	–	1,457,692
Expenditure By Type																
Employee related costs	13,971	28,589	16,624	33,581	65,481	11,787	71,002	41,403	6,380	16,194	8,095	23,783				336,890
Remuneration of councillors	24,098															24,098
Debt impairment				70,050												70,050
Depreciation & asset impairment				50,000												50,000
Finance charges				6,000												6,000
Bulk purchases												380,000				380,000
Other materials																–
Contracted services				33,400			7,000	2,340			5,400	39,000				87,140
Transfers and grants				105,000												105,000
Other expenditure	84,547	24,147	22,367	51,010	21,342	1,512	26,237	9,970	23,740	6,795	385	54,062				326,114
Loss on disposal of PPE																–
Total Expenditure	122,616	52,736	38,991	349,041	86,823	13,299	104,239	51,373	32,460	22,989	13,880	496,845	–	–	–	1,385,292
Surplus/(Deficit)	(122,616)	(52,736)	(37,991)	366,334	59,153	(10,752)	(97,127)	(50,363)	(27,460)	(18,836)	(10,254)	75,049	–	–	–	72,400
Transfers recognised - capital				165,520												165,520
Contributions recognised - capital																–
Contributed assets																–
Surplus/(Deficit) after capital transfers & contributions	(122,616)	(52,736)	(37,991)	551,854	59,153	(10,752)	(97,127)	(50,363)	(27,460)	(18,836)	(10,254)	75,049	–	–	–	257,920

TABLE 66

FS194 Maluti-a-Phofung - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
ASSETS									
<u>Call investment deposits</u>									
Call deposits < 90 days									
Other current investments > 90 days									
Total Call investment deposits	-	-	-	-	-	-	-	-	-
<u>Consumer debtors</u>									
Consumer debtors	470,534	107,379	314,167	300,000	515,801	515,801	750,000	787,500	826,875
Less: Provision for debt impairment	(338,277)	-	-	(50,000)	29,696	29,696	(70,050)	(73,553)	(77,230)
Total Consumer debtors	132,258	107,379	314,167	250,000	545,497	545,497	679,950	713,948	749,645
<u>Debt impairment provision</u>									
Balance at the beginning of the year	(315,810)	(338,277)	(162,696)	50,000	(162,696)	(162,696)	70,050	73,553	77,230
Contributions to the provision	-	-	-	-	133,000	133,000	-	-	-
Bad debts written off	(22,467)	183,813	-	-	-	-	-	-	-
Balance at end of year	(338,277)	(154,464)	(162,696)	50,000	(29,696)	(29,696)	70,050	73,553	77,230
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/v valuation (excl. finance leases)	3,090,945	5,406,649	5,405,987	2,870,207	3,149,013	3,149,013	5,676,286	5,960,100	6,258,105
Leases recognised as PPE	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	214,220	2,227,182	2,412,946	175,000	100,000	100,000	2,533,594	2,660,273	2,793,287
Total Property, plant and equipment (PPE)	2,876,725	3,179,466	2,993,040	2,695,207	3,049,013	3,049,013	3,142,692	3,299,827	3,464,818
LIABILITIES									
<u>Current liabilities - Borrowing</u>									
Short term loans (other than bank overdraft)									
Current portion of long-term liabilities	3,031	-	-	-	-	-	-	-	-
Total Current liabilities - Borrowing	3,031	-	-	-	-	-	-	-	-
<u>Trade and other payables</u>									
Trade and other creditors	319,356	574,175	1,135,492	200,000	563,824	563,824	880,000	924,000	970,200
Unspent conditional transfers	7,854	2,481	1,787	-	-	-	-	-	-
VAT	-	16,188	-	-	-	-	-	-	-
Total Trade and other payables	327,210	592,845	1,137,278	200,000	563,824	563,824	880,000	924,000	970,200
<u>Non current liabilities - Borrowing</u>									
Borrowing	17,017	13,762	9,872	11,262	10,000	10,000	8,000	5,000	2,000
Finance leases (including PPP asset element)	399	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing	17,416	13,762	9,872	11,262	10,000	10,000	8,000	5,000	2,000
<u>Provisions - non-current</u>									
Retirement benefits	11,181	26,861	24,803	12,905	7,905	7,905	26,043	27,345	28,713
List other major provision items									
Refuse landfill site rehabilitation	25,714	21,658	19,307	0	0	0	20,273	21,286	22,351
Other	16,797	-	-	17,000	51,283	51,283	-	-	-
Total Provisions - non-current	53,692	48,519	44,110	29,905	59,188	59,188	46,316	48,632	51,063
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	3,032,384	3,096,942	2,835,509	2,504,914	2,762,897	2,762,897	2,917,077	3,035,400	3,167,008
GRAP adjustments									
Restated balance	3,032,384	3,096,942	2,835,509	2,504,914	2,762,897	2,762,897	2,917,077	3,035,400	3,167,008
Surplus/(Deficit)	(186,066)	(261,433)	(445,755)	450,665	276,703	276,703	257,920	301,747	340,247
Appropriations to Reserves									
Transfers from Reserves									
Depreciation offsets									
Other adjustments									
Accumulated Surplus/(Deficit)	2,846,319	2,835,509	2,389,754	2,955,579	3,039,600	3,039,600	3,174,997	3,337,147	3,507,255
<u>Reserves</u>									
Housing Development Fund									
Capital replacement									
Self-insurance									
Other reserves									
Revaluation									
Total Reserves	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2,846,319	2,835,509	2,389,754	2,955,579	3,039,600	3,039,600	3,174,997	3,337,147	3,507,255

TABLE 67

FS194 Maluti-a-Phofung - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	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					517	385	620	718	754	791	831	872
Females aged 5 - 14					58	42	65	75	79	83	87	92
Males aged 5 - 14					56	43	59	68	72	75	79	83
Females aged 15 - 34					100	75	103	119	125	131	138	145
Males aged 15 - 34					88	66	89	103	109	114	120	126
Unemployment					84	-	259	300	315	331	347	365
Monthly household income (no. of households)	1, 12											
No income					191 401	191 401	191 401	221 571	232 649	244 282	256 496	269 320
R1 - R1 600					161 806	161 806	161 806	187 311	196 676	206 510	216 836	227 677
R1 601 - R3 200					6 890	6 890	6 890	7 976	8 375	8 794	9 233	9 695
R3 201 - R6 400					7 020	7 020	7 020	8 127	8 533	8 969	9 407	9 878
R6 401 - R12 800					4 526	4 526	4 526	5 239	5 501	5 776	6 065	6 369
R12 801 - R25 600					1 572	1 572	1 572	1 820	1 911	2 006	2 107	2 212
R25 601 - R51 200					497	497	497	575	604	634	666	699
R52 201 - R102 400					125	125	125	145	152	160	168	176
R102 401 - R204 800					215	215	215	249	261	274	288	303
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area					465 318	465	552	639	671	705	740	777
Number of poor people in municipal area					55 639	60	66	77	81	85	89	93
Number of households in municipal area					117 318	117	138	160	168	176	185	194
Number of poor households in municipal area					25 629	26	30	35	36	38	40	42
Definition of poor household (R per month)					1 850	1 850	2 196	2 542	2 669	2 803	2 943	3 090
Housing statistics	3											
Formal						97 172	97 172	100 228	100 228	100 228	100 228	100 228
Informal												
Total number of households						97 172	97 172	100 228	100 228	100 228	100 228	100 228
Dwellings provided by municipality	4					83 300						
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings						83 300	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						5.8%	5.8%	6.1%	6.5%	6.5%	6.5%	6.5%
Interest rate - borrowing						11.0%	11.5%	13.0%	13.5%	13.5%	14.0%	15.0%
Interest rate - investment						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Remuneration increases						6.5%	7.0%	1% + CPI	1.25% + CPI	1%+CPIX	1%+CPIX	1%+CPIX
Consumption growth (electricity)												
Consumption growth (w ater)												
Collection rates	7											
Property tax/service charges						87.3%	72.8%	131.9%	23.4%	80.0%	60.0%	80.0%
Rental of facilities & equipment						41.9%	64.6%	62.6%	40.0%	80.0%	80.0%	80.0%
Interest - external investments						69.6%	78.5%	155.8%	36.5%	80.0%	80.0%	80.0%
Interest - debtors						265.1%	127.1%	93.4%	33.8%	80.0%	8.0%	80.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%			



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2012/13	2013/14	2014/15	Current Year 2015/16		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast
		Household service targets (000)						
		<u>Water:</u>						
		Piped water inside dwelling	44 457	85 420	85 488	85 488	85 488	85 488
		Piped water inside yard (but not in dwelling)	38 200	10 881	10 890	10 890	10 890	10 890
	8	Using public tap (at least min.service level)	6 802	–	–	–	–	–
	10	Other water supply (at least min.service level)	1 313	–	–	–	–	–
		<i>Minimum Service Level and Above sub-total</i>	90 772	96 301	96 378	96 378	96 378	96 378
	9	Using public tap (< min.service level)	2 100	–	–	–	–	–
	10	Other water supply (< min.service level)	4 300	3 927	3 850	3 850	3 850	3 850
		No water supply	–	–	–	–	–	–
		<i>Below Minimum Service Level sub-total</i>	6 400	3 927	3 850	3 850	3 850	3 850
		Total number of households	97 172	100 228	100 228	100 228	100 228	100 228
		<u>Sanitation/sewerage:</u>						
		Flush toilet (connected to sewerage)	31 500	32 941	35 642	35 642	35 642	35 642
		Flush toilet (with septic tank)	1 983	2 607	2 633	2 633	2 633	2 633
		Chemical toilet	3 500	3 195	2 099	2 099	2 099	2 099
		Pit toilet (ventilated)	44 471	17 424	21 900	21 900	21 900	21 900
		Other toilet provisions (> min.service level)	13 526	38 949	33 600	33 600	33 600	33 600
		<i>Minimum Service Level and Above sub-total</i>	94 980	95 116	95 874	95 874	95 874	95 874
		Bucket toilet	412	715	–	–	–	–
		Other toilet provisions (< min.service level)	–	2 133	2 154	2 154	2 154	2 154
		No toilet provisions	1 780	2 264	2 200	2 200	2 200	2 200
		<i>Below Minimum Service Level sub-total</i>	2 192	5 112	4 354	4 354	4 354	4 354
		Total number of households	97 172	100 228	100 228	100 228	100 228	100 228
		<u>Energy:</u>						
		Electricity (at least min.service level)	50 000	52 500	55 125	57 881	57 881	57 881
		Electricity - prepaid (min.service level)	–	–	–	–	–	–
		<i>Minimum Service Level and Above sub-total</i>	50 000	52 500	55 125	57 881	57 881	57 881
		Electricity (< min.service level)	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–
		Other energy sources	47 172	47 728	45 103	42 347	42 347	42 347
		<i>Below Minimum Service Level sub-total</i>	47 172	47 728	45 103	42 347	42 347	42 347
		Total number of households	97 172	100 228	100 228	100 228	100 228	100 228
		<u>Refuse:</u>						
		Removed at least once a week	27 025	26 567	26 833	26 833	26 833	26 833
		<i>Minimum Service Level and Above sub-total</i>	27 025	26 567	26 833	26 833	26 833	26 833
		Removed less frequently than once a week	489	491	496	496	496	496
		Using communal refuse dump	5 200	5 224	5 276	5 276	5 276	5 276
		Using own refuse dump	53 800	54 061	54 602	54 602	54 602	54 602
		Other rubbish disposal	1 158	5 576	5 632	5 632	5 632	5 632
		No rubbish disposal	9 500	8 309	7 390	7 390	7 390	7 390
		<i>Below Minimum Service Level sub-total</i>	70 147	73 661	73 396	73 396	73 396	73 396
		Total number of households	97 172	100 228	100 228	100 228	100 228	100 228
Municipal in-house services			2012/13	2013/14	2014/15	Current Year 2015/16		
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast
		<u>Energy:</u>						
		Electricity (at least min.service level)	50 000	52 500	55 125	57 881	57 881	57 881
		Electricity - prepaid (min.service level)	–	–	–	–	–	–
		<i>Minimum Service Level and Above sub-total</i>	50 000	52 500	55 125	57 881	57 881	57 881
		Electricity (< min.service level)	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–
		Other energy sources	47 172	47 728	45 103	42 347	42 347	42 347
		<i>Below Minimum Service Level sub-total</i>	47 172	47 728	45 103	42 347	42 347	42 347
		Total number of households	97 172	100 228	100 228	100 228	100 228	100 228
		<u>Refuse:</u>						
		Removed at least once a week	27 025	26 567	26 833	26 833	26 833	26 833
		<i>Minimum Service Level and Above sub-total</i>	27 025	26 567	26 833	26 833	26 833	26 833
		Removed less frequently than once a week	489	491	496	496	496	496
		Using communal refuse dump	5 200	5 224	5 276	5 276	5 276	5 276
		Using own refuse dump	53 800	54 061	54 602	54 602	54 602	54 602
		Other rubbish disposal	1 158	5 576	5 632	5 632	5 632	5 632
		No rubbish disposal	9 500	8 309	7 390	7 390	7 390	7 390
		<i>Below Minimum Service Level sub-total</i>	70 147	73 661	73 396	73 396	73 396	73 396
		Total number of households	97 172	100 228	100 228	100 228	100 228	100 228



Maluti-A-Phofung Municipality Proposed Final Budget 2016 /2017 **Medium Term Revenue Expenditure Framework, Tariffs and Budget related policies**

Municipal entity services	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
Maluti-a-Phofung Water (Pty) Ltd		Household service targets (000)									
		Water:									
		Piped water inside dwelling	44 457	85 420	85 488	85 488	85 488	85 488	85 488	85 488	85 488
		Piped water inside yard (but not in dwelling)	38 200	10 881	10 890	10 890	10 890	10 890	10 890	10 890	10 890
		Using public tap (at least min.service level)	6 802								
		Other water supply (at least min.service level)	1 313								
		<i>Minimum Service Level and Above sub-total</i>	90 772	96 301	96 378	96 378	96 378	96 378	96 378	96 378	96 378
		Using public tap (< min.service level)	2 100								
		Other water supply (< min.service level)	4 300	3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850
		No water supply									
		<i>Below Minimum Service Level sub-total</i>	6 400	3 927	3 850	3 850	3 850	3 850	3 850	3 850	3 850
		Total number of households	97 172	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	31 500	32 941	35 642	35 642	35 642	35 642	35 642	35 642	35 642
Maluti-a-Phofung Water (Pty) Ltd		Flush toilet (with septic tank)	1 983	2 607	2 633	2 633	2 633	2 633	2 633	2 633	2 633
		Chemical toilet	3 500	3 195	2 099	2 099	2 099	2 099	2 099	2 099	2 099
		Pit toilet (ventilated)	44 471	17 424	21 900	21 900	21 900	21 900	21 900	21 900	21 900
		Other toilet provisions (> min.service level)	13 526	38 949	33 600	33 600	33 600	33 600	33 600	33 600	33 600
		<i>Minimum Service Level and Above sub-total</i>	94 980	95 116	95 874	95 874	95 874	95 874	95 874	95 874	95 874
		Bucket toilet	412	715	-						
		Other toilet provisions (< min.service level)	-	2 133	2 154	2 154	2 154	2 154	2 154	2 154	2 154
		No toilet provisions	1 780	2 264	2 200	2 200	2 200	2 200	2 200	2 200	2 200
		<i>Below Minimum Service Level sub-total</i>	2 192	5 112	4 354	4 354	4 354	4 354	4 354	4 354	4 354
		Total number of households	97 172	100 228	100 228	100 228	100 228	100 228	100 228	100 228	100 228
		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											
	Ref.	Location of households for each type of FBS									
		Formal settlements - (50 kwh per indigent household per month R'000)	41 395 231	45 048 477	45 048 477	35 816 280	15 177 000	15 177 000	15 177 000	15 935 850	16 732 643
		Number of HH receiving this type of FBS	97 172	100 228	100 228	70 228	25 295	25 295	25 295	25 295	25 295
		Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-
Water											
	Ref.	Location of households for each type of FBS									
		Formal settlements - (6 kilolitre per indigent household per month R'000)	42 817 870	3 183 000	2 798 470	36 509 426	20 221 776	20 221 776	20 221 776	21 232 865	22 294 508
		Number of HH receiving this type of FBS	97 172	6 847	5 706	70 228	36 955	36 955	36 955	36 955	36 955
		Informal settlements (R'000)									
		Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-	-
Sanitation											
	Ref.	Location of households for each type of FBS									
		Formal settlements - (free sanitation service to indigent households)	5 299 726	5 618 046	4 915 934	18 230 573	5 108 441	5 108 441	7 182 696	7 541 831	7 918 922
		Number of HH receiving this type of FBS	6 782	6 847	5 706	15 012	5 594	5 594	5 594	5 594	5 594
		Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-	-
Refuse Removal											
	Ref.	Location of households for each type of FBS									
		Formal settlements - (removed once a week to indigent households)	5 567 479	5 901 840	5 164 297	14 402 035	5 366 212	5 366 212	5 672 316	5 955 932	6 253 728
		Number of HH receiving this type of FBS	6 782	6 847	5 706	15 012	5 594	5 594	5 594	5 594	5 594
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-



TABLE 68

FS194 Maluti-a-Phofung - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
MAXIMUM PROFIT RECOVERY	Yrs		VAT reconciliation/review	21 October 2012	–
LATERAL UNISON	Yrs		Insurance (main building, transformers, maluti water)	01 October 2016	
Landfill Consult (Pty) Ltd	Yrs	3	Landfill site management	17 October 2016	8 003
LD Medical Equipment Services	Yrs	3	Employee Wellness Programme	23 August 2015	3 000
CAB Holdings (pty) Ltd	Yrs	3	Pricing of service Accounts statements	23 August 2014	3 600
M2TSYSTEM	Yrs		Technical support revenue management	01 March 2013	
GRINPAL	Yrs		Install Automatic Meter Reading, maintenance & Support		
KHOASE	Yrs		Intall prepaid meters & remove electricity tampers	19 October 2011	
ROBS INVESTMENT	Yrs		Supply & delivery of electrical materials	17 September 2015	
BYTES SOLUTION	Yrs		Photocopies & fax machinery leasing	07 May 2015	
ALTIMAX TRAINING ACADEMY	Yrs		Financial statements preparations	2017 November	
TAT I-CHAIN	Yrs		Verification of assets		
MARKET DEMAND TRADING 773 (PTY) LTD	Yrs		Geo-tagging/ Cmpilation of Grap compliant Infrastruc	12 Months	
SOLAR SPECTRUM TRADING 24 PTY LTD	Yrs		Installation of energy efficient lighting	04 November 2017	
MANNA HOLDINGS	Yrs		Compilation of the valuation roll	09 September 2017	3 400

2.14.1 ANNUAL BUDGETS OF MUNICIPAL ENTITIES

See Annexure 3 for detailed schedules



2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I Advocate M.R. Tsupa Municipal Manager of Maluti - A - Phofung Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act, and that the annual budget is consistent with the business plans of the municipality and the integrated development plan

Print name: Advocate. M.R Tsupa

Municipal Manager of Maluti - A - Phofung Municipality

Signature: _____

Date: _____