

27 March 2017

To: All Councillors
MAKANA MUNICIPALITY
GRAHAMSTOWN

Notice is hereby given that the Special Council meeting of the Makana Municipality will be held in the Council Chamber on **THURSDAY, 30 MARCH 2017 at 14H00** to consider the items on the agenda as set out below.


CLARY Y. VARA
SPEAKER OF COUNCIL

AGENDA

- SC 1 OPENING STATEMENT – SPEAKER
- SC 2 STATEMENTS BY THE EXECUTIVE MAYOR
- SC 3 OFFICIAL ANNOUNCEMENTS – ACTING MUNICIPAL MANAGER
- SC 4 APPLICATIONS FOR LEAVE OF ABSENCE (WRITTEN APOLOGIES)
- SC 5 DISCLOSURES OF INTEREST (BY ANY MEMBER ON ANY ITEM THAT FORMS PART OF THE AGENDA)
- SC 6 REPORTS BY THE ACTING MUNICIPAL MANAGER (AS PER THE AGENDA)
- SC 6.1 TABLING OF THE DRAFT INTEGRATED DEVELOPMENT PLAN (IDP) AND MTREF BUDGET 2017/18 TO 2019/20 FOR ADOPTION
- 1 – 391
- SC 6.2 OVERSIGHT REPORT TO COUNCIL FROM MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
- 392 – 413
- SC 7 CLOSURE/CLOSING REMARKS - SPEAKER



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Report To: **COUNCIL**

File ref : _____

Collaborator/Item no: _____

Date: **30 MARCH 2017**

SUBJECT: TABLING OF THE DRAFT INTEGRATED DEVELOPMENT PLAN (IDP) AND MTREF BUDGET 2017/18 TO 2019/20 FOR ADOPTION

REPORT DATED 28 MARCH 2017 FROM THE EXECUTIVE MAYOR TO COUNCIL

PURPOSE

The purpose of this item is to table the Draft IDP and MTREF Budget for 2017/18 to Council for **ADOPTION**, in terms of Section 16(2) of the Municipal Finance Management Act No. 56 of 2003.

LEGAL COMPLIANCE

Municipal Finance Management Act No. 56 of 2003, and various Circulars from National Treasury.

BACKGROUND

Chapter 5 of the Municipal Systems Act 32 of 2000 requires that the Draft IDP and Draft Budget be tabled simultaneously in a Council meeting at least 90 days before commencement of a financial year for approval, and the purpose of this item is to comply with that legislative requirement. Efforts have been made to ensure that there is a link between the IDP document and the Draft Budget for the same year, more especially on externally funded projects.

Section 16(2) of the Municipal Finance Management Act No. 56 of 2003 states the following: "The mayor of the municipality must table the **draft** annual budget at a council meeting at least 90 days before the start of the budget year (meaning that on or before the end of March as the municipal financial year commences from 1st July of each year)". Section 17 of the Municipal Finance Management Act further requires the municipality to ensure that the budget is based on realistically anticipated revenue for the budget year, from various revenue sources.

The attached draft budget summary, which indicates various sources of revenue such as electricity, water, refuse charge, general rates, sewerage charge, grants and subsidies, etc., is attempting to address the requirements of Section 17 of the MFMA. The attached budget documents are not finally funded yet as the budget is at a draft stage, however, as the budget had to be finally approved before

end of June 2017, a lot of work will have to be undertaken during the period leading to the end of June to ensure that a funded budget is approved by the Council

DISCUSSION

The draft budget for 2017/18 financial year's budget has been prepared based on certain assumptions, such as increase in salaries have been budgeted for at 8%, electricity tariff increases have been budgeted for at **2.2% tariff**, and all other tariffs (water, refuse, sewerage) have been increased by **6.4%**

RECOMMENDATIONS:

- a) THAT the Council of Makana Municipality, acting in terms of section 25 of the Local Government: Municipal Systems Act, (Act 32 of 2000) consider and adopts the draft Integrated Development Plan of the municipality for the financial year 2017 – 2022.
- b) THAT any changes or amendments raised in the Council meeting be included in the draft IDP document before the document is made public.
- c) THAT the Council of Makana Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) consider and adopts the draft annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations.
- d) THAT to guide the implementation of the municipality's draft annual budget, the Council approves the policies and tariffs as set out in the Annexures of this document.
- e) THAT in order to facilitate multi-year budgeting, departments **BE AUTHORISED** to commit projects on the 2018/19 and 2019/20 budgets, on confirmed external funding sources.

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ACTING MUNICIPAL MANAGER

Mr. M. Planga

.....
EXECUTIVE MAYOR

HON. CLR N. Gaga



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DRAFT BUDGET OF MAKANA MUNICIPALITY

**2017/18 TO 2019/20 MEDIUM-TERM REVENUE
AND EXPENDITURE FORECASTS**

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Part 1 – Annual Budget

1.1 Mayor's Report

The Mayor's Report will be included in the item to Council.

1.2 Council Resolutions

On 29 March 2017 the Council of Makana Municipality met in the Council Chambers to consider the annual budget of the municipality for the financial year 2017/18. The Council approved and adopted the following resolutions:

1. The Council of Makana Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. the Adopted multi-year Medium Term Revenue & Expenditure Framework (MTREF) of the municipality for the Financial Year 2017/18 and indicative for the projected outer years be approved as set out in the budget tables A1 - A10
 - 1.2. the Adopted 2017/18 Medium Term Revenue and Expenditure Framework aligned with the IDP's Developmental Objectives and Goals for Makana Municipality be approved.
2. The Council of Makana Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017: as set out in Annexure A
 - 2.1. the tariffs for property rates
 - 2.2. the tariffs for electricity
 - 2.3. the tariffs for the supply of water
 - 2.4. the tariffs for sanitation services
 - 2.5. the tariffs for solid waste services
 - 2.6. Miscellaneous and other tariffs
3. To guide the implementation of the municipality's annual budget, the Council approves the policies as set out in the Annexure B of this document.
 - 3.1 Budget Policy Statement (reviewed)
 - 3.2 Supply Chain Management Policy (reviewed)
 - 3.3 Asset Management Policy (reviewed)
 - 3.4 Property Rates Policy (remains unchanged)
 - 3.5 Assistance to the poor & Indigent Policy (remains unchanged)
 - 3.6 Provision for doubtful debts (remains unchanged)
 - 3.7 Credit Control & Debt Collection Policy (remains unchanged)
 - 3.8 Funding and Reserves Policy (remains unchanged)
 - 3.9 Borrowing Policy (remains unchanged)
 - 3.10 Cash Management and Investment Policy remains unchanged)
 - 3.11 Tariff Policy (remains unchanged)

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Mr. M. Planga
ACTING MUNICIPAL MANAGER

DATE:

1.3 Executive Summary

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

The business and service delivery priorities of the municipality were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

On the 22 March 2017 the Mayor, Portfolio chair's, MM together with Directors called an urgent Management meeting to discuss the **R41, 6** million deficit. The CFO after consultation with the AMM and the Directors met with the Budget Office to reduce the deficit as it mostly relate to non- cash items.

A critical review was also undertake of expenditure on non-core and non-priority spending items in line with MFMA Circular 82 - Cost Containment Measures. Emphasis was placed on providing of funds for the repairs and maintenance line items.

In light of the above cost containment measures the following expenditure line items were identified as non-core and non-priority:

- Travel & Subsistence Allowance
- Accommodation
- All catering costs were to 10%
- Security Costs – Budget Steering Committee recommended that alternatives for security services to be identified to reduce the current costs.
- Events Costs
- Cleaning Costs
- Overtime Costs – Human Resource Manager is in the process of reviewing the overtime policy.
- Printing and Stationery Costs

The main challenges experienced during the compilation of the 2017/18 MTREF can be summarised as follows:

- The need to reprioritise projects and expenditure within the existing resource envelope. By far the greatest concern lies with all the services financed by property rates.
- Maximising revenue generation
- Integration of town planning and valuation functions to ensure that new property developments, improvements to existing properties and changes to properties usage are correctly processed and captured in the billing system, to enable accurate accounts and completeness of general valuation roll and supplementary roll to minimise objections to property values also to maximise revenue base.
- Curbing consumption of water and electricity by the indigent to ensure that they do not exceed their allocation.
- Incorrect billing due to incorrect meter readings and this impacts on revenue collection and the credibility of the financial information.
- Employee related costs as a percentage of total Expenditure amounts to **35% the acceptable norm for salaries is between 30% - 35% of the Operating Budget.**
- The reduction in Other Revenue sources for example Agencies Services for vehicle licensing, Traffic Fines, Licenses and Permits is placing unsustainable pressure on Rates that is sitting at **R64,079,569.15**
- Appropriate strategies to address water & electricity losses due to aging infrastructure and theft to minimise unaccounted revenue losses.
- Insufficient capital investment for all major infrastructure improvements; and
- The transition to a new financial system and a new chart of accounts (mSCOA) in this financial year has placed the administration under tremendous strain to compile this budget.

The following budget principles and guidelines directly informed the compilation MTREF for 2017/18:

National Treasury's MFMA Circular No. 85 and 86 were used to guide the compilation of the 2017/18 MTREF.

Following the tabling of the MTREF, National Treasury will review and make comments on the Tabled budget. This assists the Municipality in ensuring quality when preparing the final budget in terms of the MFMA.

National Treasury will normally, from a quality perspective, assess the budget against the following three criteria:

- Credibility;
- Relevance; and
- Sustainability.

Municipality is in the process of turning around the current declining position in order to build a sustainable future, revenue enhancement is one of the key elements of turn around strategies that has be used to address the challenges.

The Council has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. A debt collecting company was also appointed to assist with data cleansing, recovering outstanding debts and capacitating the Credit Control personnel in the process.

Indigent policy and procedures are implemented, credit control and debt collection policy are enforced as they are important part of debt management and revenue enhancement.

Table 1 Consolidated Overview of the 2017/18 MTREF

Description	Current Year	2017/18 Medium Term Revenue & Expenditure Framework		
R thousands	Adjusted Budget 2016/17	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20
Total Operating Revenue	422 210	427 924	452 315	477 645
Total Operating Expenditure	422 210	427 924	452 315	477 645
Surplus/(Deficit)	0	0	0	0
Total Capital Expenditure	43 168	226 267	55 110	42 348

Total operating revenue has grown by R5, 7 million for 2017/18 financial year when compared to the 2016/17 Adjustment Budget. For the two outer year years, operational revenue will increase by 5.7 and 5.6 per cent respectively.

The adopted capital budget of R226, 2 million for 2017/18 is 19 per cent more when compared to the 2016/17 Adjusted Budget.

1.4 OPERATING BUDGET FRAMEWORK

1.4.1 Operating Revenue

Makana Municipality requires sustainable revenue streams in order to improve the lives of its citizen. The municipality must continuously review revenue management process to ensure that revenue projected and the municipality has an ability to maximize the revenue generating potential of all revenue sources through adequate and effective controls and allow for investments opportunities that will accelerate economic growth.

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

- National Treasury's guidelines ;
- Efficient revenue management, which aim to ensure an above 90 per cent annual collection rate for property rates and other service charges;
- Electricity Municipality tariffs increases as approved by the National Electricity Municipality Regulator of SA (NERSA)
- Determining the tariff escalation rate by calculating the revenue requirement of each service taking into consideration the affordability of these tariffs;
- The municipality's Property Rates Policy approved in terms of MPRA, and
- The municipality's Indigent Policy and rendering of free basic services.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	46,153	53,827	–	65,215	65,215	65,215	–	64,080	67,732	71,525
Service charges - electricity revenue	2	95,766	96,547	191,064	191,033	129,683	129,683	–	126,774	134,000	141,504
Service charges - water revenue	2	39,594	66,695	73,101	63,270	71,052	71,052	–	58,025	61,333	64,768
Service charges - sanitation revenue	2	19,752	21,525	37,254	44,075	33,662	33,662	–	26,051	27,536	29,078
Service charges - refuse revenue	2	6,363	11,741	19,340	8,305	8,305	8,305	–	13,097	13,843	14,618
Service charges - other		90	102		–	–	–				
Rental of facilities and equipment		801	1,023		811	811	811		1,579	1,669	1,763
Interest earned - external investments		10,822	12,494		700	700	700		21	22	24
Interest earned - outstanding debtors		385	–		16,059	16,059	16,059		12,065	12,752	13,466
Dividends received		–	–		–	–	–		–	–	–
Fines, penalties and forfeits		656	55		1,092	1,092	1,092		392	414	437
Licences and permits		2,597	2,344		1,647	1,647	1,647		2,509	2,652	2,801
Agency services		877	850		500	500	500		1,500	1,586	1,674
Transfers and subsidies		59,983	81,632		91,292	91,292	91,292		95,445	100,886	106,535
Other revenue	2	13,850	2,939	119,294	2,185	2,185	2,185	–	26,387	27,891	29,453
Gains on disposal of PPE			33								
Total Revenue (excluding capital transfers and contributions)		297,687	351,809	440,053	486,184	422,203	422,203	–	427,924	452,316	477,646

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

Revenue generated from rates and service charges forms a significant percentage of the revenue basket for the municipality. Electricity service charges is the largest contributor towards municipal revenue streams at an average of 30 per cent over MTREF. The electricity service charges in monetary terms have decreased by R2,9 million due to tariff decrease of 2.2 per cent.

The second largest revenue source is Property Rates at 6.4 per cent increase. The municipality is dependant on electricity to subsidise Rates and General services.

The trading service water is downsized by R13 million 2017/18 when compared with 2016/17 Adjusted Budget. This is attributed by the data cleansing exercise and tariffs that are not cost-reflective.

An insignificant source of revenue is 'other revenue' which consists of various items such as income received from building plans fees, connection fees. The item segment of mSCOA has done away with the "other revenue" as a category and therefore specific details will be provided going forward due to the financial reforms. Departments have been urged to review the tariff structure and these items on an annual basis to ensure that they are cost-reflective and market related. Yet the tariffs have in practice just been escalated by the inflation index as guided by the circular.

Operating grants and transfer totals to R95,4 million in the 2017/18 financial year, and the allocation is mainly Equitable Share, FMG, EPWP and subsidy from the Sarah Baartman District municipality.

1.4.2 Operating Expenditure

The municipality's framework for the 2017/18 budget and MTREF is informed by the following:

- Given that one of the primary drivers of this budget is to keep tariff increases with the Inflationary envelope of 6.4%, expenditure allocations has increased by R5, 7 million as compared to 2016/17 Adjustments budget;
- The Chief Financial Officer has ensured that Repairs and Maintenance provisions are within best practice parameters of 8% of Asset Cost and 13% of Operating Expenditure. The weakness here however is that there is no Municipal wide asset repairs and maintenance plan. Repairs and Maintenance is done in silo's hence it lacks in synergistic benefit of ensuring budget allocations are used efficiently and effectively;
- Related to the above weakness the capital programme carries the risk on not ensuring That the asset renewal strategy and backlog eradication is achieved in this budget;
- Funding of the budget over the medium-term is informed by Section 18 and 19 of the MFMA; and
- Strict adherence to the principle of "no project plan no budget". If there is no business plan no funding allocation can be made.

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

Table 3 Summary of operating expenditure by standard classification item

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure By Type										
Employee related costs	129,819	129,930	126,773	144,631	123,994	123,994	–	149,161	157,663	166,492
Remuneration of councillors	8,337	9,458	9,723	9,723	10,497	10,497	–	10,436	11,030	11,648
Debt impairment	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	36,729	33,599	31,502	31,639	31,639	31,639	–	15,177	16,042	16,940
Finance charges	6,337	16,457	478	–	9,700	9,700	–	5,718	6,044	6,383
Bulk purchases	67,096	82,037	87,574	104,404	71,103	71,103	–	101,050	106,810	112,791
Other materials	–	–	–	1,600	1,522	1,522	–	1,145	1,210	1,278
Contracted services	6,917	4,491	8,734	28,408	28,408	28,408	–	13,655	14,434	15,242
Transfers and subsidies	22,246	30,808	48,997	50,515	50,515	50,515	–	3,376	–	–
Other expenditure	60,457	82,472	124,140	115,272	94,832	94,832	–	128,206	139,082	146,871
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Expenditure	337,939	389,251	437,920	486,191	422,210	422,210	–	427,924	452,315	477,644

The budgeted allocation for **employee related costs** for the 2017/18 financial year totals R149 million, which equals 35 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 8 per cent for the 2017/18 financial year. An annual increase of 5.7 and 5.6 per cent has been included in the two outer years of the MTREF.

Senior management has agreed in principle that no provision would be made for previously unfunded posts until such time that the financial position of the municipality has improved and the impact of the Job evaluation exercise.

The cost associated with the **remuneration of councillors** is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). An increase of 7 per cent has been budgeted for the 2017/18 financial year.

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Financial Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R15, 1 million for the 2017/18 financial year.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges on the budget make up R5, 7 million of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from DWS. The annual price increases have been factored into the budget appropriations. Of the R101 million total electricity comprises R95 million and water R6 million. The expenditure includes distribution losses.

1.5 CAPITAL BUDGET FRAMEWORK

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

Table 4 2017/18 Medium-Term capital budget per vote

Vote Description R thousand	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional										
<i>Governance and administration</i>	5,302	2,461	1,150	6,350	1,644	1,644	-	-	-	-
Executive and council	673	327	-	-	-	-	-	-	-	-
Finance and administration	1,161	568	-	-	-	-	-	-	-	-
Internal audit	3,468	1,566	1,150	6,350	1,644	1,644	-	-	-	-
<i>Community and public safety</i>	18,609	3,673	1,300	17,878	20,334	20,334	-	-	-	-
Community and social services	3,100	67	996	1,084	1,084	1,084	-	-	-	-
Sport and recreation	14,138	3,393	304	16,794	19,251	19,251	-	-	-	-
Public safety	935	213	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	436	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	8,722	11,945	1,201	1,252	12,860	12,860	-	6,308	-	-
Planning and development	3,359	3,720	-	-	-	-	-	600	-	-
Road transport	4,917	8,224	1,201	1,252	12,860	12,860	-	5,709	-	-
Environmental protection	445	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	20,952	22,654	59,291	144,563	8,331	8,331	-	219,958	55,110	42,348
Energy sources	1,129	2,953	5,114	9,079	5,079	5,079	-	13,085	4,110	4,348
Water management	1,897	15,442	26,000	47,065	2,160	2,160	-	177,462	25,000	15,000
Waste water management	17,926	4,236	28,177	88,419	1,092	1,092	-	29,412	26,000	23,000
Waste management	-	24	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	53,585	40,733	62,942	170,043	43,168	43,168	-	226,267	55,110	42,348
Funded by:										
National Government	29,643	21,784	56,940	159,140	42,085	42,085	-	86,267	55,110	42,348
Provincial Government	-	-	996	1,084	1,084	1,084	-	-	-	-
District Municipality	-	67	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	9,820	0	0	-	140,000	-	-
Transfers recognised - capital	29,643	21,852	57,936	170,043	43,168	43,168	-	226,267	55,110	42,348
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	849	6,835	-	-	-	-	-	-	-	-
Internally generated funds	23,094	12,047	5,056	-	-	-	-	-	-	-
Total Capital Funding	53,585	40,733	62,992	170,043	43,168	43,168	-	226,267	55,110	42,348

For the 2017/18 financial year, R89, 5 million will be spent on repairs and maintenance infrastructure assets. Water infrastructure allocation totalling R177, 4 million), followed by electricity infrastructure at R86 million, water at R73 million and sanitation at 11 R29, 4 million.

1.6 Municipal Standard Chart of Accounts (mSCOA)

As Council is aware this Municipality is currently preparing for the implementation of the new Municipal Standard Chart of Accounts. Such are governed by regulations which will become effective Nation-wide on 1 July 2017.

In short the change is resulting in some sound business reforms:

- Ensuring a more consistent reporting of financial transactions across all municipalities in South Africa; and
- Ensuring that municipalities can budget per objective or project based, not on items or products.

The project is run on a strict Project Management basis and project issues are well documented and managed.

1.7 Annual Budget Tables

The following pages present the ten **main** budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the following page.

Table 5 MBRR Table A1 - Budget Summary

EC104 Makana - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	46,153	53,827	–	65,215	65,215	65,215	–	64,080	67,732	71,525
Service charges	161,564	196,610	320,759	306,683	242,702	242,702	–	223,946	236,712	249,968
Investment revenue	10,822	12,494	–	700	700	700	–	21	22	24
Transfers recognised - operational	59,983	81,632	–	91,292	91,292	91,292	–	95,445	100,885	106,535
Other own revenue	19,165	7,245	119,294	22,295	22,295	22,295	–	44,432	46,964	49,594
Total Revenue (excluding capital transfers and contributions)	287,687	351,809	440,053	486,184	422,203	422,203	–	427,924	452,316	477,646
Employee costs	129,819	129,930	126,773	144,631	123,994	123,994	–	149,161	157,663	166,492
Remuneration of councillors	8,337	9,458	9,723	9,723	10,497	10,497	–	10,436	11,030	11,648
Depreciation & asset impairment	36,729	33,599	31,502	31,639	31,639	31,639	–	15,177	16,042	16,940
Finance charges	6,337	16,457	478	–	9,700	9,700	–	5,718	6,044	6,363
Materials and bulk purchases	67,096	82,037	87,574	106,004	72,625	72,625	–	102,195	108,020	114,069
Transfers and grants	22,246	30,808	48,997	50,515	50,515	50,515	–	3,376	–	–
Other expenditure	67,374	86,962	132,674	143,680	123,240	123,240	–	141,862	153,516	162,113
Total Expenditure	337,939	389,251	437,920	486,191	422,210	422,210	–	427,924	452,315	477,644
Surplus/(Deficit)	(40,251)	(37,442)	2,133	(8)	(8)	(8)	–	0	2	2
Transfers and subsidies - capital (monetary alloc	55,750	28,979	–	–	–	–	–	24,764	25,990	27,283
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	201,503	29,120	15,065
Surplus/(Deficit) after capital transfers & contributions	15,499	(8,463)	2,133	(8)	(8)	(8)	–	226,267	55,112	42,350
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	15,499	(8,463)	2,133	(8)	(8)	(8)	–	226,267	55,112	42,350
Capital expenditure & funds sources										
Capital expenditure	53,585	40,733	62,942	170,043	43,168	43,168	–	226,267	55,110	42,348
Transfers recognised - capital	29,643	21,852	57,936	170,043	43,168	43,168	–	226,267	55,110	42,348
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	849	6,835	–	–	–	–	–	–	–	–
Internally generated funds	23,094	12,047	5,056	–	–	–	–	–	–	–
Total sources of capital funds	53,585	40,733	62,992	170,043	43,168	43,168	–	226,267	55,110	42,348
Financial position										
Total current assets	183,364	257,605	406,362	278,677	278,677	278,677	–	455,040	480,977	507,912
Total non current assets	1,037,290	1,072,632	700,456	920,961	920,961	920,961	–	1,053,267	1,113,304	1,175,649
Total current liabilities	135,312	236,979	111,932	281,005	281,005	281,005	–	205,052	219,740	232,045
Total non current liabilities	91,221	116,502	2,145	49,307	49,307	49,307	–	70,900	74,941	79,138
Community wealth/Equity	994,122	976,755	992,213	808,793	808,793	808,793	–	–	–	–
Cash flows										
Net cash from (used) operating	(8,908)	55,925	5,042	184,063	57,189	57,189	–	7,760	8,202	8,662
Net cash from (used) investing	(53,701)	(38,853)	(6,857)	(173,043)	(43,168)	(43,168)	–	500	529	558
Net cash from (used) financing	30,770	1,063	–	(5,500)	(4,000)	(4,000)	–	(4,500)	(4,757)	(5,023)
Cash/cash equivalents at the year end	(22,006)	4,698	5,105	8,129	12,629	12,629	–	8,939	12,914	17,111
Cash backing/surplus reconciliation										
Cash and investments available	(13,275)	18,320	20,451	20,473	20,473	20,473	–	12,679	13,402	14,152
Application of cash and investments	(63,255)	(327)	(101,457)	12,490	(17,901)	(17,901)	–	(243,497)	(257,376)	(271,789)
Balance - surplus (shortfall)	49,980	18,647	121,908	7,983	38,374	38,374	–	256,177	270,778	285,941
Asset management										
Asset register summary (WDV)	1,034,129	1,072,632	125,884	340,086	340,086	340,086	–	–	–	–
Depreciation	36,729	33,599	31,502	31,639	31,639	31,639	–	–	–	–
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	12,777	10,136	23,657	–	–	–	–	–	–	–
Free services										
Cost of Free Basic Services provided	–	–	–	7	7	7	8	8	8	8
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	25	250	25	150	150	14	13
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	0	0	0	0	0	0	0

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which transfers recognised is reflected on the Financial Performance Budget;
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase however it needs to be noted that this table does not cater for the cross subsidisation value of the lower end tariffs in the tiered structure of basic service charges. This implies that the values reflected as Free Basic Services and the revenue cost are in reality much higher should one include the cross-subsidisation that takes place within the lower end of the tariffs. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 6 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification

EC104 Makana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional											
Governance and administration			105,155	148,057	110,328	143,583	123,263	123,263	131,336	138,731	146,500
Executive and council			3,858	5,964	8,519	7,660	7,660	7,660	32,075	33,903	35,801
Finance and administration			101,297	142,073	101,809	135,923	115,603	115,603	97,662	103,229	109,010
Internal audit			—	—	—	—	—	—	1,599	1,599	1,689
Community and public safety			8,308	31,860	3,886	24,360	16,701	16,701	14,786	15,628	16,504
Community and social services			2,682	1,141	3,527	4,789	4,789	4,789	4,550	4,810	5,079
Sport and recreation			3,784	28,979	127	16,810	9,151	9,151	6,398	6,763	7,142
Public safety			48	—	232	840	840	840	2,228	2,355	2,487
Housing			—	—	—	—	—	—	—	—	—
Health			1,793	1,740	—	1,921	1,921	1,921	1,609	1,701	1,795
Economic and environmental services			13,760	4,363	5,066	4,929	4,929	4,929	30,216	25,270	26,685
Planning and development			2,455	641	2,554	230	230	230	13,251	13,372	14,120
Road transport			10,284	3,320	2,512	4,674	4,674	4,674	16,941	11,872	12,537
Environmental protection			1,022	402	—	25	25	25	24	26	27
Trading services			226,212	196,508	320,758	483,352	277,306	277,306	594,839	327,689	330,192
Energy sources			100,108	96,547	191,064	204,540	161,905	161,905	266,994	148,822	157,164
Water management			61,021	66,695	73,101	116,645	70,213	70,213	248,940	100,553	94,783
Waste water management			37,692	21,525	37,254	146,403	29,424	29,424	61,235	59,637	58,521
Waste management			27,390	11,741	19,340	15,764	15,764	15,764	17,670	18,677	19,723
Other	4		3	—	15	10	10	10	16	17	18
Total Revenue - Functional	2		353,438	380,788	440,054	656,234	422,210	422,210	771,192	507,335	519,898
Expenditure - Functional											
Governance and administration			112,471	173,565	129,449	158,999	160,163	160,163	124,135	131,210	138,558
Executive and council			24,104	16,310	33,831	31,862	24,098	24,098	32,075	33,903	35,801
Finance and administration			88,367	157,255	95,618	127,137	136,065	136,065	90,461	95,617	100,972
Internal audit			—	—	—	—	—	—	1,599	1,690	1,785
Community and public safety			21,920	18,437	30,294	43,766	42,260	42,260	2,334	2,468	2,606
Community and social services			6,589	8,601	11,535	12,332	12,200	12,200	2,334	2,468	2,606
Sport and recreation			6,695	8,014	7,487	16,088	14,896	14,896	—	—	—
Public safety			6,343	—	11,271	12,469	12,404	12,404	—	—	—
Housing			45	—	—	56	56	56	—	—	—
Health			2,249	1,822	—	2,821	2,704	2,704	—	—	—
Economic and environmental services			27,329	32,742	45,196	42,143	42,673	42,673	39,890	42,164	44,525
Planning and development			7,675	6,520	13,214	11,862	9,804	9,804	20,711	21,892	23,117
Road transport			17,305	26,222	24,943	27,535	30,883	30,883	19,179	20,272	21,408
Environmental protection			2,349	—	7,039	2,747	1,987	1,987	—	—	—
Trading services			175,967	164,507	232,822	241,114	176,944	176,944	261,565	276,475	291,957
Energy sources			84,155	98,641	117,979	129,734	76,400	76,400	164,992	174,397	184,163
Water management			50,585	37,390	55,749	56,891	56,891	56,891	72,259	76,378	80,655
Waste water management			24,801	16,314	29,739	32,966	25,545	25,545	24,314	25,700	27,139
Waste management			16,426	12,163	29,354	21,522	18,108	18,108	—	—	—
Other	4		252	—	160	169	169	169	—	—	—
Total Expenditure - Functional	3		337,939	385,251	437,921	486,191	422,210	422,210	427,925	452,317	477,646
Surplus/(Deficit) for the year			15,499	(8,463)	2,133	170,043	(0)	(0)	343,268	55,019	42,252

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

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water function
- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 7 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC104 Makana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote		1									
Vote 1 - Technical & Infrastructure			–	35,407	38,567	53,842	42,202	42,202	39,625	41,884	44,229
Vote 2 - Corporate Services			–	403	929	915	665	665	6,153	6,504	6,868
Vote 3 - Financial Services			–	83,700	98,799	126,200	119,700	119,700	86,469	91,398	96,517
Vote 4 - Community & Social Services			–	28,469	27,319	25,437	17,778	17,778	36,730	38,824	40,998
Vote 5 - Executive Mayor			–	463	561	2,912	2,912	2,912	8,856	9,361	9,885
Vote 6 - Speakers Office			–	3,746	4,508	4,745	4,745	4,745	11,302	11,946	12,615
Vote 7 - Municipal Manager			–	743	3,428	2	2	2	13,866	14,656	15,477
Vote 8 - Local Economic Development			–	109	1,360	1,032	1,032	1,032	16,535	17,478	18,457
Vote 9 - Housing			–	–	–	–	–	–	–	–	–
Vote 10 - Electricity			–	116,556	191,063	195,481	161,961	161,961	136,909	144,712	152,816
Vote 11 - Water			–	76,715	73,101	75,645	70,213	70,213	71,479	75,553	79,784
Vote 12 - Dog Tax			–	–	1	1	1	1	–	–	–
Vote 13 - [NAME OF VOTE 13]			–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]			–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]			–	–	–	–	–	–	–	–	–
Total Revenue by Vote		2	–	346,312	439,657	486,191	421,210	421,210	427,924	452,315	477,645
Expenditure by Vote to be appropriated		1									
Vote 1 - Technical & Infrastructure			–	44,396	51,054	59,362	47,897	47,897	48,623	51,395	54,273
Vote 2 - Corporate Services			–	25,738	38,016	37,843	37,593	37,593	28,637	30,270	31,965
Vote 3 - Financial Services			–	60,708	50,605	79,443	72,943	72,943	56,123	59,322	62,644
Vote 4 - Community & Social Services			–	58,543	87,102	77,120	69,461	69,461	–	–	–
Vote 5 - Executive Mayor			–	4,371	4,937	10,281	10,281	10,281	8,856	9,361	9,885
Vote 6 - Speakers Office			–	6,728	11,348	13,163	13,163	13,163	11,302	11,946	12,615
Vote 7 - Municipal Manager			–	4,158	5,806	8,418	8,418	8,418	13,516	14,286	15,086
Vote 8 - Local Economic Development			–	4,866	16,433	13,877	13,877	13,877	22,248	23,516	24,833
Vote 9 - Housing			–	48	26	56	56	56	–	–	–
Vote 10 - Electricity			–	106,402	116,744	129,734	96,234	96,234	164,991	174,395	184,161
Vote 11 - Water			–	48,304	55,849	56,891	52,284	52,284	73,628	77,825	82,183
Vote 12 - Dog Tax			–	–	–	1	1	1	–	–	–
Vote 13 - [NAME OF VOTE 13]			–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]			–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]			–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		2	–	364,262	437,920	486,191	422,210	422,210	427,924	452,316	477,645
Surplus/(Deficit) for the year		2	–	(17,950)	1,736	0	(1,000)	(1,000)	(0)	(0)	(0)

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 8 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC104 Makana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source												
Property rates	2		46,153	53,827	–	65,215	65,215	65,215	–	64,080	67,732	71,525
Service charges - electricity revenue	2		95,766	96,547	191,064	191,033	129,683	129,683	–	126,774	134,000	141,504
Service charges - water revenue	2		39,594	66,695	73,101	63,270	71,052	71,052	–	58,025	61,333	64,768
Service charges - sanitation revenue	2		19,752	21,525	37,254	44,075	33,662	33,662	–	26,051	27,536	29,078
Service charges - refuse revenue	2		6,363	11,741	19,340	8,305	8,305	8,305	–	13,097	13,843	14,618
Service charges - other			90	102	–	–	–	–	–	–	–	–
Rental of facilities and equipment			801	1,023	–	811	811	811	–	1,579	1,669	1,763
Interest earned - external investments			10,822	12,494	–	700	700	700	–	21	22	24
Interest earned - outstanding debtors			385	–	–	16,059	16,059	16,059	–	12,065	12,752	13,466
Dividends received			–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits			656	55	–	1,092	1,092	1,092	–	392	414	437
Licences and permits			2,597	2,344	–	1,647	1,647	1,647	–	2,509	2,652	2,801
Agency services			877	850	–	500	500	500	–	1,500	1,586	1,674
Transfers and subsidies			59,983	81,632	–	91,292	91,292	91,292	–	95,445	100,886	106,535
Other revenue	2		13,650	2,939	119,294	2,185	2,185	2,185	–	26,387	27,891	29,453
Gains on disposal of PPE			–	33	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			297,687	351,809	440,053	486,184	422,203	422,203	–	427,924	452,316	477,646
Expenditure By Type												
Employee related costs	2		129,819	129,930	126,773	144,631	123,994	123,994	–	149,161	157,663	166,492
Remuneration of councillors			8,337	9,458	9,723	9,723	10,497	10,497	–	10,436	11,030	11,648
Debt impairment	3		–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	2		36,729	33,599	31,502	31,639	31,639	31,639	–	15,177	16,042	16,940
Finance charges			6,337	16,457	478	–	9,700	9,700	–	5,718	6,044	6,383
Bulk purchases	2		67,096	82,037	87,574	104,404	71,103	71,103	–	101,050	106,810	112,791
Other materials	8		–	–	–	1,600	1,522	1,522	–	1,145	1,210	1,278
Contracted services			6,917	4,491	8,734	28,408	28,408	28,408	–	13,655	14,434	15,242
Transfers and subsidies			22,246	30,808	48,997	50,515	50,515	50,515	–	3,376	–	–
Other expenditure	4, 5		60,457	82,472	124,140	115,272	94,832	94,832	–	128,206	139,082	146,871
Loss on disposal of PPE			–	–	–	–	–	–	–	–	–	–
Total Expenditure			337,939	389,251	437,920	486,191	422,210	422,210	–	427,924	452,315	477,644
Surplus/(Deficit)			(40,251)	(37,442)	2,133	(8)	(8)	(8)	–	0	2	2
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			55,750	28,979	–	–	–	–	–	24,764	25,990	27,283
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			15,499	(8,463)	2,133	(8)	(8)	(8)	–	226,267	55,112	42,350
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			15,499	(8,463)	2,133	(8)	(8)	(8)	–	226,267	55,112	42,350
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			15,499	(8,463)	2,133	(8)	(8)	(8)	–	226,267	55,112	42,350
Share of surplus/ (deficit) of associate	7		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			15,499	(8,463)	2,133	(8)	(8)	(8)	–	226,267	55,112	42,350

Table 9 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EC104 Makana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional										
<i>Governance and administration</i>	5,302	2,461	1,150	6,350	1,644	1,644	-	-	-	-
Executive and council	673	327	-	-	-	-	-	-	-	-
Finance and administration	1,161	568	-	-	-	-	-	-	-	-
Internal audit	3,468	1,566	1,150	6,350	1,644	1,644	-	-	-	-
<i>Community and public safety</i>	18,609	3,673	1,300	17,878	20,334	20,334	-	-	-	-
Community and social services	3,100	67	996	1,084	1,084	1,084	-	-	-	-
Sport and recreation	14,138	3,393	304	16,794	19,251	19,251	-	-	-	-
Public safety	935	213	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	436	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	8,722	11,945	1,201	1,252	12,860	12,860	-	6,309	-	-
Planning and development	3,359	3,720	-	-	-	-	-	600	-	-
Road transport	4,917	8,224	1,201	1,252	12,860	12,860	-	5,709	-	-
Environmental protection	445	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	20,952	22,654	59,291	144,563	8,331	8,331	-	219,958	55,110	42,348
Energy sources	1,129	2,953	5,114	9,079	5,079	5,079	-	13,085	4,110	4,348
Water management	1,897	15,442	26,000	47,065	2,160	2,160	-	177,462	25,000	15,000
Waste water management	17,926	4,236	28,177	88,419	1,092	1,092	-	29,412	26,000	23,000
Waste management	-	24	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	53,585	40,733	62,942	170,043	43,168	43,168	-	226,267	55,110	42,348
Funded by:										
National Government	29,643	21,784	56,940	159,140	42,085	42,085	-	86,267	55,110	42,348
Provincial Government	-	-	996	1,084	1,084	1,084	-	-	-	-
District Municipality	-	67	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	9,820	0	0	-	140,000	-	-
Transfers recognised - capital	29,643	21,852	57,936	170,043	43,168	43,168	-	226,267	55,110	42,348
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	849	6,835	-	-	-	-	-	-	-	-
Internally generated funds	23,094	12,047	5,056	-	-	-	-	-	-	-
Total Capital Funding	53,585	40,733	62,992	170,043	43,168	43,168	-	226,267	55,110	42,348

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

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

Table 10 MBRR Table A6 - Budgeted Financial Position
EC104 Makana - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash		5	6,040	6,921	7,533	7,533	7,533		5,179	5,474	5,781
Call investment deposits	1	2,024	12,139	6,344	12,940	12,940	12,940	–	7,500	7,928	8,371
Consumer debtors	1	129,572	174,750	353,302	189,260	189,260	189,260	–	398,000	420,686	444,244
Other debtors		38,490	49,106	30,124	52,347	52,347	52,347		35,760	37,799	39,916
Current portion of long-term receivables		150	28	–	30	30	30		–	–	–
Inventory	2	13,122	15,542	9,671	16,568	16,568	16,568		8,600	9,090	9,599
Total current assets		163,364	257,605	406,362	278,677	278,677	278,677	–	455,040	480,977	507,912
Non current assets											
Long-term receivables		–	–	–	–	–	–		–	–	–
Investments		161	142	7,186	–	–	–		–	–	–
Investment property		201,302	190,234	–	–	–	–		184,500	195,017	205,937
Investment in Associate		–	–	–	151	151	151		–	–	–
Property, plant and equipment	3	805,947	852,542	661,804	908,810	908,810	908,810	–	834,750	882,331	931,741
Agricultural		28,931	–	–	–	–	–		–	–	–
Biological		–	29,008	–	–	–	–		–	–	–
Intangible		946	707	2,300	12,000	12,000	12,000		33,365	35,267	37,242
Other non-current assets		–	–	29,166	–	–	–		653	690	728
Total non current assets		1,037,290	1,072,632	700,456	920,961	920,961	920,961	–	1,053,267	1,113,304	1,175,649
TOTAL ASSETS		1,220,654	1,330,236	1,106,818	1,199,638	1,199,638	1,199,638	–	1,508,307	1,594,280	1,683,560
LIABILITIES											
Current liabilities											
Bank overdraft	1	15,467	–	–	–	–	–		–	–	–
Borrowing	4	4,010	4,128	2,500	4,400	4,400	4,400	–	30,562	32,304	34,113
Consumer deposits		2,298	2,321	2,451	2,474	2,474	2,474		–	3,000	3,168
Trade and other payables	4	103,625	227,802	102,863	263,776	263,776	263,776	–	144,491	152,726	161,279
Provisions		9,713	2,728	4,118	10,354	10,354	10,354		30,000	31,710	33,486
Total current liabilities		135,312	236,979	111,932	281,005	281,005	281,005	–	205,052	219,740	232,045
Non current liabilities											
Borrowing		50,117	50,940	–	–	–	–	–	60,000	63,420	66,972
Provisions		41,104	65,562	2,145	49,307	49,307	49,307	–	10,900	11,521	12,166
Total non current liabilities		91,221	116,502	2,145	49,307	49,307	49,307	–	70,900	74,941	79,138
TOTAL LIABILITIES		226,533	353,481	114,077	330,312	330,312	330,312	–	275,952	294,681	311,183
NET ASSETS	5	994,122	976,755	992,741	869,327	869,327	869,327	–	1,232,355	1,299,599	1,372,377
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		988,694	971,308	986,785	803,044	803,044	803,044		889,000	939,673	992,295
Reserves	4	5,428	5,447	5,428	5,749	5,749	5,749	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	994,122	976,755	992,213	808,793	808,793	808,793	–	889,000	939,673	992,295

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table A6 is supported by an extensive table of notes (SA3 which can be found on page 161 providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt

impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

- Table A6 is consistent with international standards of good financial management practice, and improves understanding for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

Table 11 MBRR Table A7 - Budgeted Cash Flow Statement

EC104 Makana - Table A7 Budgeted Cash Flows

EC104 Makana - Table A7: Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		46,153	53,827	40,518	57,240	57,240	57,240		66,187	69,960	73,878
Service charges		161,564	196,610	206,731	226,079	226,079	226,079		215,240	227,509	240,249
Other revenue		17,839	12,130	757	21,000	21,000	21,000		8,791	9,292	9,812
Government - operating	1	115,733	110,611	84,920	89,475	89,475	89,475		74,678	78,934	83,355
Government - capital	1	—	—	1,801	173,043	43,168	43,168		25,764	27,233	28,758
Interest		385	—	7,393	12,100	15,100	15,100		13,000	13,741	14,510
Dividends		—	—	—	—	—	—		—	—	—
Payments											
Suppliers and employees		(344,246)	(300,798)	(259,776)	(351,972)	(351,972)	(351,972)		(386,806)	(408,854)	(431,750)
Finance charges		(6,337)	(16,455)	(1,713)	(5,000)	(5,000)	(5,000)		(5,718)	(6,044)	(6,382)
Transfers and Grants	1	—	—	(75,589)	(37,901)	(37,901)	(37,901)		(3,376)	(3,568)	(3,768)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(6,908)	55,925	5,042	184,063	57,189	57,189	—	7,760	8,202	8,662
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(116)	1,860	—	—	—	—		500	529	558
Decrease (increase) in non-current debtors		—	—	—	—	—	—		—	—	—
Decrease (increase) other non-current receivables		—	—	—	—	—	—		—	—	—
Decrease (increase) in non-current investments		—	20	—	—	—	—		—	—	—
Payments											
Capital assets		(53,585)	(40,733)	(6,857)	(173,043)	(43,168)	(43,168)		—	—	—
NET CASH FROM/(USED) INVESTING ACTIVITIES		(53,701)	(38,853)	(6,857)	(173,043)	(43,168)	(43,168)	—	500	529	558
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		—	—	—	—	—	—		—	—	—
Borrowing long term/refinancing		30,770	—	—	—	—	—		—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—		—	—	—
Payments											
Repayment of borrowing		—	1,063	—	(5,500)	(4,000)	(4,000)		(4,500)	(4,757)	(5,023)
NET CASH FROM/(USED) FINANCING ACTIVITIES		30,770	1,063	—	(5,500)	(4,000)	(4,000)	—	(4,500)	(4,757)	(5,023)
NET INCREASE/ (DECREASE) IN CASH HELD		(31,839)	18,135	(1,815)	5,520	10,020	10,020	—	3,760	3,974	4,197
Cash/cash equivalents at the year begin:	2	9,833	(13,437)	6,920	2,609	2,609	2,609		5,179	8,939	12,914
Cash/cash equivalents at the year end:	2	(22,006)	4,688	5,105	8,129	12,629	12,629	—	8,939	12,914	17,111

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality is gradually improving as compared with the past years.
4. The 2017/18 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R 8, 9 million as at the end of the 2017/18 financial year and increase to R 12,9 million by 2018/19.

Table 12 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC104 Makana - Table A8 Cash backed reserves/accumulated surplus reconciliation

EC104 Makana - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(22,006)	4,698	5,105	8,129	12,629	12,629	–	8,939	12,914	17,111
Other current investments > 90 days		8,570	13,480	8,160	12,343	7,843	7,843	–	3,740	488	(2,958)
Non current assets - Investments	1	161	142	7,186	–	–	–	–	–	–	–
Cash and investments available:		(13,275)	18,320	20,451	20,473	20,473	20,473	–	12,679	13,402	14,152
Application of cash and investments											
Unspent conditional transfers		–	–	14,863	6,920	6,920	6,920	–	4,017	4,246	4,484
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	(64,764)	(64,764)	(64,764)	–	–	–	–
Other working capital requirements	3	(63,255)	(327)	(128,092)	70,334	34,194	34,194	–	(247,514)	(261,622)	(276,272)
Other provisions		–	–	4,852	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	6,920	–	5,749	5,749	–	–	–	–
Total Application of cash and investments:		(63,255)	(327)	(101,457)	12,490	(17,901)	(17,901)	–	(243,497)	(257,376)	(271,786)
Surplus(shortfall)		49,980	18,647	121,908	7,983	38,374	38,374	–	256,177	270,778	285,941

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 13 MBRR Table A10 - Basic Service Delivery Measurement

EC104 Makana - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	37,500	37,500	37,500	40,000	450,000	50,000
Piped water inside yard (but not in dwelling)		–	–	–	650	650	650	700,000	73,000	75,000
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	38,150	38,150	38,150	740,000	523,000	125,000
Using public tap (< min.service level)	3	–	–	–	25,000	250,000	25,000	150,000	14,000	13,000
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	25,000	250,000	25,000	150,000	14,000	13,000
Total number of households	5	–	–	–	63,150	288,150	63,150	890,000	537,000	138,000
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	1,000	1,000	1,000	1,500	1,500	1,500
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	1,000	1,000	1,000	1,500	1,500	1,500
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	1,000	1,000	1,000	1,500	1,500	1,500
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	25,000	25,000	25,000	26,000	26,500	27,000
<i>Minimum Service Level and Above sub-total</i>		–	–	–	25,000	25,000	25,000	26,000	26,500	27,000
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	2	2	2	2	2	2
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	2	2	2	2	2	2
Total number of households	5	–	–	–	25,002	25,002	25,002	26,002	26,502	27,002
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	7,434	7,434	7,434	8,000	7,500	8,000
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		–	–	–	7	7	7	8	8	8
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		–	–	–	7	7	7	8	8	8
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	4,034	4,034	4,034	5,000	5,000	5,000
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Property rates - exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		–	–	–	–	–	–	–	–	–
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	6	–	–	–	–	–	–	–	–	–

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make progress with the eradication of backlogs.
3. The budget provides for a universal approach to the provision of free subsidised services to both indigent and poor households for the 2017/18 MTREF.

4. The cost of free basic services amounts to R 33 million. This implies that the values reflected as Free Basic Services and the revenue cost are in reality much higher should one include the cross-subsidisation that takes place within the lower end of the tariffs. In addition, the municipality continues to make progress in addressing service delivery backlogs.

1.8. Annual Supporting Budget Tables

Table 14 MBRR Table SA10 – Funding Measurement

EC104 Makana Supporting Table SA10 Funding measurement

EC104 Makana Supporting Table SA10 Funding measurement						2017/18 Medium Term Revenue & Expenditure Framework						
Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(22,006)	4,698	5,105	6,129	12,629	12,629	–	8,939	12,914	17,111
Cash + investments at the yr end less applications - R'000	18(1)b	2	49,980	18,647	121,908	7,983	38,374	38,374	–	256,177	270,778	285,941
Cash year end/monthly employee/supplier payments	18(1)b	3	(1.0)	0.2	0.2	0.3	0.5	0.5	–	0.3	0.4	0.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	29,685	5,723	16,319	(8)	(8)	(8)	–	226,267	55,112	42,350
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	14.6%	22.1%	9.9%	103.2%	85.0%	100.0%	103.2%	103.2%	85.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	99.4%	101.9%	56.4%	77.2%	92.2%	92.2%	0.0%	67.3%	87.3%	87.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c, 19	8	0.0%	0.0%	0.0%	101.8%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	103.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	33.1%	71.3%	137.0%	0.0%	0.0%	100.0%	79.5%	5.7%	5.6%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.6%	1.2%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a		20.6%	28.1%	15.9%	117.2%	0.0%	0.0%	100.0%	85.0%	5.7%	5.6%
% incr Property Tax	18(1)a		16.6%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	11.7%	5.7%	5.6%
% incr Service charges - electricity revenue	18(1)a		0.8%	97.9%	0.0%	102.0%	0.0%	0.0%	100.0%	12.2%	5.7%	5.6%
% incr Service charges - water revenue	18(1)a		68.4%	9.6%	113.4%	12.3%	0.0%	0.0%	100.0%	118.0%	5.7%	5.6%
% incr Service charges - sanitation revenue	18(1)a		9.0%	73.1%	18.3%	123.6%	0.0%	0.0%	100.0%	122.8%	5.7%	5.6%
% incr Service charges - refuse revenue	18(1)a		84.5%	64.7%	100.0%	0.0%	0.0%	0.0%	100.0%	57.7%	5.7%	5.6%
% incr in Service charges - other	18(1)a		13.2%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		207,717	250,437	320,759	371,898	307,917	307,917	–	288,026	304,444	321,493
Service charges			207,717	250,437	320,759	371,898	307,917	307,917	–	288,026	304,444	321,493
Property rates			46,153	53,827	–	65,215	65,215	65,215	–	64,080	67,732	71,525
Service charges - electricity revenue			95,766	96,547	191,064	191,033	129,683	129,683	–	126,774	134,000	141,504
Service charges - water revenue			39,594	66,895	73,101	63,270	71,052	71,052	–	58,025	61,333	64,788
Service charges - sanitation revenue			19,752	21,525	37,254	44,075	33,662	33,662	–	26,051	27,536	29,076
Service charges - refuse removal			6,363	11,741	19,340	8,305	8,305	8,305	–	13,097	13,843	14,618
Service charges - other			90	102	–	–	–	–	–	–	–	–
Rental of facilities and equipment			801	1,023	–	811	811	811	–	1,579	1,669	1,763
Capital expenditure excluding capital grant funding			(29,643)	(21,852)	(57,936)	(0)	(0)	(0)	–	(226,267)	(55,110)	(42,348)
Cash receipts from ratepayers	18(1)a		225,566	262,567	248,006	304,318	304,318	304,318	–	290,218	306,761	323,940
Ratepayer & Other revenue	18(1)a		225,562	267,650	440,053	394,192	330,211	330,211	–	332,458	351,409	371,067
Change in consumer debtors (current and non-current)			163,479	55,672	159,542	(141,790)	(141,790)	(141,790)	(383,426)	192,124	24,724	25,675
Operating and Capital Grant Revenue	18(1)a		115,733	110,611	–	91,292	91,292	91,292	–	120,209	126,876	133,818
Capital expenditure - total	20(1)(vi)		–	–	–	170,043	43,168	43,168	–	–	–	–
Capital expenditure - renewal	20(1)(vi)		–	–	–	–	–	–	–	–	–	–
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										–	–	–
DoRA capital grants total MFY										–	–	–
Provincial operating grants										–	–	–
Provincial capital grants										–	–	–
District Municipality grants										–	–	–
Total gazetted/advised national, provincial and district grants										–	–	–
Average annual collection rate (arrears inclusive)										–	–	–

Table 15 MBRR Table SA18 – Transfers & Grants Receipts

EC104 Makana - Supporting Table SA18 Transfers and grant receipts

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:		1, 2									
<u>Operating Transfers and Grants</u>											
National Government:			–	76,364	80,559	77,632	77,632	77,632	83,952	89,991	94,775
Local Government Equitable Share				72,184	75,767	73,008	73,008	73,008	79,569	85,530	90,751
EPWP Incentive				1,007	1,002	1,000	1,000	1,000	1,000	–	–
Finance Management				1,909	1,675	1,810	1,810	1,810	2,145	2,400	2,660
Municipal Systems Improvement					930	–	–	–	–	761	–
MIG Operational				1,264	1,185	1,814	1,814	1,814	1,238	1,300	1,364
Provincial Government:			–	2,435	2,581	2,901	2,901	2,901	4,000	–	–
Sport and Recreation				2,435	2,581	2,901	2,901	2,901	4,000	–	–
MIG Operational											
District Municipality:			–	1,409	1,500	1,917	1,917	1,917	17,027	–	–
Health Subsidy				1,409	1,500	1,917	1,917	1,917	16,000	–	–
Fire Subsidy									1,027	–	–
Other grant providers:			–	–	–	–	–	–	5,530	–	–
Water Demand Management									5,000	–	–
SETA Subsidy									530	–	–
Total Operating Transfers and Grants		5	–	80,208	84,639	82,450	82,450	82,450	110,509	89,991	94,775
<u>Capital Transfers and Grants</u>											
National Government:			30,098	45,865	48,510	120,474	120,474	120,474	79,236	79,801	68,267
Municipal Infrastructure Grant (MIG)			30,098	35,865	22,510	34,474	34,474	34,474	23,526	24,691	25,919
Regional Bulk Infrastructure				10,000	26,000	86,000	86,000	86,000	51,000	51,000	38,000
INEP & NDPG									4,710	4,110	4,348
Provincial Government:			–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]											
District Municipality:			–	–	–	–	–	–	–	–	–
Health Subsidy											
Other grant providers:			–	–	–	–	–	–	140,000	–	–
Water Demand Managemen									140,000	–	–
ECDC											
Total Capital Transfers and Grants		5	30,098	45,865	48,510	120,474	120,474	120,474	219,236	79,801	68,267
TOTAL RECEIPTS OF TRANSFERS & GRANTS			30,098	126,073	133,149	202,924	202,924	202,924	329,745	169,791	163,042

Table 16 MBRR Table SA19 – Expenditure on Transfer and Grant Programme

EC104 Makana - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		–	76,364	80,559	77,632	77,632	77,632	83,952	89,991	94,775
Local Government Equitable Share			72,184	75,767	73,008	73,008	73,008	79,569	85,530	90,751
EPWP Incentive			1,007	1,002	1,000	1,000	1,000	–	–	–
Finance Management			1,909	1,675	1,810	1,810	1,810	2,145	2,400	2,660
Municipal Systems Improvement				930	–	–	–	–	761	–
MIG Operational			1,264	1,185	1,814	1,814	1,814	1,238	1,300	1,364
Provincial Government:		–	2,435	2,581	2,901	2,901	2,901	4,000	–	–
Sport and Recreation			2,435	2,581	2,901	2,901	2,901	4,000	–	–
MIG Operational										
District Municipality:		–	1,409	1,500	1,917	1,917	1,917	17,027	–	–
Health Subsidy			1,409	1,500	1,917	1,917	1,917	16,000	–	–
Fire Subsidy								1,027	–	–
Other grant providers:		–	–	–	–	–	–	5,530	–	–
Water Demand Management								5,000	–	–
SETA Subsidy								530	–	–
Total operating expenditure of Transfers and Grants		–	80,208	84,639	82,450	82,450	82,450	110,509	89,991	94,775
Capital expenditure of Transfers and Grants										
National Government:		30,098	45,865	48,510	120,474	120,474	120,474	79,236	79,801	68,267
Municipal Infrastructure Grant (MIG)		30,098	35,865	22,510	34,474	34,474	34,474	23,526	24,691	25,919
Regional Bulk Infrastructure			10,000	26,000	86,000	86,000	86,000	51,000	51,000	38,000
INEP & NDPG								4,710	4,110	4,348
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants (insert description)										
District Municipality:		–	–	–	–	–	–	–	–	–
Health Subsidy										
Other grant providers:		–	–	–	–	–	–	140,000	–	–
Water Demand Management										
ECDC								140,000	–	–
Total capital expenditure of Transfers and Grants		30,098	45,865	48,510	120,474	120,474	120,474	219,236	79,801	68,267
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		30,098	126,073	133,149	202,924	202,924	202,924	329,745	169,791	163,042

PART 2- SUPPORTING DOCUMENTATION

2.1 Overview of the Budget Process

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

The Budget Steering Committee consists of the Mayor, Mayco, Municipal Manager and senior officials of the municipality meet on the 22 March 2016 to discuss the draft budget.

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

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

2.2 Overview of Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. This budget is premised on an 85 per cent collection rate.

General inflation outlook and its impact on the municipal activities

The revised headline CPI forecasts from National Treasury for 2017/18, 2018/19 and 2019/20 are 6.4%, 5.7% and 5.6% respectively. These growth parameters does not apply to tariff increases for property rates, user and other charges raised by municipalities.

Rates, tariffs and charges

The following table shows the assumed average domestic percentage increases built into the MTREF for rates, tariffs and charges:

Tariffs	Proposed tariff increases (2017/18)
Rates	6.4%
Water	6.4%
Electricity Monthly consumption	2.2%
Sewerage	6.4%
Refuse	6.4%

Sundry tariff increases will be limited, in most instances, to be within the CPI inflation rate.

Collection rates for each revenue source and customer type

The Municipality has in place a revised fair credit control policy. Furthermore, its policy on indigent support and rebates means that indigent households receive free or subsidised basic services thereby keeping them free of the burden of municipal debt.

Free or subsidised basic services

Makana's criteria for supporting free or subsidised basic services are set out in the indigent support and rebate policy. The Government allocates revenue from the Division of Revenue Act (DORA) in the form of the Equitable Share Grant with the primary aim of assisting with the costs of providing free or subsidised basic services to indigent households. Any costs over and above the Equitable Share allocation are met by the Municipality.

2.3 Overview of alignment of annual budget with IDP

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

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents.

The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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

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

The IDP drives the strategic development of the Municipality. The Municipality's budget is influenced by the strategic objectives identified in the IDP. The service delivery budget implementation plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the Municipality is tabled in its Annual report.

2.4 Performance indicators and benchmarks

2.4.1 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been continued from previous years to maintain cash inflow. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection with specific focus in the “traditional areas”.

2.4.2 Creditors Management

The Municipality is still struggling to ensure that creditors are settled within the legislated 30 days of invoiced due to financial challenges.

2.5 Overview of budget related-policies

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

2.5.1 Review of credit control and debt collection procedures/policies

The Credit Control & Debt Collection Policy was reviewed and approved by Council in June 2016 and is still in place and very effective. The policy is credible, sustainable, and manageable and informed by affordability and value for money, hence there is no need to review any components of the policy.

The 2016/17 MTREF has been prepared on the basis of achieving an average debtors’ collection rate of 96 per cent on current billings.

2.5.2 Asset Management

The consumption of assets is measured with their level of depreciation. To ensure future sustainability of the Municipality’s infrastructure, service delivery and revenue base; investment in existing infrastructure is paramount. The strategy in the framework is to give more priority and emphasis on renewal of existing infrastructure. The renewal of existing assets, the need for the repairs and maintenance of existing assets is considered in the framework hence a move by the Municipality to invest more in repairs and maintenance.

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

Amendments are proposed for this policy in the 2017/18 financial year.

2.5.3 Budget Adjustment Policy

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

Amendments are proposed for this policy in the 2017/18 financial year.

2.5.4 Supply Chain Management Policy

The amendment of the Supply Chain Management Policy was done in terms of Supply Chain Management Regulations clause 3(1) (b) and was adopted by Council on 30 June 2014.

The SCM Policy will be reviewed in line with MFMA Circular no. 77 and will be tabled with the draft budget.

2.5.5 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

Amendments are proposed for this policy in the 2017/18 financial year

2.6.7 Tariff of Charges Policy

The Municipality's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

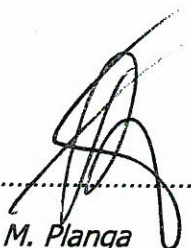
The policy is amended and approved annually with the MTREF.

All the above policies are available on the Municipality website, as well as the following budget related policies:

- Property Rates Policy; and
- Fraud Prevention policy.

Acting Municipal Manager Quality Certificate

I, MANDISI PLANGA, Acting Municipal Manager of Makana Municipality, hereby certify that the 2017/18 Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Act and the regulations made under that Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.


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Mr. M. Planga

ACTING MUNICIPAL OF MAKANA MUNICIPALITY (EC104)

DATE: 27/03/2017

Annexure A

Tariffs

ELECTRICITY TARIFFS

Tariff Description	KVA	KWH	Scale	(NERSA APPROVED)	(NERSA APPR.)	(NERSA APPROVED)	(NERSA APPR.)
				KVA/MCB 2016/2017	KWH 2016/2017	KVA/MCB 2017/2018	KWH 2017/2018
Bulk MV	400	450	1A	172.14	0.97	175.93	0.99
Bulk MV	416		1A - basic	2152.80		2200.16	
Bulk LV	401	451	2	208.07	0.80	212.65	0.81
Bulk LV	412		2 - basic	1076.40		1100.08	
Commer	402	452	3.1 (single phase)	9.62	1.56	9.83	1.60
Commer	403/404	453	3.2 (3 phase)	8.66	1.56	8.85	1.60
Domestic	405	468	4 - 20A	130.40	1.36	133.27	1.39
Domestic	405	455	4 - 40A	270.80	1.39	276.76	1.42
Domestic	405	476	4 - 60A	424.20	1.45	433.53	1.49
Domestic	411	477	4 - 3PH max 25A per P	6.66	1.46	6.81	1.49
Domestic	414/406	478	4 - 3PH > 25A per PH,	6.66	1.46	6.81	1.49
K.W.H.	438/456/46	5	(Flat rate- min 40 units single phase, 75x 3phas		3.62		3.70
S/Light		457	6 - 100W	78.71	2.25	80.44	2.30
S/Heat		439/445	7 (night/day)		0.64		0.65
Sporting	406	460	8	9.05	1.35	9.25	1.38
Pre-paid			9 - 20A		1.42		1.45
Pre-paid			9 - 40A		1.54		1.57
Pre-paid			9 - 60A		1.58		1.61
Pre-paid			Business/Industrial		1.72		1.76

Tariff Description	KVA	KWH	Scale	(NERSA APPROVED)	(NERSA APPR.)	(NERSA APPROVED)	(NERSA APPR.)
				KVA/MCB 2016/2017	KWH 2016/2017	KVA/MCB 2017/2018	KWH 2017/2018
Bulk T.O.U. MV	481		basic	2000.00		2044.00	
	482		demand - low seas*	58.55		59.84	
	483		demand - high seas**	77.50		79.21	
Low Demand		484	peak		1.14		1.17
		485	standard		0.91		0.93
		486	off-peak		0.65		0.66
High Demand			peak		3.10		3.17
			standard		1.15		1.18
			off-peak		0.72		0.74
	487		reactive energy chg	0.03		0.03	
Bulk T.O.U. LV	488		basic	1000.00		1022.00	
	489		demand - low seas*	64.40		65.82	
	490		demand - high seas**	82.34		84.15	
Low Demand		491			1.19		1.22
		492	standard		0.95		0.97
		493	off-peak		0.68		0.69
High Demand			peak		3.25		3.32
			standard		1.21		1.24
			off-peak		0.75		0.77
	487		reactive energy chg	0.03		0.03	

* SEPTEMBER - MAY

** JUNE - AUGUST

MISCELLANEOUS TARIFFS

ANNUAL WATER CONNECTION CHARGES		2016/2017	2017/2018
15mm		R 1 572.13	R 1 668.03
20mm		R 2 325.77	R 2 467.64
25mm		R 3 619.59	R 3 840.38
32mm		R 5 922.48	R 6 283.75
40mm		R 6 441.49	R 6 834.42
50mm		R 11 573.85	R 12 279.85
75mm		R 15 432.94	R 16 374.35
100mm		R 25 676.24	R 27 242.49
150mm		R 46 240.36	R 49 061.02
200mm		R 83 235.93	R 88 313.32
Standpipes		R 1 572.13	R 1 668.03
ANNUAL SEWER CONNECTION CHARGES		2016/2017	2017/2018
Domestic	First 2 units	R 1 350.23	R 1 432.59
	Each unit over 2	R 674.16	R 715.29
Sporting/Churches /Monument	per each unit	R 674.16	R 715.29
Flats	First 2 units	R 1 350.23	R 1 432.59
	Each unit over 2	R 1 350.23	R 1 432.59
Business Sub-Economic	per each unit	R 1 350.23	R 1 432.59
Housing	per each unit	R 674.16	R 715.29
Industrial Area			
	per point In respect of the first 25 units	R 1 524.78	R 1 617.79
	after which the costs are the same as the business tariff of	R 1 350.85	R 1 433.25
		2016/2017	2017/2018
Annual Refuse Removal Charges	That the charge for the removals where this is charged separately for de-rated properties be fixed at (per annum per bag removed once per week	R 1 063.52	R 1 128.40
		2016/2017	2017/2018
Annual Fire Brigade Charges	Annual fire brigade charges, per R300 building valuation for non-rateable properties	R 3.40	R 3.61
		2016/2017	2017/2018
Annual Pail Removal Charges		R 674.16	R 715.28

FIRE DEPARTMENT TARIFFS

FIRE BRIGADE CHARGES (Vat excluded)	2016/2017	2017/2018
Fire Prevention Inspection (on application)		R 85.00
Fire Prevention Compliance Certificate (on application)		R 85.00

FIRE BRIGADE CHARGES (Vat excluded)	2016/2017	2017/2018
Within the Council Jurisdiction		
Major Appliance 1 hour	R 1 012.09	R 1 073.83
Medium Appliance 1 hour	R 709.98	R 753.28
Auxiliary Appliance 1 hour	R 574.02	R 609.04
Service Vehicle 1 hour	R 271.91	R 288.49
Rescue involving public safety of humanitarian nature	No charge	No charge
Specialized extinguishing materials & water charges	Cost + 35%	Cost + 35%
Vegetation Fires	Normal tariffs	Normal tariffs
Fire involving informal 1 domestic structure & structures of indigenous persons	R 131.72	R 139.76
Water deliveries	R 806.80	R 856.02
	3.21/km+	3.21/km+
	Water charges	Water charges
Hire of Fire Engine: Father Christmas	R 90.64	R 96.16
Street Parades	R 453.18	R 480.82

Outside the Council jurisdiction	2016/2017	2017/2018
Rescue involving public safety of humanitarian nature	655.5941892	R 695.59
Major Appliance per hour *	R 968.36	R 1 027.43
Medium appliance per hour *	R 684.31	R 726.05
Auxiliary appliance per hour *	R 542.29	R 575.37
Service vehicle per hour *	R 271.14	R 287.68
Rescues *	R 542.29	R 575.37

* plus R38.32 per crew member plus R5.75 per km

Training courses to commerce and industry	Cost of materials and printing used + 35%
Special service calls	Normal tariff
Humanitarian services	No charge
Fire involving informal 1 domestic structures & structures of indigenous persons (uninsured buildings, etc.)	Normal tariff

Dealers in Flammable Liquids	2016/2017	2017/2018
Dealer storing flammable liquids with a flash	R 117.81	R 115.20

HALL HIRE TARIFFS

Municipal Halls

The tariffs charged, per hour, can be divided into 2 categories:

Category 1 - 75% of fixed tariff

Welfare Organisations

School Functions

Religious Meetings

Sports Meetings

Public Meetings (excluding Political Meetings)

Functions where no entrance fees are charged or tickets sold

Category 2 - 100% of fixed tariff

Functions where entrance fees are charged

Where liquor is served

Dances / Discos

Political Meetings

Bazaars/ Fetes

Weddings

21st Birthday Parties and other parties

Concerts

Gospel shows

Auctions

Beauty Contests

Music Shows

		CITY HALL		REC		CROWN	
		2016/2017	2017/18	2016/2017	2017/18	2016/2017	2017/18
Mon-Thur:	08:00-16:30	83.58	89	69.46	73	62.39	66
	16:30-24:00	110.66	118	76.52	82	69.46	73
Fridays	08:00-15:30	83.58	89	69.46	73	62.39	66
	15:30-24:00	110.66	118	76.52	82	69.46	73
Saturdays	08:00-24:00	124.79	133	96.53	103	83.58	89
Sundays &	08:00-24:00	165.99	176	124.79	133	103.60	110
Public Holidays							

		NOLUTHANDO & EXT. 9		BB ZONDANI		TANTYI	
		2016/2017	2017/18	2016/2017	2017/18	2016/2017	2017/18
Mon-Thur:	08:00-16:30	69.46	73	62.39	66	62.39	66
	16:30-24:00	76.52	82	69.46	73	69.46	73
Fridays	08:00-15:30	69.46	73	62.39	66	62.39	66
	15:30-24:00	76.52	82	69.46	73	69.46	73
Saturdays	08:00-24:00	96.53	103	90.65	80	75.34	80
Sundays &	08:00-24:00	124.79	133	110.66	118	110.66	118

PARKS AND RECREATION DEPT TARIFFS

Dog Licence Fee		2016/2017		2017/2018	
Males		90		96	
Sprayed Bitches		90		96	
Unsprayed Bitches each		180		191	
(Maximum of 2 dogs per household)					
Surcharge on Additional dogs (per dog)		90		96	
Hiking Trail Fees					
Adults (per hiker (minimum of 6)		90		96	
Scholars (per hiker, minimum of 6.		49		51	
To be Accompanied by adult)					
Pound	Land enclosed	Land not enclosed	Land enclosed	Land not enclosed	
Trespassing on cultivated land	2016/2017	2016/2017	2017/2018	2017/2018	
Horses, cattle, pigs (per head)	125.66	145.51516	133	154	
Goats	92.59	103.9394	98	110	
Sheep	92.59	103.9394	98	110	
Trespassing on uncultivated Land	2016/2017	2016/2017	2017/2018	2017/2018	
Horses, cattle, pigs (per Head)Goats and sheep (per head)	52.91	62.363642	56	66	
	39.68	48.505055	42	51	
Pound Fees		2016/2017		2017/2018	
Horses, cattle, pigs (per head)		152.44446		162	
Sheep, goats (per head per day)		69.292935		74	
Donkeys		62.363642		66	
Driving Fees, per km		27.717174		29	
Sustenance Fees		2016/2017		2017/2018	
Horses, cattle, pigs (per head per day)		34.646468		37	
Sheep, goats (per head per day)		20.787881		22	
Donkeys (per head per day)		27.717174		29	

Aerodrome Charges		2016/2017		2017/2018	
Landing Fees					
AUW 2000 kg		62.363642		66	
AUW 2001 - 3500kg		97.010109		103	
AUW 3501 - 5000kg		166.30304		176	
Thereafter for every additional 5000 kg or part thereof		34.646468		37	
1. New Cemetery Fees		2016/2017		2017/2018	
1. The following charges and fees shall be paid in respect of burials within					
A. Administration Fee		388.04044		412	
B. For the exclusive right of burial in any Plot the charges will be:					
Single grave 2500 mm x 1500 mm		900.80816		956	
Family grave 2500mm x 2500 mm		1663.0304		1764	
C. Interments - digging and preparation of grave - privatised					
For burial of ashes		124.72728		132	
These charges include restoration of the grave but not the replacement of any monument or kerb.					
D. Exhumations - privatised					
Administration		351.54		373	
2. Old Cemetery		2016/2017		2017/2018	
Grave Street and Albany Road.					
A. Administrative Fee:		381.11114		404	
B. For the exclusive right of burial in any Plot - not applicable					
C. Interments: Privatised					
D. Exhumations: Privatised					
Administration Fee		381.11114		404	
3. Lavender Valley Cemetery		2016/2017		2017/2018	
The following charges and fees shall be paid In respect of burials in the Lavender Valley Cemetery:					
A. Administration Fee		256.38386		272	
B. Interments: Privatised					
C. Exhumations: Administration Fee		381.11114		404	
4. Kings Flats Cemetery:		2015/2016		2015/2016	
The following charges and fees shall be paid In respect of burials in the kings Flats Cemetery:					
A. Administration Fee:		236.29849		251	
B. Interments: Privatised					
C. Exhumations: Administration Fee		351.25451		373	

Caretaker's overtime per hour		80.38		85	
Hire of two (2) temps. Toilets per day		505.84		537	
Deposit on (2) temp. Toilets		1157.19		1228	
C. Fiddler's Green					
(i) Sports Events:					
Deposit for hire of Utility Hall		482.28		512	
Hire of field (per event)		144.13		153	
Hire of Utility Hall		144.13		153	
(ii) In cases of revenue					
Generating organisations/ Events:					
Security deposit		3859.62		4095	
Hire of facility (per day)		871.71		925	
Electricity Scale6					
Water Consumption					
D. Stanton Field					
Hire of Field		124.73		132	
E. Diepu Stadium		2016/2017		2017/2018	
Hire of entire complex		231.44		246	
Hire of one field only		116.41		124	
Hire of clubhouse		116.41		124	
Deposit (for clubhouse)		482.28		512	
Floodlights per hour - one field Vat incl		44.35		47	
Floodlights per hour - two fields Vat incl		85.92		91	
F. Micky Yili		2016/2017		2017/2018	
Hire of entire complex		231.44		246	
Hire of one field only		116.41		124	
Hire of clubhouse		116.41		124	
Deposit (for clubhouse)		426.84		453	

G. Indoor Sport Centre					
	2016/2017			2017/2018	
	Tournaments main Hall* max. 8 hrs	Social / Practice per hour	Schols Practice After Hrs per hour	Tournaments main Hall* max 8 hrs	Social / Practice per hour
Netball	R 43.43	R 40.19	R 19.61	R 46	R 43
Basketball	R 43.63	R 40.19	R 19.61	R 46	R 43
Badminton	R 26.34	R 23.56	R 16.63	R 28	R 25
Volley Ball	R 26.34	R 24.95	R 16.63	R 28	R 26
Table Tennis	R 26.34	R 24.95	R 16.63	R 28	R 26
Karate	R 26.34	R 24.95	R 16.63	R 28	R 26

considered.

6. No alcohol will be allowed on the premises.

7. Right of admission is reserved.

(b) On public holidays, the standard tariffs would apply to all users of sports Facilities.

© In the event of any school functions taking place outside of normal Council working hours, normal tariffs as per Council estimates would apply.

Hire of Sports Fields	2016/2017	2017/2018
Deposit for hire of clubhouse	R 249.45	R 265
Hire of clubhouse - meetings after hours	R 90.08	R 96
Hire of clubhouse - during working hours	R 65.14	R 69
Hire of one field	R 83.15	R 88
Floodlights per hour per field excl. VAT	R 41.58	R 44
Caretaker's overtime per hour	R 58.21	R 62
11. Dog Tax - per annum	2016/2017	2017/2018
Males , each	R 57.51	R 61
Sprayed bitches, each	R 57.51	R 61
Unsprayed bitches, each	R 106.71	R 113
Maximum of two (2) dogs per household.		
Any household wanting additional dogs		
will require written permission from the		
Municipality.		
Surcharge on additional dogs, each	R 67.91	R 72
*12 Commonage	2016/2017	2017/2018
Grazing fees: large stock usage per household per	R 27.72	R 29
Grazing fees: small stock usage per household	R 27.72	R 29

*N.B. To apply to Grahamstown and Riebeeck East

Hire of one field	83.15	R 88.22
Floodlights per hour per field (excl VAT)	41.58	R 44.11
Caretaker's overtime per hour	69.29	R 73.52