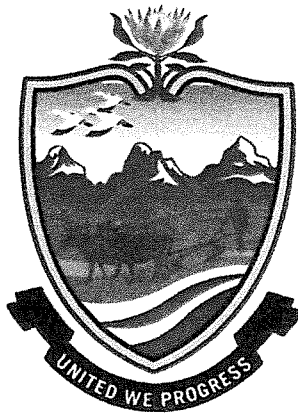


APPROVED MTERF FOR 2015/16-17/18



MATATIELE

LOCAL MUNICIPALITY

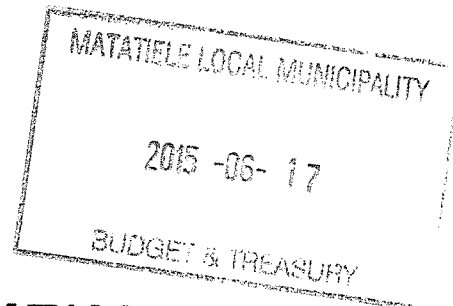
MATATIELE LOCAL MUNICIPALITY

2015-06-17

BUDGET & TREASURY

[Signature]
B.M.

ANNUAL BUDGET OF
MATATIELELOCAL
MUNICIPALITY



2015/16 TO 2017/18
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

Copies of this document can be viewed:

- In the foyers of all municipal buildings
- All public libraries within the municipality
- At www.matatiele.gov.za

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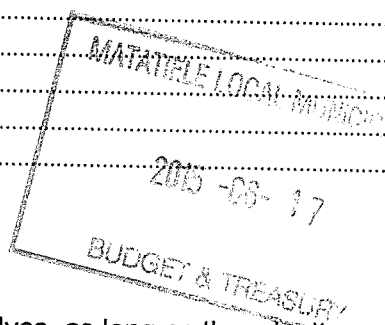
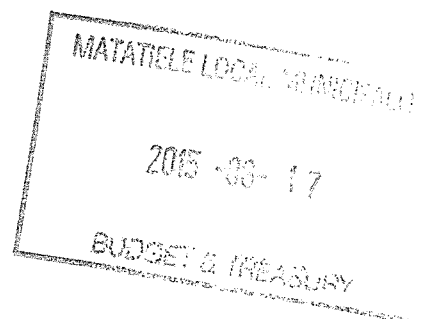


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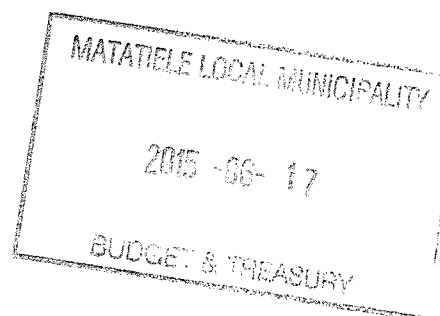
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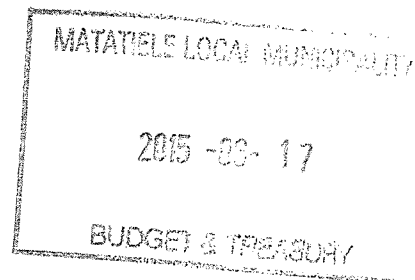


Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CM	Municipality Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment



PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises



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Part 1 – Annual Budget

1.1 Mayor's Report

SOMLOMO WEBHUNGA OBEKEKILEYO, CLLR JACKIE BOSMAN - MAGANGANA

CHIEF WHIP, CLLR POLELO MOHALE

MEMBERS OF THE EXECUTIVE COMMITTEE

AMALUNGU EBHUNGA EWONKE

INKOKHELI ZOMTHONYAMA NEZAKWALIZWI

MUNICIPAL MANAGER DR. TSEPANG NAKIN AND MANAGEMENT

AMAGOSA KARHULUMENTE EWONKE

MATATIELE STAKEHOLDERS

ABAPHLALI BASE MATATIELE

OONONDABA BETHU (PRINT & ELECTRONIC)

ABAPHULAPHULI BE ALFRED NZO COMMUNITY RADIO

LADIES AND GENTLEMEN

Masibambe ngazo zozibini kuqala kwabo basiphulaphule kunomathotholo wesikhululo seAlfred Nzo, kwindawo ngendawo nakumakhaya eniphulaphule nikuwo. Lixesha eli Somlomo lokuba nathi singuloMasipala sizeke mzekweni silandela uMongameli kunye neNkulumbuso yePhondo bebesenza iintetho zobume. Lixesha eli lokuba sinike ingxelo yemisebenzi eyenziwe nguRhulumente kwindawo yaseMatatiele sijonge ukuba Sisonke siqhubeka njani ukuya phambili.

SOMLOMO OHLONIPHEKILEYO NE NKOKHELI ZOMTHONYANA

Kubalulekile okokuba phambi kwalentetho sikhumbule amazwi awathethwa ngowasakuba nguMongameli weli lizwe UThabo Mbeki kwintetho yokwamkela umgaqo siseko weli waye wathi

"I have seen our country torn asunder as these, all of whom are my people, engaged one another in a titanic battle, the one redress a wrong that had been caused by one to another and the other, to defend the indefensible. I know what it signifies when race and colour are used to



determine who is human and who, sub-human. I have experience of the situation in which race and colour is used to enrich some and impoverish the rest.

I am born of a people who would not tolerate oppression. I am of a nation that would not allow that fear of death, torture, imprisonment, exile or persecution should result in the perpetuation of injustice.

The great masses who are our mother and father will not permit that the behaviour of the few results in the description of our country and people as barbaric.

Whatever the circumstances they have lived through and because of that experience, they are determined to define for themselves who they are and who they should be. All this I know and know to be true because I am an African!"

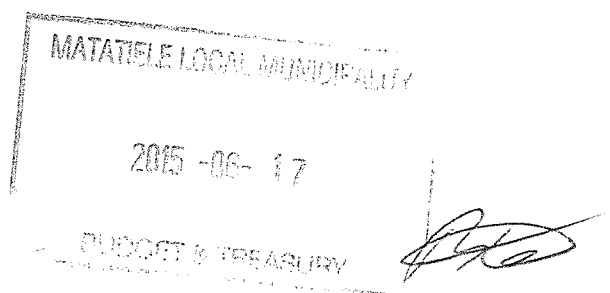
Sidibana apha namhlanje emva kwezehlo ezihlasimlisa umzimba nezingamkelekanga zobundlobongela obujoliswe kubemi bamazwe angaphandle eThekwini, KwaZulu-Natal naseRhawutini kwezi veki zidlulileyo, urhulumente ubongoza ukuba makubekho uxolo, unyamezelwano nenzolo.

Abemi boMzantsi Afrika ngokwesiqhelo bangabantu abathanda uxolo nabanobuhlobo. Abemi boMzantsi Afrika kwiinkalo zonke –ukusuka kuMongameli ukuya kubemi – bakugxekile bekukhalimela ukuhlaselwa ngobundlobongela kwabemi bamazwe angaphandle kwilizwe lethu. Ezi zenzo zibi zobundlobongela zenziwe ligcuntswana labantu abalahlekisayo. Abemi belizwekazi liphela bawuxhasa idabi lethu lenkululeko. Benza konke okusemandleni abo ukuqinisekisa ukuba iinkokeli zethu ezifana nowasekuba nguMongameli uNelson Mandela zikhuselekile kwaye zinazo neendawo zokufihla intloko ngethuba ziselubhacweni. Abemi boMzantsi Afrika babehlala bonke nabemi bamazwe angaphandle iminyaka.

May 2015 marks Africa Month / Day (25 May) which seeks to strengthen socio, cultural, economic and political relations amongst African nations, under the theme “***We are Africa***” – ***Opening the doors of learning and culture from Cape to Cairo***. Furthermore, South Africa will be hosting the World Economic Forum on Africa in June 2015. To this end, it is important to highlight the contributions that have been made to advance the African agenda by South Africa; as well as the contributions made by African countries for our own socio-economic development – within your respective sectors. The Freedom Charter states that South Africa belongs to all who live in it.

HONOURABLE COUNCILLORS

uMongameli uJacob Zuma uye wathiya unyaka ka 2015 njengonyaka weFreedom Charter kunye nomanyano ekusebenzeni “Year of the Freedom Charter and Unity in Action”. Uye wamemelela kuwo wonke amasebe asekuhlaleni ukuba alandele iFreedom Charter njengokuba kulonyaka igqiba iminyaka engaMaShumi amaThandathu yasekwayo eKliptown, Soweto ngo 1955.



President Jacob Zuma says government has and will continue to go back to basics and use the prescripts of the Freedom Charter to improve the lives of all South Africans.

The President said to achieve radical social and economic transformation, it was important for the country to use the Freedom Charter as a guide to shaping policies and legislation that are aimed at serving all South Africans.

Nathi ke singuMasipala waseMatatiele siza kuzeka mzekweni siqinisekisa okokuba sithi "the people shall share in the country's wealth".

Abantu abanintsi base Matatiele bahlala kwiimeko ezibhetele kakhulu naxa sithelekisa ngaphambili.

Abantu abanintsi banezindlu, bafumana inkonzo zikaRhulumente eziphucukileyo, izindlu ziyafakelwa umbane, kwicala lezeMpilo inkqubela iyabonakala kunye nakwicala lezeMfundo. Amathuba oshishino avulelwe kuluntu lonke.

However, the triple challenges of unemployment, poverty and inequality persist and the task of the African National Congress in the second phase of the democratic transition is that of RADICAL SOCIO-ECONOMIC TRANSFORMATION.

BAHLALI BASE MATATIELE

Ithi iFreedom Charter "The doors of learning and culture shall be opened"

Education continues to be our number one priority. This government has made great strides in ensuring that education and training is available to all and in addressing the injustices of the past. Focusing on reversing the systemic impact of apartheid education, this government has put in place a comprehensive and integrated education system.

Luyaqhubeka ulwakhiwo lwesikolo esixabisa iR200 million eCedarville kwa-Ward 26 esijongene nabantwana abakhubazekileyo. Siyavuya singuRhulumente waseMakhaya ukuba nesakhiwo esikulomgangatho. Kwesi sikolo kuza kuxhamla abantwana bonke abaphuma kwiPhondo leMpuma Kapa hayi abaseMatatiele kuphela.

Utata wethu uNelson Mandela wakhe wathi "Education is the great engine of personal development. It is through education that the daughter of a peasant can become a doctor, that a son of a mineworker can become the head of the mine, that a child of farm worker can become the president."

The Department is also on progress in improving infrastructure at our schools. As we speak at Tholang SSS Construction of five (05) classrooms and borehole, Mariazell SSS Construction of five (05) classrooms, Mariazell SSS Renovation of science lab, Mvenyane SSS Hostel: laundry, recreation and ablution facilities, single quarters x4 reception with sickbay and 2 matron

bedrooms and Bokamoso SPS Construction of New 7 classrooms, Resource center, Admin Block, Soup kitchen, Fencing

Ukusabela ekuncediseni abantwana baseMatatiele kwimfundo zabo, sikhuphe ibursary eZine (4) kubantwana abasuka kumakhaya angathathi ntweni abenza izifundo ezihlukeneyo eziquka zobuNjinnyeli, uMavuso Shabalala wase ward 12, uRethabile Ntsoi wase ward 10 ofunda iAgricultural Science, kube ngabafundi ababini abafunda iBcom Accounting (uSandiso Dodo wase ward 26 kunye no Lesedi Letele wase ward 20) Ngelixa icandelo lethu lakwa Special Programmes Unit lithe lancedisa ukufunela abantwana abangathathi ntweni izikolo kwidyunivesithi zethu, baze babhatalela abantwana abangaphaya kwamaShumi amabini. iSebe lezeMpilo liyaqhubeka nephulo lokuthumela abafundi eCuba ukuyofunda ezobugqirha.

Kusenjalo amawaka abantwana bafumana ukutya ntsuku zonke kwizikolo zethu fele-fele behlawulelwa ntsuku zonke ngurhulumente wabantu.

FELLOW MEMBERS

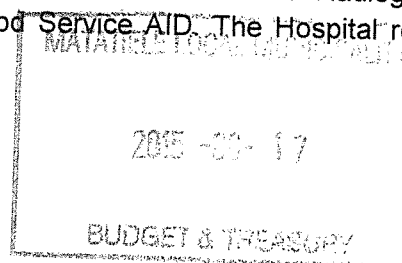
The Premier of the Eastern Cape Mr Phumulo Masualle in his State of the Province Address 2015 said "we are making good progress in our march towards achieving an improved health profile of the Province. We are determined to ensure that in our lifetime, the objective of the Freedom Charter, of establishing a preventive health scheme that is run by the state, as well as of providing free medical care and hospitalization to all, with special care for mothers and young children, is realised."

Ukuphuculwa kwesibhedlela saseKhotsong kuqhuba ngendlela encomekayo. Ukuphuculwa kwaso kukwisigaba sesiBini (phase two) ekulindeleke ukuba iqosheliswe ngenyanga kaJuly kulonyaka. Yimisebenzi engaphaya kwaMaShumi AmaHlanu anesiThandathu athe adaleka.

Kuye kwaxhamla osomashishini abangamaShumi amaBini aneSine (24), kwaqeqeshwa uluntu olufikelela ku 232.

Inyaniso Clinic iza kulungiswa kulonyaka mali. Ezi iclinic ezilandelayo ziyalungiswa: Magadla, Queen's Mercy, Pabalong, Isilindini, Mzongwana kunye Umthumase.

We are also focusing on the provision of adequate and well trained health care professionals. The following appointments were made by the Department of Health to serve at Taylor Bequest Hospital: Medical Officer/Doctor :01 Permanent, 01 Seasonal Doctor, 2 Professional Nurses, 8 Post Comm serve PN's, 3 Comm Serve Prof. Nurses, 1 Comm Serve Radiographer, 1 Enrolled Nurse, 2 Enrolled Nursing Assistants, 2 Food Service AID. The Hospital received a new electric bed for bedridden patients.



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It gives me a pleasure ukuba ndinazise ngeOfisi entsha kaRoad Accident Fund eyokhelwe esibhedlela saseTaylor ukuze incede abantu abanengxaki malunga nemiba yengozi zendlela. leOfisi iza kuvulwa ngokusesikweni ngomhla ka 24 June 2015.

Isebe LezeMpilo kwiphulo lalo lolwaluko lusebenzisana namakhosi kunye noMasipala namanye amaSebe lufumanise ngexesha lasehlotyeni lolwaluko izikolo eziyi 105 ezisemthethweni yandwendwela eziyi 66, kumakhwenkwe ayi 2431 olukileyo, kwaseleka amakhwenkwe amaThathu (3), kwafakwa esibhedlela amaNe (4) aze ayi 80 afumana uncendo ngeloxesha. Lamanani abonisa okokuba ikhona into esingayenzi kakuhle, ntoleyo enyanzelisa ukuba sisebenzisane ukuze kungabikho namnye uphulukana nomphefumlo wakhe.

In his 2015 State of the Province, the Premier of the Eastern Cape Mr Phumulo Masualle announced that 4000 solar connections will be installed in Matatiele. This is one of the ways we trying as government to address the shortage of energy in our communities.

Kodwa kubalulekile bahlali ukuba sikhumbule ukuba kwicala lombane eMatatiele sisemva ngomyinge ongange 55%. ZiWodi eziliThoba (9) ezingenawo kwaphela umbane. Into ethetha ukuba yimizi engaphaya ku Forty Nine Thousand Three Hundred and Seventeen (49 317).

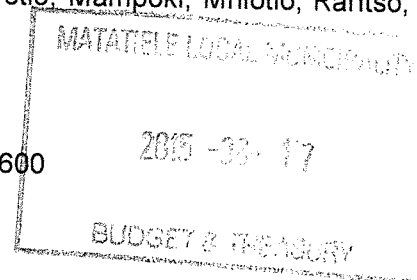
BAHLALI

Kunyaka ka 2012/13 uRhulumente ulayite izindlu eziyi Two Thousand Five Hundred and Twenty (2520) kwiiWodi zase 6, 11, 12 kunye no 16. Kunyaka mali ka 2013/14 kulayitwe amakhaya ayi Four Thousand Two Hundred and Eighty Eight (4288) kwezi Wodi 8, 15, 16, 17, 18 kunye no 20.

Icandelo elinikezela ngombane uEskom kunyaka mali u2014/15 libekele bucala imali engange Thirty Three Million Four Hundred and Nine Thousand Six Hundred and Thirty One (R33 409 631.93) ukuze kuqalwe ngophando lokufaka umbane kwezi Wodi 8, 14, 16, 23 kunye no 24.

Masijonge kwiProjekthi zika Eskom zonyaka u2015/16:

- Bakoena 02: Mangolong kuzakuxhamla abantu abayi 350.
- Bakoena 09 : Mechachaneng kunye ne Lhaseng kuxhamla abantu abayi 430.
- Bakoena 09 Link Line
- Khoapa Extension (Nobhaca) : imizi eyi 270
- Nkau Phase 1 : Nkau, Maqhobi, Sikhulumi, Mafayisa, Potlo, Mampoki, Mhlotlo, Rantso, Marhauleng, Dikotopong & Sekhutlong : imizi eyi 650.
- Nkau Link Line
- Semonkong: Pontseng kunye ne Qhoboshiyaneng: Imizi 600



- Semonkong Link Line

UMasipala naye esebenzisana neSebe lezaMandla bakwiphulo lokuphucula impilo yabahlali baseMatatiele. Ngomhla we 26 apha kuMay 2015 bekuqaliswa ufakelo mbane eMechachaneng Wodi 23 kunye naseThabaneng Wodi 13. Kuzakufakelwa izindlu eziyi 625.

Kuluvuyo kum ukwazisa okokuba izindlu eziyi 660 sele zigqityiwe ukufakelwa umbane eRamafole. uSekela Mphathiswa wesebe lezaMandla uAmbassador Thembisile Majola uzakulayita ngokusesikweni ezi zindlu ngomhla ka 15 June 2015 eRamafole Wodi 24.

Siyavuyisana nabo sicela ukuba umbane bawusebenzise ngendlela kuba sisazi uphantsi koxinzelelo olungamandla lokumana ucima. Asilali buhlayo ubuthongo singuRhulumente ukuqinisekisa okokuba zonke indawo zethu zifumana umbane.

MADAME SPEAKER

President Jacob Zuma further reiterated the commitment of this government during the 2015 January 8th statement and he said *"The ANC government has also established the Presidential Infrastructure Coordinating Commission to bolster job creation, accelerate economic transformation and improve service delivery. We shall do this by improving and maintaining water, hospital, education and transport infrastructure among other key projects. This is in line with the priorities of the NDP and its success calls for investment and participation of government, business, labour and civil society."*

Sizivile izikhalo zabahlali kwindlela zethu ukuba azikho semgangathweni. UMasipala esebenzisana nesebe Lezendlela kwiPhondo leMpuma Kapa laze laphumeza ezindlela, ezinye zazo zigqityiwe: DR08015 Re-gravelling: R56 to Mt Frere, DR08017 Re-gravelling: Cedarville to Mvenyane, DR08013 Re-gravelling: Maluti to Ramatsiliso, DR080503 Repair of Ramafole, DR08069 Re-gravelling Queensmercy, DR08646 Re-gravelling R56 to Ongeluksnek.

Kwindlela ebezilungiswa emveni kokonakaliswa zimvula nezikhukhula zezi: DR08070 Queensmercy to Mpharane, D639 to Ward 22 & 18, D611 Maplasi Mvenyane, D620 Mvenyane Maplasi, D649 to Ward 22 & 18, DR08073 Hillside to Rolweni, DR08015 R56 to Rolweni, DR08017 Mvenyane, DR08071 Makomorong, DR08077 R56 to Semonkong and Paballong.

Isebe likwaphumeze indlela engu DR08069 esuka eMaluti eya eRamatsiliso nge R14 million kunye nongenelelo kwindlela eya eQueensmercy. UMphathiswa uThandiswa Marawu kwintlanganiso ekhawulezileyo malunga nendlela eya eQachasnek uthembisile ukuba isebe lizakukhangela imali yokuyakha lindlela.

The Department of Roads and Public Works is also responsible for government buildings, in this light R44 Million has been set aside to construct Matatiele Social Development. This project is anticipated to start in June 2015 and it will take 24 months to complete it. As government we are very pleased with this kind of infrastructure development because more job opportunities are being created. The Ex Maluti College Foyer Upgrade has been completed and the value of the project was R9 Million.

2015-06-17

BUDGET & TREASURY

HONOURABLE COUNCILLORS

The Freedom Charter outlines that ***'There Shall be Houses, Security and Comfort!'*** Accordingly, one of the tasks in this fifth term of democracy, is the provision of integrated human settlements and building cohesive communities. Already in this year 1 329 houses have been completed, and a further 3 070 houses are nearing completion. Ezi zindlu zokhiwa kwezindawo zilandelayo: Masakala 500, Queensmercy 300, Thabachicha 500, Mvenyane 500, Maritseng 1500, Mehloloaneng 898 kunye nezilungiswayo eCedarville eziyi 201.

As part of facilitating better interface between the state and citizens, we are continuing with our programme of building Multi-Purpose Community Centres. To this end the Thabachicha Thusong Service Centre is 65% complete on brick work and it amounts to R25 Million. More than 20 job opportunities were created and the following local contractors were subcontracted: Transtruct Plumbing, Matat Fastfit Steel, Cedarberg Farm, Andres Electrical and Glass Co.

COMPATRIOTS, the Freedom Charter says ***"there shall be work and security"***

We have an abiding objective to transform the economy to create jobs and sustainable livelihoods.

The Department of Social Development has 13 Internship opportunities and 8 opportunities under the National Youth Service Programme. The Municipality has worked towards creating job opportunities for Matatiele community through Nkhoesa Mofokeng Programme and EPWP. These Programmes are aimed at maintaining municipal access roads and has benefited more than Six Thousand (6000) people around Matatiele. In addition to this number, the Municipality has created the following number of jobs:

Job Creation	Beneficiaries
Food for Waste: Matatiele LM	90
Food for Waste: Matatiele LM & Department of Public Works	100
Nkhoesa Mofokeng	520
Operation Re ya Hloekisa	156

MATATIELE LOCAL MUNICIPALITY

2015-06-17

BUDGET & TREASURY



Ukuzama ukulwa nentswela ngqesho kubantu abatsha, sathi satyikitya isivumelwano nenye ye arhente ebizwa ngokuba yi Local Government Sector Education Training Authority (LGSETA) kunye neSebe leMfundo ePhakemeyo apho ithe yabeka abantwana abasibhozo (8) kuloMasipala wethu ukuze bafumane ulwazi oludingekayo xa beyofuna imisebenzi esisigxina. The Municipality also have thirteen interns whom five of them are Artisan Interns for a three years period.

KUMBA WAMANZI

Amanzi kwiginqi yethu yaseMatatiele akasilalisi buhlayo. Kodwa uMasipala weAlfred Nzo uzama ngandlela zonke ukuphucula lemeko ukuze abantu bafumane ubomi obungcono. Masijonge iProjekthi eziqhubayo ukuphucula lemeko:

PROJECT NAME : MALUTI REGIONAL WATER SUPPLY

Currently project costs estimated at R28million.

Project covers wards 1,2 & 8.

The project has employed 67 people.

PROJECT NAME : MATATIELE RBIG WATER SUPPLY

The project covers ward 19 of Matatiele, mainly the town
It will serve a total household population of 4231.

The project covers Matatiele Ward 19.

Expenditure 2014/15 – R24.4million

The project has employed 40 people at the moment, the number might still increase.

PROJECT NAME : MATATIELE WARD 15 WATER SUPPLY

The project is aimed at providing bulk and reticulation water supply to Matatiele Ward 5.

Project approved by MIG for R88 million

PROJECT NAME : MATATIELE WARD 7 WATER SUPPLY

The project is aimed at providing bulk and reticulation water supply to Matatiele Ward 7.

Project approved by MIG for R71 million.

The project has to date provided jobs to 44 people.

PROJECT NAME : MATATIELE WARD 5 WATER SUPPLY

The project is aimed at providing bulk and reticulation water supply to Matatiele Ward 5.

Project approved by MIG for R83 million

The project has employed 45 people to date.

PROJECT NAME : FOBANE SUB-REGIONAL WATER SUPPLY

The project implementation started in 2010 with installation of water reticulation to 9 villages but source not completed yet.

The project was originally approved for R65million, and there is a need for additional budget i.e. budget maintenance

The project has to employed 39 so far.

PROJECT NAME :THOLAMELA WATER SUPPLY

The construction of a water supply scheme for 17 villages in wards 11, 12 and 13 of Matatiele LM.

Installation of 86 km of bulk gravity mains

The approved project cost is R67million.

The project has employed 216 people (3 contracts).

PROJECT NAME : UPGRADING OF MALUTI RAMOHLAKOANA SEWER

Project is meant to address the Sewer challenges in Maluti

Project cost is currently estimated at R32million.

The project covers wards 1 & 2.

The project has provided job opportunities to 42 people.

PROJECT NAME: MALUTI RAMOHLAKOANA WATER SUPPLY

Project aimed at augmenting the existing Maluti Regional WSS.

The overall approved project cost is R34million.

The project has employed over 40 people.

On sanitation the following projects are being implemented:

PROJECT NAME :CONSTRUCTION OF 500 VIP SANITATION TOILETS – WARD 13

Construction of 452 toilets has been completed,

A total of 53 people have been employed on the project.

PROJECT NAME :CONSTRUCTION OF VIP SANITATION TOILETS –WARD 5

Construction of 230 VIP Sanitation toilets at Mnqayi and Munderstone villages

Construction of 147 toilets have been completed.

A total of 78 people have been employed on the project.

ON RURAL DEVELOPMENT AND LAND REFORM

SinguRhulumente siqhubela phambili nephulo lokuphucula amakhaya, ulimo nemfuyo kwilali zethu, lento ke iqinisekisa ukuba uqoqosho lwethu luyaphucuka kwindawo esihlala kuzo nokulwa nendlala kunye nentlupheko. eliSebe lokhe iDip yenkomo exabisa iR600 000 kwindawo yakwaQili eWard 18.

We have planted 100 hectors with grain crops and 400 households assisted with food security.

Isebe likaMasipala lwakwaEconomic Development kuleminyaka idlulileyo lisebenzisa namanye amaSebe kaRhulumente liphucule ubomi babahlali baseMatatiele oqunobob: 17



Programme	Number of jobs created	Ward	Budget
SMME Cropping Programme,	10 jobs	Wards 05,09,21,22	R 1 200 000

SOMLOMO

Kulonyaka mali sikuwo sithe sancedisisa ngokuxhasa amakhaya angathathi ntweni ayi 12 613 ukuba afumane umbane wamahala, athuthelwe inkunkuma, anikezelwe iGel kunye neSolar.

Refuse removal was conducted in Businesses/ CBD in ward 19 & 26. Eight illegal dumps were eradicated and the process is ongoing.

We are on progress with Grass cutting, drain opening, tree pruning and cleaning in Ward 1, 19, 20 & 26 which is conducted on a continuous basis.

We are currently constructing two cemeteries in Ward 02, 03 06 & 12 is in progress

We have impounded 120 vehicles and impounded 125 stock

The campaign of issuing 5520 section 56 and 341 fines is ongoing and progressing well. We encourage motorists to obey the rules of the road.

Ezindlela neholo zilandelayo zigqityiwe: 5.2km of Manzi Access Road, 4.5 km Mnqayi Access Road kushota ibholorho, Bethel Community Facility, Khaue Community Facility, Lunda Community Facility, 2.7 km Nyanzela Access Road, 5.4 km Cross to St John's Access Road, 5.4 km Sekhutlong Access Road, Cedarville Internal Streets-Phase 2, Thotaneng A/R yenziwe yiPlant kaMasipala, 5.4 km Zingcuka-Madlangeni Access Road.

Silindele ukuba kugqitywe kwakamsinya ezi projekthi zilandelayo: 3 km Saba Saba Access Road, 4 km Paballong Access Road, Matatiele Internal Streets(CBD) –Phase 1, Matatiele Internal Streets (Area C) Phase 2, Nkau Sports field contractor appointed, Afsondering Sports field, Mahangwe Sports field kunye neMahasheng Bridge.

Kubalulekile ukuba sibulele bonke abathathi nxaxheba ekuqinisekiseni okokuba inkonzo ngenene ziyafikelela ebantwini. On the 18th of May, I convened all stakeholders in

Matatiele to discuss ways of developing Matatiele to be a better place to live in. We have noted all the concerns that were raised especially the advices we are taking them into considerations. I have instructed all Departments in the Municipality to take note of them when they do their planning.

I would like to quote the United States President Barack Obama when he says "If there's a child on the south side of Chicago who can't read, that matters to me, even if it's not my child. If there's a senior citizen somewhere who can't pay for their prescription, who has to choose between medicine and the rent, that makes my life poorer - even if it's not my grandparent. If there's an Arab-American or Mexican-American family being rounded up by John Ashcroft without benefit of an attorney or due process, I know that that threatens my civil liberties. And I don't have to be a woman to be concerned that the Supreme Court is trying to take away a woman's right, because I know that my rights are next. It is that fundamental belief - I am my brother's keeper, I am my sister's keeper - that makes this country work."

We will continue with the Mayoral Programme of adopting projects in the Wards across Matatiele. In the previous financial year we adopted Nyaniso MU Pre-School in Ward 18 and 5 soccer teams in Ward 7.

BAHLALI

ISebe loMzantsi Afrika elijongene nokhuseleko lezentlalakahle (SASSA) linikezele ngeenkonzo zokutya kumakhaya angathathi ntweni kuba singuRhulumente okhathalayo. Kunikezelwe ukutya okungaphaya kwe One Million Three Hundred and Ten Thousand Eight Hundred and Twelve rands Ninety Three (1 310 812. 93) kumakhaya angaphaya kweOne Thousand One Hundred and Four.

On Social Grants the Agency is spending more than Fifty Five Million a month to deserving families to fight poverty and this has benefitted more than Six Hundred and Sixty Thousand beneficiaries.

Isebe Lophuhliso Loluntu lithe laxhasa iEarly Childhood Development Centres eziyi 39, Siyakhula Project for People with Disabilities, 4 White Door Centres, Child Welfare Centre kunye nelsibindi eMaluti ngemali engaphaya kwe R5 Million.

Madam Speaker, fellow executive and honourable councillors, allow me to table the 2015/2016 to 2017 Medium Term Expenditure Framework Budget as follows:

OPERATING BUDGET



A handwritten signature in black ink, appearing to be "A. S." or similar, located at the bottom right of the page.

Our operating revenue and expenditure budget tabled today is as follows:

- Total revenue inclusive of Capital grants is R365,2 Million for 2015/16 and projected for outer years to increase to R408,9 Million by 2017/18 and this will be due to grant increases that are projected to be received for the two outer years.
- Revenue projected to be generated from property rates is R34.4million in the 2015/16 financial year and for two outer years the projection will be above R30 million by 2016/17 which represents 9 per cent of the operating revenue base of the Municipality and therefore Honourable Members, remains a significant funding source for the municipality.
- Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R54.4 million for the 2015/16 financial year and projected to increasing to R57,1 million for two outer years. Madam Speaker, this growth can mainly be attributed to the increase in the bulk prices of electricity.
- Grants & Subsidies on operating revenue includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue source increases each year and represents 50% of the 2015/16 revenue budget.

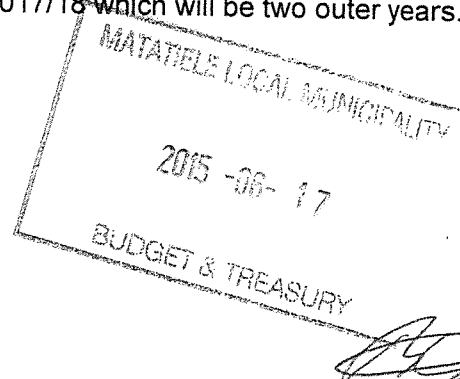
Honourable Councillors, the total operating expenditure for 2015/2016 will be R289,9 million and R316 million to R347 million for two outer years this will include the following,

- **The employee related costs**

The budgeted allocation for employee related costs for the 2015/16 financial year totals R96, 7 million, which equals 33 per cent of the total operating expenditure. The budget increases on employee related costs have been projected at a rate of 8% and this will be subject to final negotiations between unions and employer representatives. The actual increases to be implemented Madam Speaker will be those agreed on the negotiations and if it happens that those are higher than projected 8%, then we will have to review our budget during adjustment period to avoid any unauthorised expenditures.

These are projected to increase to R113, 8 million by 2017/18 which will be two outer years.

- **Councillors Remuneration**



An amount of councillors remuneration is budgeted at R15, 8 million for 2015/2016 and projected to increase to 17,6 million in the two outer years. The increases are based on 8% increase and these will be subject to Ministers determinations as per relevant legislations.

• Total Operating Budget

The operating budget inclusive of the above employee costs and councillors remunerations will be R289,9 million for 2015/16 and projected to increase to R347 million by 2017/18 which is two outer years.

This operating budget also includes an amount of R10,4 million for repairs and maintenance by 2015/16 and this is projected to increase to R12,2 million by 2017/18 which two outer years.

It is important Madam Speaker to also highlight that, on this R289,9 million of operating budget for 2015/2016, as a caring municipality we have budgeted an amount of R15 million to subsidise the indigent households on free electricity, alternative energy and refuse removal. This Madam Speaker will provide free services to the needy communities.

We will also madam speaker provide property rates exemptions and rebates to our rate payers, and this is budgeted to cost the municipality an amount R6,5 million and this budget as revenue for gone which is an expense.

Fellow Compatriots on tariff increase, the inflation rate of the country is projected at 4.5% and this has been used to base out tariff of charges increases. We have ensured that, we keep our charges to a single digit and slightly above to the inflation rate. This means that our increases will be 5% which is 0.5% above the inflation rate. Only electricity tariff will increase more than 5% as is determined by NERSA.

Therefore fellow councillors, the following will be tariff increases for the 2015/16 financial year:

- Property rates tariff increase by 5% ,
- Refuse removal tariff increase by 5%
- Electricity tariff increase between 5 and 12 % subject to NEARSA approval.
- Other tariffs not detailed above will also increase by 5%.

I wish to reiterate what President Zuma said in the State of the Nation Address, we are indeed a nation at work. There are huge opportunities that this government is making available for our people to partake in the rebuilding of our economy. Such interventions will and must result in the

empowerment of our people and a clear victory against the difficult challenges of unemployment, inequality and poverty. We are a government who listens to the matters that our communities raise and we do whatever it takes to address those matters.

As already stated Madam Speaker, we have budgeted to provide rate payers with the following rebates and exemptions,

- All residential properties with the values below R55 000 will be charged no rates which they will be not liable to pay property rates for 2015/2016.
- Further to the above, the residential properties with values above R55 000 will be granted rebates (discounts) of 35%.
- Commercial & Industrial properties will receive the rebates of 10%.
- Farm properties for agricultural purposes will be granted 65% rebates.
- Approved indigent beneficiaries will be granted 100% rebates.
- Municipal Properties will get 100% rebate.
- The approved pensioners will get the rebates based on the values of their properties, i.e. 40% on a value of above R250 000.

MEMBERS

The Capital funding from MIG is R45 261 800 which is 32% allocation to the total budget, the municipal reserve will fund 35% of the total budget, INEP will fund 21% of the total capital budget and the DBSA front loading loan will fund 12% of the total budget.

CAPITAL FUNDING	FINAL BUDGET 2015/16
MUNICIPAL INFRASTRUCTURE GRANT	45 261 800
CAPITAL REPLACEMENT RESERVES	50 187 601
INTERDRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)	30 000 000
DBSA (FRONT LOADING)	18 157 000
	143 606 401

This is then broken down as follows:

- The Executive & Council capital projects amount to a total 315 000, this will be funded from the municipal reserves, which is 1% allocation from the total Capital Budget.
- Budget and Treasury has a total capital budget of R2300 000 that will be funded from the municipal reserves, these include upgrade of the revenue system and the implementation of the standard charts of accounts, which is less than 2% of the total Capital Budget.
- Corporate services has a total capital budget of R 1 998 101, included in this amount is an amount of R1 476 101 for network connection for the New municipal Buildings and

an amount of R522 000 which totals to 1% of the total capital budget, which will be funded from municipal reserves.

- Community services has a capital budget of R10 894 500, inclusive of renovations of Thandanani Stadium, Old Rugby field, commonage fencing construction of landfill cells and Safety & security Vehicle and equipment. The allocated budget to the department is 8% of the total capital Budget. An amount of R 1 500 000 will be funded from MIG and the remainder of R 9 394 500 will be funded from municipal reserves.
- Economic development and planning has a capital budget of R 1 350 000 for grain storage, and Weigh bridge for Silos. The allocated budget to the department is 1% of the total capital budget, which will be funded from the municipal reserves
- Operations and Maintenance has a capital budget of R 2 270 000 for procurement of Tipper Truck and other equipment, this equates to 2 % of the total capital budget, which will be funded from municipal reserves.
- The electricity department has a capital budget of R 52, 8 million, included in this budget is an amount of R30 million for Rural electrification which will be funded from INEP, R18 million for the electricity substation which will be funded from DBSA front loading loan and the amount of R4 680 000 will be funded from municipal reserves which includes procurement of Crane Truck and electrical equipment. The allocated budget to the department is 37% of the total budget.
- Human settlements has a capital budget of R31,6 million, included on the capital projects is an amount of R21 million for construction of Council chambers that will be funded from municipal reserves, and R3, 8 million for Fresh produce that will be funded from MIG.

The allocated capital budget to the department is 22% of the total capital budget.

- The project management unit has a capital budget of R39 958 435, for the construction of access roads, bridges, sports fields and procurement of office furniture. Of this capital budget, projects to the amount of R 39 923 435 will be funded MIG and R35 000 of furniture & equipment will be funded from municipal reserves
- The allocated capital budget to the department is 26% of the total capital budget.

Therefore Madam Speaker the Capital Budget for 2015/2016 is R143,6 million and this is projected to be R102 million by 2017/18 which will be two outer years.

Madam Speaker, the following projects will be implemented in the next financial year.

PROJECT NAME	BUDGET 2015/16	WARD
Public Amenities		
Thandanani Stadium	500,000	20
Old Rugby Field	1,000,000	20

MATATIELE LOCAL MUNICIPALITY

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BUDGET & TREASURY



Electricity		
Substation Golf Club	18,157,000	19
Rural Electrification	30,000,000	
Crane Truck	1,400,000	N/A
Project Management		
Matatiele CBD Internal Streets-Phase 1	5,677,075	1
Maluti Internal Streets -Phase 3	4,050,000	01
Matatiele Internal Streets Phase 2 Area C - Harry Gwala	6,814,672	20
Mnqayi Access Road	1,765,109	05
Masopha Access Road	380,000	13
Mahangwe Sport Field	1,748,772	03
Afsondering Sport Field	2,801,404	09
Nkau Sport Field	2,801,404	12
Majoro Sport Field	1,740,000	14
Epiphany Field	1,740,000	22
Lagrange Pedestrian Bridge	200,000	08
Tlakanelo Bridge	200,000	13
Mangopeng AR	200,000	14
Khaue AR	200,000	25
Kamarathaba-Tseoisong AR	511,000	04
Soloane AR	1,200,000	24
Sandfontein AR	1,200,000	26
Mabheleni AR	200,000	21
Zazingeni -Mazizini AR	630,000	04
Manase	1,000,000	03

MATATIELE LOCAL MUNICIPALITY

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BUDGET & TREASURY

Mohloloaneng Access Road	200,000	16
Sijoka AR	2,000,000	10
Human Settlement		
Council Chambers	21,000,000	20
Community Hall- Mvenyane	2,800,000	21
Industrial Sites Services	3,785,000	19
Fresh Produce	3,838,366	19

FELLOW COUNCILLORS

Matatiele Local Municipality has been at the forefront of these tremendous achievements.

Every single councillor must know that his or her responsibility is to make Matatiele Local Municipality function better by getting the basics right – wherever they have been deployed.

Getting back to basics means working tirelessly to ensure that this Municipality provide water, electricity, parks, street lighting, refuse removal, repairing of potholes, dealing with the frustrating interruption of services and the problems with billing systems.

Getting back to basics means providing these services in a professional and caring manner that recognizes the human dignity of each resident. We are here to serve the people, the people are not here to serve us. We must build a caring Municipality.

Getting back to basics means actively communicating and interacting with the community in every ward.

COMPATRIOTS

Getting back to basics means fighting fraud and corruption and reviewing tendering systems.

Getting back to basics also means working harder to expand poverty alleviation programmes such as the Community Works Programme, which provide skills and work opportunities for our people.

This is our last State of the Municipal Address as the current Council which was mandated to lead this Municipality. I would therefore like to thank everyone who worked together with us to make sure that we implement the vision which was adopted in 2011 and will need to be reviewed next year. We have worked tirelessly to make sure that the lives of the people of Matatiele are today better than before. ~~I am convinced that we shall continue doing so till the~~

MATATIELE LOCAL MUNICIPALITY

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BUDGET & TREASURY



ANC decides about our future. I would like to say gloom and despondency have never defeated adversity, trying times need courage and resilience.

The former President Nelson Mandela on his 100 Day Speech to Parliament he said *"At the end of the day, the yardstick that we shall all be judged by is one and one only: and that is, are we, through our endeavours here, creating the basis to better the lives of all South Africans! This is not because the people have some subjective expectations fanned during an election campaign. Neither is it because there is a magic wand that they see in the new government. Millions have suffered deprivation for decades and they have the right to seek redress. They fought and voted for change; and change the people of South Africa must have"*.

Honourable Members of Council, Management and staff and Communities let me extend a word of gratitude to you all for your efforts and cooperation on the preparation of this budget and hope that this will be delivered as planned to improve the lives of our people. Kwakhona masibulele kumagosa wonke kaRhulumente asebenza ngokuzinikela ukuze ubomi babantu baseMatatiele bube ngcono.

Fellow Councillors allow me therefore to table the 2015/2016 -2017/2018 Medium Term Revenue and Expenditure framework for your consideration, deliberation and approval as follows,

- Operating revenue of R365,2 million.
- Operating Expenditure of R289,9 million.
- Capital Expenditure of R143,6 million

Allow me then to table to you the total budget of R433, 5 million.

I commend the 2015/16 Budget of the Matatiele Local Municipality to this House.

I thank you! _____

MAYOR: CLLR. MOMELEZI MBEDLA

1.2 Council Resolutions

On 29 May 2015 the Council of Matatiele Local Municipality met in the Town Hall to consider the annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1. That the draft IDP 2015/16 be approved;
2. That the Budget 2015/16 be approved as per section 24(1) of the MFMA.
3. That the Council approves the Annual Budget of the Municipality for the financial year 2015/16; and indicative for the two projected outer years 2016/2017 and 2017/2018 be approved as set out in the following:

MATATIELE LOCAL MUNICIPALITY

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BUDGET & TREASURY



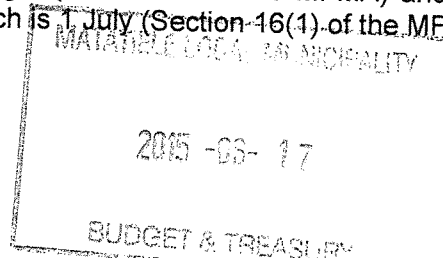
- Operating Revenue by Source
 - Operating Expenditure by Source
 - Capital Expenditure by vote
 - Capital Funding by source
4. That Council approves the property rates reflected in item number 2.5 and any other municipal taxes reflected in item number 2.5 are imposed for the budget year 2015/16.
 5. Council approves that the Tariffs of Charges reflected in item number 2.5 are approved for the budget year 2015/16.
 6. Council approves that the measurable performance objectives for each vote reflected in item number 2.3 are approved for the budget year 2015/16.
 7. Council approves that the amended policies for the Credit, Debt Collection and Indigent as reflected in item number 2.4 are approved for the budget year 2015/16.
 8. Council approves that the other amended budget related policies reflected in item number 2.4 are approved for the budget year 2015/16.
 9. Council notes the SDBIP tabled with the budget for subsequent approval by the Mayor.
 10. Council resolves that the Municipal Manager and Chief Financial Officer implement the budget and have authority to sign required documentation regarding obtaining funding as indicated as a Source of Funding of both Operating and Capital nature as reflected in the schedules listed per item no 1.4
 11. That the Budget Outreach Report containing inputs from the community be noted.

1.3 Executive Summary

METHOD OF PREPARATION

The Budget was prepared according to the Zero Based Method. In terms of the method all votes and line items were reduced to zero and every amount allocated had to be motivated. General Managers were requested to hand their requests to the Chief Financial Officer for inclusion on the budget. The information was requested to reach the Chief Financial Officer by the 30 December 2015. All departments gave input.

In terms of Section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), hereafter called the MFMA, the Mayor must table the Annual Budget at least 90 days before the start of the budget year, that is 31 March. Council must therefore consider any views of the community on the tabled budget (Section 22 of the MFMA) and approve the budget before the start of the financial year which is 1 July (Section 16(4) of the MFMA).



Operating Budget

In terms of GRAP format Capital Grants receivable are included in the Operating Budget. Capital Expenditure are not included in Operating Budget.

Operating expenditure is the day to day management items of the Municipality, i.e.:

Salaries and Wages, Repairs and Maintenance, Debt Servicing, Depreciation on Assets, Insurance, Electricity, Telephone, Subsistence and Travelling Allowances, Fuel etc.

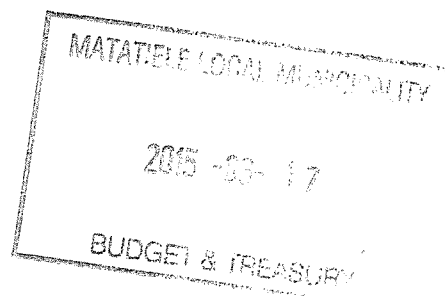
The total budget amounts to R433 585 513. Table 1 hereunder summarizes the budget per department. General Managers must manage their own budgets consulting with the Chairpersons of the Standing Committees and the Standing Committees where necessary.

Allocations per line item are done by the departments themselves, as long as they don't exceed the amounts allocated per Table 1. Table 1 which is Consolidated Overview of the 2015/16 Medium Term Revenue Expenditure Forecast.

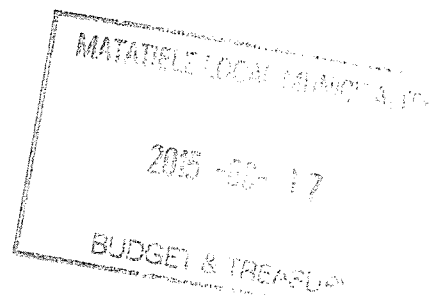
Table 1

DESCRIPTION	ADJUSTMENTS BUDGET 2014/15	FINAL BUDGET 2015/16	BUDGET YEAR +2016/17	BUDGET YEAR +2017/18
Total Revenue (Inclusive of Capital Grants)	-379 729 031	-365 248 563	-396 952 749	-418 493 479
Operating Expenditure	264 249 943	289 979 111	316 601 416	347 080 722
Operating Surplus/Deficit)	-115 479 088	-75 269 452	-80 351 333	-71 412 757
Total Capital Expenditure	126 565 812	143 606 401	101 514 000	10 894 500

Total Revenue by source



REVENUE SOURCE	Approved Budget 2014/15	Adjustment Budget 2014/15	Final Budget 2015/16	Budget 2015/16 % Allocation
Property Rates	-30 729 031	-32 729 031	-34 365 483	9%
Service Charges	-48 690 405	-48 690 405	-54 444 926	15%
Rental Of Facilities	-599 165	-599 165	-769 126	0%
Interest Outstanding Debtors	-1 943 340	-3 943 340	-4 081 257	1%
Interest External Investments	-4 200 000	-4 200 000	-3 500 000	1%
Fines	-450 000	-1 201 050	-1 400 500	0%
Licences & Permits	-2 704 000	-2 872 000	-3 150 000	1%
Grants Operating	-166 684 297	-168 169 071	-183 173 200	50%
Grants Capital	-64 510 000	-60 685 864	-75 261 800	21%
Profit on Sale of Property	-	-	-3 823 500	1%
Other Income	-54 950 520	-56 262 959	-1 278 771	0%
TOTAL REVENUE	-375 460 759	-379 352 885	-365 248 563	100%



Total Expenditure by type

Budget per Department

MUNICIPAL VOTE	OPERATING EXPENDITURE	OPERATING INCOME	CAPITAL BUDGET
EXECUTIVE & COUNCIL	36 337 663	-	315 000
BUDGET & TREASURY	58 880 312	209 819 483	2 300 000
CORPORATE SERVICES	46 873 102	300 000	1 998 101
COMMUNITY SERVICES	47 535 055	19 819 862	10 834 500
ECONOMIC DEVELOPMENT & PLANNING	13 576 094	100 279	1 350 000
INFRASTRUCTURE	86 776 885	135 208 959	126 808 800
	289 979 111	365 248 583	143 606 401

Capital Budget

Capital expenditure is the expenditure incurred on items used over a period of time longer than 12 months to generate future income.

Capital projects amounting to R143 606 401 have been included in this budget. Own sources available to fund these projects amount to R50 187 601. Our MIG allocation for 2015/2016 is R45 261 800, INEP will fund a sum of R30 million for electricity installation. An application of a front loading loan of R 18 157 000 is to be made.

All projects presented in this report are the priorities as per the approved Integrated Development Plan which was reviewed in May 2015 during community review meetings in all 26 wards of the municipality.

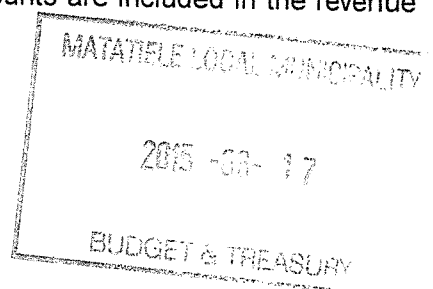
Funding of Capital Budget

INEP	30 000 000
MIG	45 261 800
<i>Sub Total</i>	<i>75 261 800</i>
CRR	50 187 601
External Loan (Front Loading)	18 157 000
TOTAL	143 606 401

Grants and Subsidies allocations

In terms of the Revenue Bill 2015 Matatiele Local Municipality will receive an Equitable Share of R176 181 000. This amount is always not enough to meet all the community needs on service delivery as is always utilised for the day to day operations of the municipality which some are strategic programs to deal with special programs in improving community welfare like gender, youth, indigent support, sport and recreation and many more as identified and approved by council through operational plans. It is operational grants allocated to Matatiele for the 2015/2016 is indicated as follows. Kindly note that these amounts are included in the revenue table as indicated on page 3.

TARIFFS



All charges excluding electricity and property rates are calculated to increase by 5%, for the 2015/16 financial year, starting 1 July 2015 and this is based on the Consumer Price Index as at 4.09%.

Property Rates

The new Property Valuation Roll came into effect the 1 July 2013 and this will come to expire at the end of 2017/18 financial year ending 30 June 2018.

Electricity

Electricity tariffs will increase between 3% and 12% in terms of the directive from NT and National Electricity Regulator of South Africa.

Refuse Removal and Other Tariff of Charges

Refuse tariffs will be increased by 5% and all other tariffs are kept to increase at same level.

EXTERNAL SERVICE DELIVERY MECHANISMS

External service providers are used for the refuse removal and grass cutting in the towns of Matatiele, Cedarville and Maluti.

ACCUMULATED SURPLUS

This budget will result in a surplus of R7 561. This should be noted that is budget surplus to ensure that the budget is balanced.

Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges; especially in relation to trading services;

- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

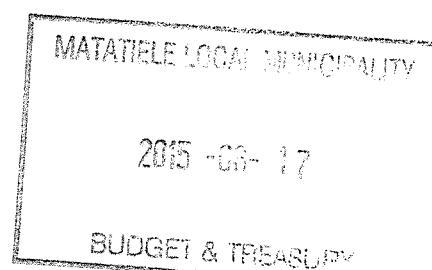
Description	2011/12	2012/13	2013/14	2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source										
Property rates	5 773	6 411	6 609	7 190	7 190	7 190	7 190	7 550	7 927	8 324
Property rates - penalties & collection	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	68	66	62	127	127	127	127	70	74	77
Service charges - water revenue	3	2	2 838	22	22	22	22	2	2	3
Service charges - sanitation revenue	-	-	-	(0)	(0)	(0)	(0)	32	34	36
Service charges - refuse revenue	-	1	10	15	15	15	15	16	17	17
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	483	534	566	561	561	561	561	729	734	764
Interest earned - external investments	5 257	5 572	5 414	4 200	4 200	4 200	4 200	3 500	4 200	4 200
Interest earned - outstanding debtors	1 669	2 289	2 464	1 943	3 943	3 943	3 943	4 081	4 285	4 500
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines	1 651	1 509	3 672	1 283	2 201	2 201	2 201	2 601	2 752	2 903
Licences and permits	1 897	2 094	2 189	1 872	1 872	1 872	1 872	1 950	2 063	2 177
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	100 717	120 143	139 932	154 135	157 385	157 385	157 385	183 173	195 163	214 180
Other revenue	-	-	-	-	-	-	-	-	-	-
Gains on disposal of PPE	(2 214)	(5 064)	537	39	39	39	39	3 824	4 015	4 215
Total Revenue (excluding capital transfers and contributions)	115 304	133 556	164 293	171 388	177 555	177 555	177 555	207 527	221 265	241 395

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Table 3 Percentage growth in revenue by main revenue source

Description R thousand	2014/15 Medium Term Revenue & Expenditure Framework							
	Adjusted Budget 2014/15	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source								
Property rates	32 729 031	10.63	34 365 482	11.85	30 729 031	10.16	32 265 483	9.88
Property rates - penalties & collection charges	0	0.00	0	0.00	0	0.00	0	0.00
Service charges - electricity revenue	41 500 000	13.48	46 895 000	16.17	49 239 750	16.28	51 701 737	15.83
Service charges - water revenue	0	0.00	0	0.00	0	0.00	0	0.00
Service charges - sanitation revenue	0	0.00	0	0.00	0	0.00	0	0.00
Service charges - refuse revenue	7 190 405	2.34	7 549 925	2.60	7 927 421	2.62	8 323 792	2.55
Service charges - other	0	0.00	0	0.00	0	0.00	0	0.00
Rental of facilities and equipment	560 945	0.18	728 995	0.25	733 669	0.24	764 012	0.23
Interest earned - external investments	4 200 000	1.36	3 500 000	1.21	4 200 000	1.39	4 200 000	1.29
Interest earned - outstanding debtors	3 943 340	1.28	4 081 257	1.41	4 285 319	1.42	4 499 585	1.38
Dividends received	0	0.00	0	0.00	0	0.00	0	0.00
Fines	2 201 050	0.71	2 600 500	0.90	2 751 892	0.91	2 903 229	0.89
Licences and permits	1 871 999	0.61	1 950 000	0.67	2 063 100	0.68	2 176 570	0.67
Agency services	0	0.00	0	0.00	0	0.00	0	0.00
Transfers recognised - operational	157 385 100	51.12	183 173 000	63.17	195 163 000	64.52	214 179 600	65.56
Other revenue	56 262 647	18.28	1 318 900	0.45	1 360 976	0.45	1 472 063	0.45
Gains on disposal of PPE	0	0.00	3 823 500	1.32	4 014 675	1.33	4 215 408	1.29
Total Revenue (excluding capital transfers and contributions)	307 844 517	100	289 986 559	100	302 468 833	100	326 701 479	100

The budget will be funded as per table 1. Kindly note that of a total revenue budget (excluding capital grants) of R289 986 559 - Council generates R 106 813 559 (37%), and Operating Grants amount to R183 173 000 (63%). Therefore the Council is 63 % dependant on grants.



1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 1:025. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17 (h) of the MPRA). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy i.e. the market value less R 55 000.00;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a minimum total rebate of 40 per cent will be granted to owners of rateable property if the total gross income of the applicant and/or his/her spouse, if any, is the following:
 - Income not exceeding R5 000.00

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse.
- The applicant must submit proof of his/her age, identity and also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
- The property must be categorized as residential.

Additional:

- Residential properties a 35% rebate
- Properties categorized commercial 10% rebate on rates.
- Farms/ Smallholdings used for agricultural purposes 65% rebates.
- The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain Classes such as churches, registered welfare organizations, institutions or organizations performing charitable work, Sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

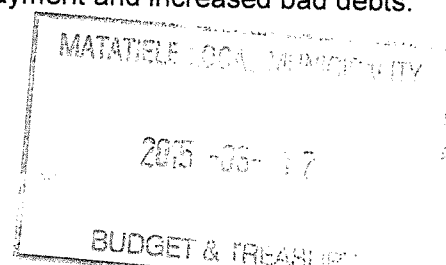


Table 4 Operating Transfers and Grant Receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		95 429	115 020	125 055	145 998	145 998	145 998	180 491	194 863	213 880
Equitable Share		92 449	105 328	118 051	138 979	138 979	138 979	176 181	192 281	211 147
Finance Management		1 450	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700
Municipal Systems Improvement		592	998	890	934	934	934	930	957	1 033
EPWP Incentive		938	7 193	4 564	4 485	4 485	4 485	1 780	-	-
Provincial Government:		1 179	418	66	-	973	973	-	-	-
Conference & Lodge Centre		554	72	-	-	-	-	-	-	-
Greenest Town		295	214	66	-	-	-	-	-	-
Establishment Plan Grant		43	-	-	-	973	973	-	-	-
Nature Reserve Grant		286	132	-	-	-	-	-	-	-
District Municipality:		172	-	7 588	-	-	-	-	-	-
Election Grant		-	-	7 588	-	-	-	-	-	-
Other Grants		172	-	-	-	-	-	-	-	-
Other grant providers:		3 938	4 705	7 039	8 137	10 414	10 414	300	300	300
Far, Revenue & Payroll		-	-	1 635	7 000	7 000	7 000	-	-	-
Nature Reserve		-	-	105	157	143	143	-	-	-
Department Of Sport And Recreation		-	-	161	288	415	415	-	-	-
Seta		298	424	313	300	300	300	300	300	300
Vuna		-	85	-	130	130	130	-	-	-
Idp Support		266	392	274	150	314	314	-	-	-
Led Capacity		-	-	-	112	112	112	-	-	-
Archives Central (Pt)		20	237	-	-	-	-	-	-	-
Audit Assets (Pt)		6	25	196	-	-	-	-	-	-
Capacity Building 06/07		130	-	15	-	-	-	-	-	-
Cedarville Emerging Farm		-	180	19	-	-	-	-	-	-
Clean Audit Umzimvubu		-	-	3 500	-	34	34	-	-	-
Grain Storage Azo		-	-	-	-	-	-	-	-	-
Khuthalani Poultry Proj		744	1 005	184	-	1 000	1 000	-	-	-
Land Audit (Pt)		121	224	-	-	-	-	-	-	-
Lotto Sportfield Maint		-	25	-	-	-	-	-	-	-
Lums		-	-	121	-	-	-	-	-	-
Museum-Arts & Cult Grant		-	-	-	-	-	-	-	-	-
New It (Pt)		170	193	-	-	-	-	-	-	-
Office Accommodation (Pt)		414	430	480	-	-	-	-	-	-
Pmu Establishment		-	936	-	-	-	-	-	-	-
Small Town&Rural Village		-	-	37	-	-	-	-	-	-
Training Cpm		-	206	-	-	-	-	-	-	-
Valuation Roll Gis (Pt)		84	342	-	-	-	-	-	-	-
Other Government		1 684	-	-	-	966	966	-	-	-
Total Operating Transfers and Grants	5	100 717	120 143	139 748	154 135	157 385	157 385	180 791	195 163	214 180
Capital Transfers and Grants										
National Government:		24 994	28 326	48 775	57 759	49 170	49 170	47 644	49 484	52 242
Municipal Infrastructure Grant (MIG)		24 994	28 326	48 775	57 759	49 170	49 170	47 644	49 484	52 242
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	3 991	9 904	19 300	22 300	22 300	30 000	30 000	25 000
DME		-	3 991	9 904	19 300	22 300	22 300	30 000	30 000	25 000
Total Capital Transfers and Grants	5	24 994	32 317	58 679	77 059	71 470	71 470	77 644	79 484	77 242
TOTAL RECEIPTS OF TRANSFERS & GRANTS		125 711	152 460	198 427	231 194	228 855	228 855	258 435	274 647	291 422



The municipality operational grants budget amounts to R180 791 000 for 2015/2016, included in this amount is the equitable share allocation, the operational grants budget equates to 50% of the total revenue budget (excluding capital grants) .

Table 5 Comparison of final rated levies for the 2015/16 financial year

CATEGORY	CURRENT TARIFF (1 July 2014)	Final Tariff (From 1 July 2015)
Residential	0.00828	0.00869
Vacant Land	0.01805	0.01896
Commercial 10 %	0.0093	0.01043
Farms	0.00207	0.00217
Government	0.01805	0.01896
Industrial	0.0093	0.1043
Municipal	0.0093	0.1043

Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An increase of 14.24 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

Considering the Eskom increases, the consumer tariff had to be increased by between 7 and 14.24 per cent to offset the additional bulk purchase cost from 1 July 2015. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

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

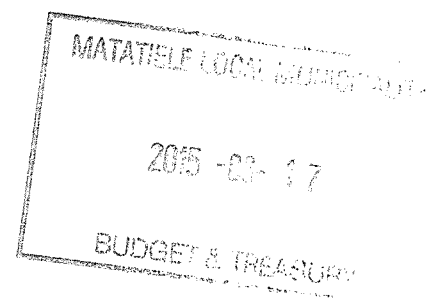


Table 8 Comparison between current electricity charges and increases (Domestic)

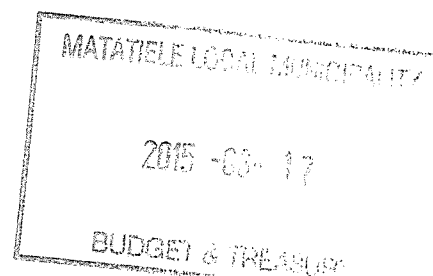
Monthly consumption kWh		Current amount payable R	Proposed amount payable R	Difference (Increase) R	% Change
Basic Charge		292.86	328	35.14	12.00%
0-50		0.68	0.73	0.05	7.35%
51-350		0.88	0.95	0.07	7.95%
351-600		1.17	1.34	0.17	14.53%
601 and over		1.37	1.6	0.23	16.79%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2015. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

A 5 per cent increase in the waste tariff is proposed from 1 July 2015. Any increase higher than 10 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.



The following table compares current and proposed amounts payable from 1 July 2015:

Table 11 Comparison between current waste removal fees and increases

	CURRENT TARIFFS	FINAL TARIFFS	% INCREASE
	Jul-14	Jul-15	
	WASTE REMOVAL	WASTE REMOVAL	WASTE REMOVAL
Solid waste			
Domestic Removals			
Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	98.15	103.06	5%
Commercial Removals			
Each individual/separate business shall be charged a basic service charge per month.	147.21	154.47	5%
In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	147.21	154.57	5%

1.3.1 Overall impact of tariff increases on households

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

Note that in all instances the overall impact of the tariff increases on household bills has been kept between 7 and 14.24 per cent.

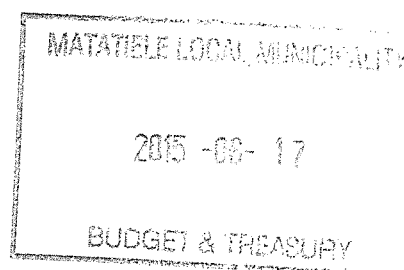


Table 11EC441 MATATIELE LOCAL MUNICIPALITY Table SA14 – Household bills

Description	Re	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		190.39	226.56	269.61	307.35	307.35	307.35	(45.0%)	169.04	175.80	182.83
Electricity: Basic levy		136.10	157.88	183.14	208.78	208.78	208.78	7.4%	224.20	240.77	260.03
Electricity: Consumption		460.00	533.60	576.29	628.15	628.15	628.15	7.4%	674.64	724.56	
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		40.32	44.35	46.13	48.43	48.43	48.43	5.0%	50.85	53.40	56.07
Other											
sub-total		826.81	962.39	1 075.16	1 192.71	1 192.71	1 192.71	(6.2%)	1 118.74	1 194.53	498.93
VAT on Services											
Total large household bill:		826.81	962.39	1 075.16	1 192.71	1 192.71	1 192.71	(6.2%)	1 118.74	1 194.53	498.93
% increase/decrease		-	16.4%	11.7%	10.9%	-	-	(6.2%)	(6.2%)	6.8%	(58.2%)
Monthly Account for Household - 'Indigent'	3										
Rates and services charges:											
Property rates		30 000.00	30 000.00	30 000.00	30 000.00	30 000.00	30 000.00	5 500 000.0%	55 000.00	55 000.00	55 000.00
Electricity: Basic levy											
Electricity: Consumption		50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh	50kwh
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		60 480.00	63 504.00	66 044.16	69 346.37	72 813.69	72 813.69	5 200.0%	91 800.00	98 050.00	106 400.00
Other											
sub-total		90 480.00	93 504.00	96 044.16	99 346.37	102 813.69	102 813.69	47.8%	146 800.00	153 050.00	161 400.00
VAT on Services											
Total small household bill:		90 480.00	93 504.00	96 044.16	99 346.37	102 813.69	102 813.69	47.8%	146 800.00	153 050.00	161 400.00
% increase/decrease			3.3%	2.7%	3.4%	3.5%	-	42.8%	4.3%	5.5%	

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Operating Expenditure Framework

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Strict adherences to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

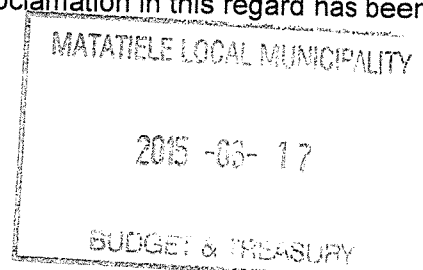
The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table 13 Summary of operating expenditure by standard classification item

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type											
Employee related costs	2	46 429	57 395	69 115	89 429	84 507	84 507	84 507	96 711	104 599	112 077
Remuneration of councillors		13 276	13 900	14 807	17 177	17 177	17 177	17 177	15 891	16 685	17 520
Debt impairment	3	2 610	63 893	27 795	3 949	3 949	3 949	3 949	12 610	19 650	24 952
Depreciation & asset impairment	2	15 905	17 084	19 062	14 066	14 066	14 066	14 066	20 879	24 490	28 865
Finance charges		563	4 275	2	-	-	-	-	-	-	-
Bulk purchases	2	21 898	24 556	26 147	28 000	28 000	28 000	28 000	34 000	35 972	37 950
Other materials	8	9 450	10 293	10 751	11 315	11 424	11 424	11 424	10 466	11 286	11 989
Contracted services		9 363	12 329	13 389	15 987	15 687	15 687	15 687	19 956	21 037	22 144
Transfers and grants		6 734	23 663	32 778	27 144	31 470	31 470	31 470	20 333	19 870	22 835
Other expenditure	4, 5	23 704	26 305	35 643	50 814	57 971	57 971	57 971	59 134	63 017	68 749
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		149 931	253 693	249 489	257 881	264 250	264 250	264 250	289 979	316 607	347 081

The budgeted allocation for employee related costs for the 2015/16 financial year totals R96 million, which equals 33 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 2015/16 financial year. An annual increase of 8 per cent has been included in the two outer years of the MTREF

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



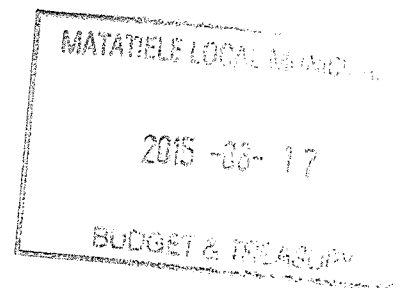
The provision of debt impairment was determined based on an annual collection rate of 80 per cent and the Debt Write-off Policy of the Municipality. For the 2015/16 financial year this amount equates to R5 million and escalates to R15 million by 2015/16. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R20, 8 million for the 2015/16 financial and equates to 7 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other material comprises of amongst others materials for maintenance. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2015/16 the appropriation against this group of expenditure is by 4 per cent and continues to grow at 4, 5 and 5 per cent for the two outer years.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The appropriation for this group of expenditures equates to 20 per cent for 2015/16 and is maintained at 18 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table 64 MBRR SA1 (see page 100).



The following table gives a breakdown of repairs and maintenance on the main expenditure categories for the 2015/16 financial year.

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

1.3.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

The table below provides a breakdown of the repairs and maintenance in relation expenditure items:

Table 14 Repairs and maintenance by expenditure item

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs									
Other materials	9 450 047	10 293 019	10 751 099	11 315 000	11 424 000	11 424 000	10 465 500	11 286 164	11 988 972
Contracted Services									
Total repairs and Maintenance Expenditure	9 450 047	10 293 019	10 751 099	11 315 000	11 424 000	11 424 000	10 465 500	11 286 164	11 988 972

For the 2015/16 financial year repairs and maintenance is budgeted at R10,5 million this equates to 4 % of the total operating budget , this escalates to R11,9 million in the 2017/18 outer year .

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 15 500 or more indigent households during the 2015/2016 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 35.

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

1.4 Capital expenditure

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

Table 6 2015/16 Medium-term capital budget per vote

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	1 595	1 995	1 995	1 995	1 476	150	165
Vote 4 - Development & Planning		-	-	-	400	400	400	400	650	400	440
Vote 5 - Community		-	-	-	800	800	800	800	1 500	1 000	1 100
Vote 6 - Infrastructure		1 194	40 874	-	37 796	38 938	38 938	38 938	90 793	68 858	61 218
Capital multi-year expenditure sub-total	7	1 194	40 874	-	40 591	42 133	42 133	42 133	94 419	70 408	62 923
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		6	23	5 538	221	221	221	221	315	275	303
Vote 2 - Budget & Finance		527	11 900	4 603	7 156	2 344	2 344	2 344	2 300	300	25 723
Vote 3 - Corporate		36	638	214	528	528	528	528	522	422	464
Vote 4 - Development & Planning		498	786	2 794	515	515	515	515	700	-	-
Vote 5 - Community		4 304	2 178	12 639	6 543	6 553	6 553	6 553	5 895	2 012	2 223
Vote 6 - Infrastructure		29 933	4 336	64 648	92 024	74 272	74 272	74 272	39 455	7 155	10 560
Capital single-year expenditure sub-total		35 304	19 861	90 436	106 986	84 433	84 433	84 433	49 187	10 164	39 272
Total Capital Expenditure - Vote		36 498	60 735	90 436	147 577	126 566	126 566	126 566	143 606	80 572	102 195

For 2015/16 an amount of R130, 2 million has been appropriated for the development of infrastructure. This represents 91% of the total capital budget. The total capital budget for 2015/16 is R143, 6 million.



The following graph reflects the capital budget per municipal vote,

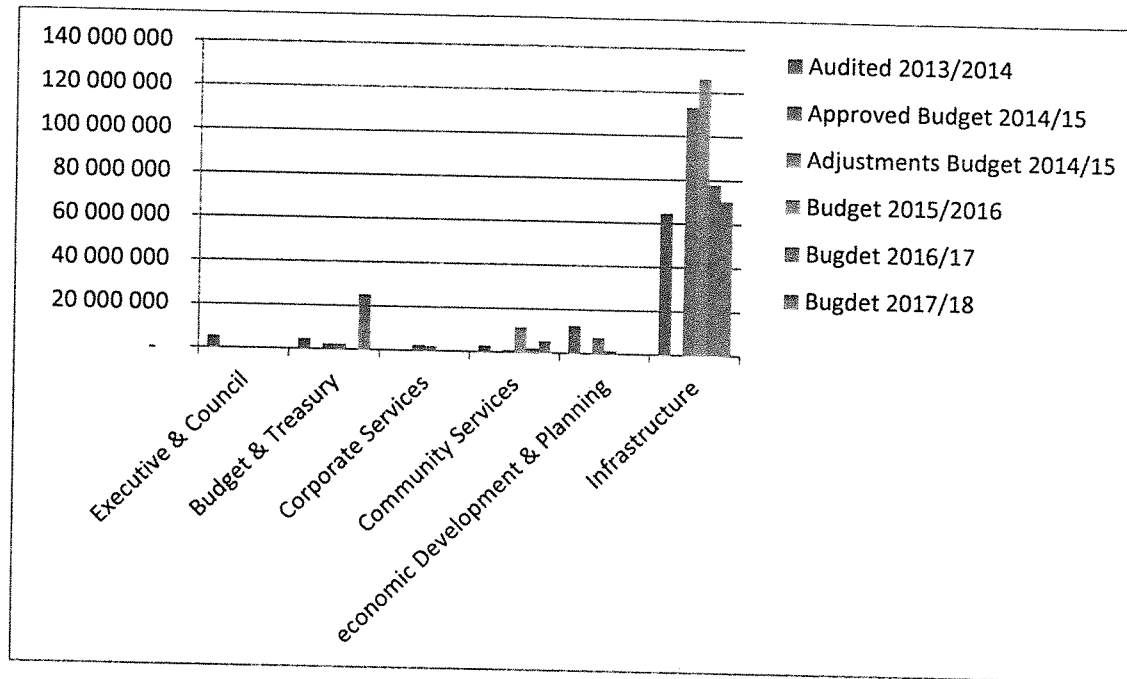


Figure 2 Capital Infrastructure Programme

1.4.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61MBRR SA35 on page 118. It needs to be noted that as part of the 2015/16 MTREF, this expenditure has been factored into the two outer years of the operational budget.



1.5 Annual Budget Tables

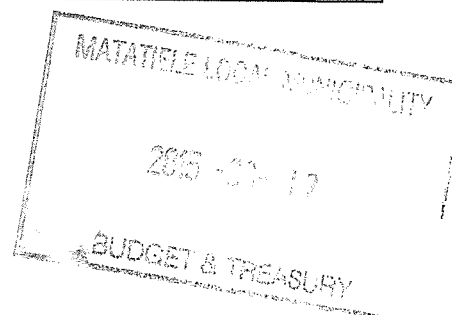
The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page



A handwritten signature in black ink, located at the bottom right of the page.

Table 17 MBRR Table A1 - Budget Summary

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
<i>Governance and administration</i>		109 158	132 508	167 849	229 175	234 489	234 489	210 119	222 499	242 224
Executive and council		107	85	11 312	130	130	130	-	-	-
Budget and treasury office		108 733	131 762	156 224	228 745	234 059	234 059	209 819	222 199	241 924
Corporate services		318	661	313	300	300	300	300	300	300
<i>Community and public safety</i>		5 285	4 936	7 012	16 310	17 341	17 341	18 160	19 048	20 059
Community and social services		996	826	520	12 292	12 278	12 278	12 815	13 459	14 128
Sport and recreation		741	508	641	864	991	991	675	675	702
Public safety		3 547	3 602	5 851	3 154	4 072	4 072	4 550	4 814	5 079
Housing		-	-	-	-	-	-	120	100	150
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 814	1 950	5 450	4 812	7 949	7 949	1 880	105	111
Planning and development		1 814	1 950	5 450	4 812	7 949	7 949	1 880	105	111
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		70 488	81 118	114 143	125 163	119 574	119 574	135 089	135 301	146 550
Electricity		59 909	74 707	103 533	125 163	119 574	119 574	135 089	135 301	146 550
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		10 579	6 411	10 609	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	186 745	220 513	294 454	375 461	379 353	379 353	365 249	376 953	408 943
Expenditure - Standard										
<i>Governance and administration</i>		59 886	130 630	124 480	119 018	121 771	121 771	136 183	150 171	165 842
Executive and council		21 932	23 610	37 425	29 084	28 934	28 934	30 430	31 760	33 653
Budget and treasury office		26 706	90 322	63 044	59 920	58 258	58 258	58 880	68 261	78 631
Corporate services		11 249	16 697	24 011	30 014	34 579	34 579	46 873	50 151	53 557
<i>Community and public safety</i>		13 360	12 460	16 479	36 105	36 473	36 473	44 621	48 196	50 438
Community and social services		5 653	3 769	3 469	18 098	17 714	17 714	20 082	25 124	26 078
Sport and recreation		2 351	1 888	5 027	6 976	7 853	7 853	8 892	9 403	9 948
Public safety		5 356	6 803	7 983	11 030	10 906	10 906	13 234	10 390	10 770
Housing		-	-	-	-	-	-	2 413	3 279	3 643
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10 215	15 717	19 855	25 456	33 313	33 313	24 811	26 608	30 874
Planning and development		10 215	15 717	19 855	25 456	33 313	33 313	24 811	26 608	30 874
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		68 204	94 886	88 674	77 301	72 693	72 693	84 364	91 631	99 927
Electricity		60 252	82 176	76 147	77 301	72 693	72 693	84 364	91 631	99 927
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 952	12 710	12 528	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	151 668	253 693	249 489	257 881	264 250	264 250	289 979	316 607	347 081
Surplus/(Deficit) for the year		35 079	(33 180)	44 965	117 580	115 103	115 103	75 270	60 346	61 862



Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2015/16, when a small surplus is reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

