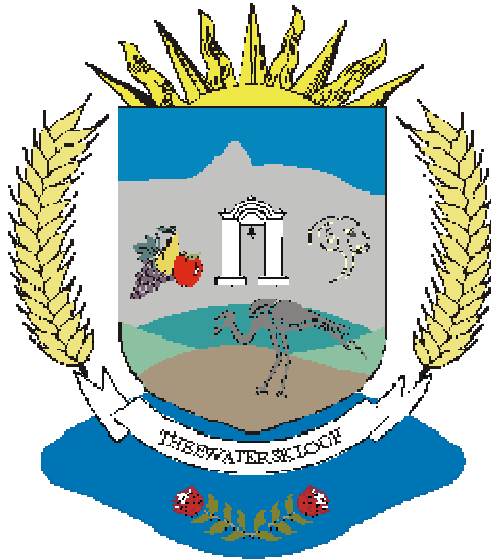


# Theewaterskloof Municipality



## Final Budget

**2017/2018 to 2019/2020**

**29 May 2017**

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*English is original version*

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## **Abbreviations and Acronyms**

IDP	Integrated Development Plan
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
kl	Kilolitre
kWh	Kilowatt
VAT	Value Added Tax
SMME	Small Micro and Medium Enterprises
CPI	Consumer Price index
MFMA	Municipal Finance Management Act 56 of 2003
GFS	Government Financial Statistics
MBRR	Municipal Budget and Reporting Regulations
GRAP	Generally Recognized Accounting Practice
MSA	Municipal Systems Act
MIG	Municipal Infrastructure Grant
LED	Local Economic Development
SDBIP	Service Delivery Budget Implementation Plan
DoRA	Division of Revenue Act
PDO	Predetermined Objectives
KPI	Key Performance Indicator
KPA	Key Performance Area
RBIG	Regional Bulk Infrastructure Grant
MTBPS	Medium Term Budget Policy Statement

## 1. Council Resolutions

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1. That Council resolves that the Final Annual Operating Budget of the municipality for the financial year 2017/2018 and indicative for the two projected Outer Years 2018/2019 and 2019/2020 be approved as set out on Tables A1, A2, A3 and A4.(pages 7 - 12).
2. That Council resolves that the Final Annual Capital Budget of the municipality for the financial year 2017/2018 and indicative for the two projected Outer Years 2018/2019 and 2019/2020 be approved as set out on Tables A1, A5 and SA36.(pages 7, 14, and 93), with the addition of the Isuzu truck for electricity for an amount of R950, 441 which will not be delivered before June 2017.
3. That Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2017/2018 financial year as set out on Tables A1and A7. (Pages 7 and 18).
4. That Council resolves to adopt the Final Integrated Development Plan.
5. That Council resolves to adopt the “Spatial Development Framework” as part of the Integrated Development Plan, as regulated by the Municipal Systems Act (Act 32 of 2000), a directed in terms of Section 22 of the Bill on the Land Use Planning Act.
6. That Council resolves that the Final Tariff Charges are approved for the Financial Year 2017/2018. (Annexure A).
7. That the Final Monthly Indigent Subsidy in respect of 6kl Water, 70KwH Electricity, Refuse, Sewer and Informal Settlement Plot Rental (where applicable) are approved and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.
8. The first R100, 000 on all residential properties are exempt from property rates for persons older than 60 years of age and earning less than R6400 per month. The exemption is also applicable to all households earning less than R4801.
9. That it be noted that “Unfunded Functions” and “Underfunded Functions” are fully budgeted for at present service levels and in respect of Housing.
10. That note is taken that Internal Division of Costs(Departmental Charges) are calculated based on expected budgeted time spent, measurable units/quantities, cost, and that tariffs are determined accordingly.
11. That Council resolves the following Amendments to the Policies as per Annexure B

### Annexure B

- 1) Credit Control and Debt Collection Policy
- 2) Writing –Off of Irrecoverable debt Policy
- 3) Indigent Policy
- 4) Rates Policy
- 5) Short Term Insurance Policy

## 2. Executive summary

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### LEGAL REQUIREMENTS

The MTREF for 2017/18 to 2019/2020 were compiled in accordance with the requirements of the relevant legislation, of which the following are the most important –

- The Constitution of the Republic of South Africa, Act 108 of 1996;
- The Municipal Structures Act, Act 117 of 1998;
- The Municipal Systems Act, Act 32 of 2000;
- The Municipal Finance Management Act, Act 56 of 2003;
- The Municipal Budget and Reporting Regulations promulgated on 17 April 2009; and
- The Division of Revenue Act

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the Integrated Development Plan.

The following budget principles and guidelines directly informed the compilation of the 2017/18 to 2019/2020 MTREF –

- National Treasury's MFMA Circulars were used to guide the compilation of the MTREF;
- Headline inflation predictions;
- National outcomes and priorities;
- NERSA guidelines;
- The priorities and targets in relation to the key strategic focus areas as determined in the IDP;
- Tariff and property rates revenue stream increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, or instance the cost-of-living increases and cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be external borrowings taken up during this budget year as a means of a funding source that is available to support the Capital Budget, in view of financial affordability considerations and also to enhance service delivery.

Growth to the Theewaterskloof Municipality's Medium Term Revenue and Expenditure Framework (MTREF) is based on a combination of factors such as (relatively low) generic growth to core tariff-based services, operational efficiencies, and revenue-related policies aimed at optimising and sustaining all income sources.

The MTREF-based Revenue and Expenditure Projections assumed inflation-linked annual adjustments. The main challenges experienced during the compilation of the 2017/18 MTREF can be summarised as follows:

- The increased costs associated with bulk water and electricity, placing upward pressure on tariff increases to consumers. Continued high tariff increases may soon render municipal services financially unaffordable;
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the cash position into account;
- Salary increases for municipal staff exceeding consumer inflation, and the requirement to fill funded vacant, critical and essential positions in accordance with the Salary and Wage Collective Agreement;

- National and local economic difficulties (low economic growth)
- Above inflation increases in essential maintenance costs
- Old infrastructure which needs to be consistently maintained or replaced

The following further key parameters which are informed by the need to recover costs and to balance the budget were considered for the 2017/18 financial year:

Tariff increases:

- Assessment Rates 13.49%
- Electricity 1.88% (Subject to NERSA's final approval)
- Water 8.99%
- Sanitation (Sewer) 9.11%
- Solid Waste (Refuse) 7.03%

The following table provides a consolidated overview of the proposed 2017/2018 MTREF taking into consideration tariff adjustments and increases to input costs:

<b>Description R thousand</b>	<b>Current Year 2016/17</b>	<b>Budget Year 2017/18</b>	<b>Budget Year +1 2018/19</b>	<b>Budget Year +2 2019/20</b>
Total Operating Revenue	(496 117)	(541 185)	(564 834)	(613 293)
Total Operating Expenditure	476 067	498 831	541 764	580 788
(Suplus)/Deficit for the year	(20 050)	(42 355)	(23 070)	(32 505)
Total Capital Expenditure	79 336	108 936	47 226	54 938

Total operating revenue is projected to grow by 9 per cent or R45, 068 million for the 2017/18 financial year when compared to the 2016/17 Budget. For the two outer years, operational revenue will increase by 4.4% and 8.6% respectively, equating to a total revenue growth of R 72, 108 million over the MTREF when compared to the 2016/17 financial year.

The major items of operating revenue are as follows:

<b>Description R thousand</b>	<b>Current Year 2016/17</b>	<b>Budget Year 2017/18</b>	<b>% of Total Revenue</b>	<b>Growth 2016/17 - 2017/18</b>
Property Rates	83 267	94 233	17%	13%
Service Charges	191 144	198 007	37%	4%
Operational grants	127 306	129 296	24%	2%
Capital grants	45 837	61 805	11%	35%
Other own Revenue	48 563	57 844	11%	19%
	<b>496 117</b>	<b>541 185</b>	<b>100%</b>	<b>9%</b>

Revenue from service charges represents the biggest part (37%) of the municipality's revenue followed by operational grants (24%), property rates (17%) and capital grants (11%). There has been an increase in capital grants and other own revenue when compared to the 2016/17 financial year.

The major operating expenditure items are summarised below:

	<b>Current Year 2016/17</b>	<b>Budget Year 2017/18</b>	<b>% of Total Expenditure</b>	<b>Growth 2016/17 - 2017/18</b>
Employee related costs	170 177	186 963	37%	10%
Remuneration of councillors	10 416	11 650	2%	12%
Depreciation & asset impairment	31 252	28 302	6%	
Finance Charges	15 462	20 105	4%	30%
Bulk Purchases	67 129	68 206	14%	2%
Other materials	–	54 532	11%	
Repairs and Maintenance	27 635	92 854	19%	236%
Other expenditure	153 996	36 220	7%	-76%
	<b>476 067</b>	<b>498 831</b>	<b>100%</b>	<b>4.8%</b>

Total operating expenditure for the 2017/18 financial year amounts to R498, 831 million, which represents an increase of R22, 764 million (4.8%) over 2016/17, increases of 8.6% and 7.2% for each of the respective outer years of the MTREF.

<b>Description R thousand</b>	<b>Current Year 2016/17</b>	<b>Budget Year 2017/18</b>	<b>Budget Year +1 2018/19</b>	<b>Budget Year +2 2019/20</b>
Total Capital Expenditure	79 336	108 936	47 226	54 938

The capital expenditure amount to R108, 936 million and has increase by 37.3% when compared to the 2016/17 adjustment budget. The outer years decline to R47, 226 million in 2018/2019 and R54, 938 million in 2019/2020.

Successful alignment of Theewaterskloof Municipality's service delivery priorities, as embodied in the updated IDP and its focus areas, objectives and perspectives, to that of National and Provincial Governments is seen as critical if the Municipality wants to achieve its developmental goals. The Strategic Focus Areas developed by Theewaterskloof Municipality are as follows:

- Financial Viability
- Good Governance
- Institutional Development
- Basic Service Delivery
- Local Economic Development



### 3. Operating Revenue and Expenditure Framework

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 - Budget and treasury office		-	-	-	-	-	-	175 508	191 056	205 869
Vote 2 - Community and social services		-	-	-	-	-	-	7 323	7 663	8 107
Vote 3 - Corporate services		-	-	-	-	-	-	27 628	27 328	28 752
Vote 4 - Electricity		-	-	-	-	-	-	87 442	96 039	104 942
Vote 5 - Environmental protection		-	-	-	-	-	-	-	-	-
Vote 6 - Executive and council		-	-	-	-	-	-	1 150	1 211	1 276
Vote 7 - Housing		-	-	-	-	-	-	72 621	62 200	74 150
Vote 8 - Planning and development		-	-	-	-	-	-	2 625	2 558	2 811
Vote 9 - Public safety		-	-	-	-	-	-	30 435	32 261	34 197
Vote 10 - Road transport		-	-	-	-	-	-	5 913	6 146	6 515
Vote 11 - Sport and recreation		-	-	-	-	-	-	41	43	46
Vote 12 - Waste management		-	-	-	-	-	-	36 439	38 626	40 943
Vote 13 - Waste water management		-	-	-	-	-	-	35 599	37 735	39 999
Vote 14 - Water		-	-	-	-	-	-	58 460	61 967	65 685
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	-	-	-	541 185	564 834	613 293
Expenditure by Vote to be appropriated	1									
Vote 1 - Budget and treasury office		-	-	-	-	-	-	42 933	45 515	49 245
Vote 2 - Community and social services		-	-	-	-	-	-	7 066	7 463	7 883
Vote 3 - Corporate services		-	-	-	-	-	-	64 766	66 390	70 048
Vote 4 - Electricity		-	-	-	-	-	-	73 346	77 363	81 586
Vote 5 - Environmental protection		-	-	-	-	-	-	305	324	343
Vote 6 - Executive and council		-	-	-	-	-	-	41 353	43 774	46 340
Vote 7 - Housing		-	-	-	-	-	-	41 753	68 043	80 342
Vote 8 - Planning and development		-	-	-	-	-	-	12 263	12 765	13 621
Vote 9 - Public safety		-	-	-	-	-	-	46 486	49 236	52 179
Vote 10 - Road transport		-	-	-	-	-	-	31 167	32 513	34 109
Vote 11 - Sport and recreation		-	-	-	-	-	-	9 647	10 213	10 812
Vote 12 - Waste management		-	-	-	-	-	-	45 956	42 175	44 480
Vote 13 - Waste water management		-	-	-	-	-	-	32 119	34 186	35 706
Vote 14 - Water		-	-	-	-	-	-	49 670	51 805	54 094
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	-	-	-	498 831	541 764	580 788
Surplus/(Deficit) for the year	2	-	-	-	-	-	-	42 355	23 070	32 505

## 4. Capital Expenditure

Vote 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
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Vote 2 - Community and social services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Electricity		-	-	-	-	-	-	-	3 450	1 943	750
Vote 5 - Environmental protection		-	-	-	-	-	-	-	-	-	-
Vote 6 - Executive and council		-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport		-	-	-	-	-	-	-	9 194	5 490	14 050
Vote 11 - Sport and recreation		-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management		-	-	-	-	-	-	-	-	834	1 000
Vote 13 - Waste water management		-	-	-	-	-	-	-	17 032	20 684	6 250
Vote 14 - Water		-	-	-	-	-	-	-	3 326	10 421	13 988
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	<b>33 002</b>	<b>39 373</b>	<b>36 038</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Budget and treasury office		-	-	-	-	-	-	-	42	-	-
Vote 2 - Community and social services		-	-	-	-	-	-	-	401	-	-
Vote 3 - Corporate services		-	-	-	-	-	-	-	5 006	-	-
Vote 4 - Electricity		-	-	-	-	-	-	-	10 559	7 000	13 900
Vote 5 - Environmental protection		-	-	-	-	-	-	-	-	-	-
Vote 6 - Executive and council		-	-	-	-	-	-	-	1 813	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	36 381	-	-
Vote 8 - Planning and development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Public safety		-	-	-	-	-	-	-	1 084	-	-
Vote 10 - Road transport		-	-	-	-	-	-	-	626	-	2 000
Vote 11 - Sport and recreation		-	-	-	-	-	-	-	1 600	-	-
Vote 12 - Waste management		-	-	-	-	-	-	-	4 518	700	1 000
Vote 13 - Waste water management		-	-	-	-	-	-	-	-	-	-
Vote 14 - Water		-	-	-	-	-	-	-	13 904	154	2 000
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	<b>75 934</b>	<b>7 854</b>	<b>18 900</b>
<b>Total Capital Expenditure - Vote</b>		-	-	-	-	-	-	-	<b>108 936</b>	<b>47 226</b>	<b>54 938</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	-	-	-	-	-	<b>6 862</b>	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	6 862	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	<b>38 382</b>	-	-
Community and social services		-	-	-	-	-	-	-	401	-	-
Sport and recreation		-	-	-	-	-	-	-	1 600	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	36 381	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	<b>10 904</b>	<b>5 490</b>	<b>16 050</b>
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	10 904	5 490	16 050
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	<b>52 789</b>	<b>41 736</b>	<b>38 888</b>
Energy sources		-	-	-	-	-	-	-	14 009	8 943	14 650
Water management		-	-	-	-	-	-	-	17 230	10 575	15 988
Waste water management		-	-	-	-	-	-	-	17 032	20 684	6 250
Waste management		-	-	-	-	-	-	-	4 518	1 534	2 000
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	-	-	-	-	-	-	-	<b>108 936</b>	<b>47 226</b>	<b>54 938</b>
<b>Funded by:</b>											
National Government		-	-	-	-	-	-	-	25 424	30 172	34 794
Provincial Government		-	-	-	-	-	-	-	36 381	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	-	-	-	-	-	-	-	<b>61 805</b>	<b>30 172</b>	<b>34 794</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	<b>6</b>	-	-	-	-	-	-	-	32 244	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	14 887	17 054	20 144
<b>Total Capital Funding</b>	<b>7</b>	-	-	-	-	-	-	-	<b>108 936</b>	<b>47 226</b>	<b>54 938</b>

## 5. Annual budget tables

The following ten tables set out the municipality's 2017/2018 budget and MTREF to be approved by resolution of Council:

Budget Summary (Table A1)

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>								
<b><u>Financial Performance</u></b>								
Property rates	-	-	-	-	-	94 233	99 887	105 880
Service charges	-	-	-	-	-	198 007	209 888	222 481
Investment revenue	-	-	-	-	-	5 500	5 500	5 500
Transfers recognised - operational	-	-	-	-	-	129 296	163 933	185 886
Other own revenue	-	-	-	-	-	52 344	55 455	58 752
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	-	-	-	-	479 381	534 662	578 499
Employee costs	-	-	-	-	-	186 963	196 315	208 171
Remuneration of councillors	-	-	-	-	-	11 650	12 349	13 090
Depreciation & asset impairment	-	-	-	-	-	28 302	22 419	22 419
Finance charges	-	-	-	-	-	20 105	20 337	19 995
Materials and bulk purchases	-	-	-	-	-	122 737	153 633	171 167
Transfers and grants	-	-	-	-	-	110	110	110
Other expenditure	-	-	-	-	-	128 964	136 601	145 836
<b>Total Expenditure</b>	-	-	-	-	-	498 831	541 764	580 788
<b>Surplus/(Deficit)</b>	-	-	-	-	-	(19 450)	(7 102)	(2 289)
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	61 805	30 172	34 794
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	-	-	-	-	42 355	23 070	32 505
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	-	-	-	-	42 355	23 070	32 505
<b><u>Capital expenditure &amp; funds sources</u></b>								
<b>Capital expenditure</b>	-	-	-	-	-	108 936	47 226	54 938
Transfers recognised - capital	-	-	-	-	-	61 805	30 172	34 794
Public contributions & donations	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	32 244	-	-
Internally generated funds	-	-	-	-	-	14 887	17 054	20 144
<b>Total sources of capital funds</b>	-	-	-	-	-	108 936	47 226	54 938
<b><u>Financial position</u></b>								
Total current assets	-	-	-	-	-	101 875	116 538	130 584
Total non current assets	-	-	-	-	-	883 824	908 631	941 149
Total current liabilities	-	-	-	-	-	121 483	133 643	142 564
Total non current liabilities	-	-	-	-	-	222 286	226 524	231 664
Community wealth/Equity	-	-	-	-	-	641 930	665 001	697 506
<b><u>Cash flows</u></b>								
Net cash from (used) operating	-	-	-	-	-	79 736	63 335	70 077
Net cash from (used) investing	-	-	-	-	-	(108 435)	(46 725)	(54 437)
Net cash from (used) financing	-	-	-	-	-	24 416	(8 937)	(9 002)
<b>Cash/cash equivalents at the year end</b>	-	-	-	-	-	42 207	49 880	56 517
<b><u>Cash backing/surplus reconciliation</u></b>								
Cash and investments available	-	-	-	-	-	52 933	60 606	67 243
Application of cash and investments	-	-	-	-	-	18 015	21 889	22 179
<b>Balance - surplus (shortfall)</b>	-	-	-	-	-	34 918	38 717	45 064
<b><u>Asset management</u></b>								
Asset register summary (WDV)	-	-	-	-	-	873 096	897 903	930 422
Depreciation	-	-	-	-	-	28 302	22 419	22 419
Renewal of Existing Assets	-	-	-	-	-	7 109	2 184	4 150
Repairs and Maintenance	-	-	-	-	-	92 854	98 054	104 037
<b><u>Free services</u></b>								
Cost of Free Basic Services provided	-	-	-	-	-	17 296	18 334	19 434
Revenue cost of free services provided	-	-	-	-	-	1 415	1 499	1 588
<b><u>Households below minimum service level</u></b>								
Water:	-	-	-	-	-	0	0	0
Sanitation/sewerage:	-	-	-	-	-	0	0	0
Energy:	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	0	0	0

## **Explanatory notes 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.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget and indicates that the repayment of loans exceed the envisaged new borrowing;
    - iii. Internally generated funds are financed from a combination of the current operating surplus and input VAT reclaimed on conditional grants. 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 section on 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.

**Budgeted Financial Performance (Revenue and Expenditure by standard classification)**  
**(Table A2)**

Functional Classification 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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>									
<b>Revenue - Functional</b>									
<i><b>Governance and administration</b></i>	-	-	-	-	-	-	204 287	219 596	235 897
Executive and council	-	-	-	-	-	-	1 150	1 211	1 276
Finance and administration	-	-	-	-	-	-	203 137	218 385	234 621
Internal audit	-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>	-	-	-	-	-	-	79 985	69 906	82 303
Community and social services	-	-	-	-	-	-	7 323	7 663	8 107
Sport and recreation	-	-	-	-	-	-	41	43	46
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	72 621	62 200	74 150
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	-	-	-	-	-	-	38 973	40 965	43 523
Planning and development	-	-	-	-	-	-	2 625	2 558	2 811
Road transport	-	-	-	-	-	-	36 348	38 407	40 712
Environmental protection	-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>	-	-	-	-	-	-	217 940	234 367	251 569
Energy sources	-	-	-	-	-	-	87 442	96 039	104 942
Water management	-	-	-	-	-	-	58 460	61 967	65 685
Waste water management	-	-	-	-	-	-	35 599	37 735	39 999
Waste management	-	-	-	-	-	-	36 439	38 626	40 943
<i><b>Other</b></i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	-	-	-	-	-	-	541 185	564 834	613 293
<b>Expenditure - Functional</b>									
<i><b>Governance and administration</b></i>	-	-	-	-	-	-	150 654	157 374	167 426
Executive and council	-	-	-	-	-	-	25 328	26 836	28 435
Finance and administration	-	-	-	-	-	-	123 129	128 209	136 524
Internal audit	-	-	-	-	-	-	2 197	2 328	2 467
<i><b>Community and public safety</b></i>	-	-	-	-	-	-	61 589	89 027	102 544
Community and social services	-	-	-	-	-	-	7 221	7 626	8 056
Sport and recreation	-	-	-	-	-	-	9 647	10 213	10 812
Public safety	-	-	-	-	-	-	2 968	3 145	3 334
Housing	-	-	-	-	-	-	41 753	68 043	80 342
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	-	-	-	-	-	-	85 249	89 572	94 674
Planning and development	-	-	-	-	-	-	10 258	10 644	11 378
Road transport	-	-	-	-	-	-	74 686	78 604	82 954
Environmental protection	-	-	-	-	-	-	305	324	343
<i><b>Trading services</b></i>	-	-	-	-	-	-	201 091	205 530	215 866
Energy sources	-	-	-	-	-	-	73 346	77 363	81 586
Water management	-	-	-	-	-	-	49 670	51 805	54 094
Waste water management	-	-	-	-	-	-	32 119	34 186	35 706
Waste management	-	-	-	-	-	-	45 956	42 175	44 480
<i><b>Other</b></i>	-	-	-	-	-	-	248	262	278
<b>Total Expenditure - Functional</b>	-	-	-	-	-	-	498 831	541 764	580 788
<b>Surplus/(Deficit) for the year</b>	-	-	-	-	-	-	42 355	23 070	32 505

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

1. Table A2 is an illustration 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 enable the National Treasury to compile standardised reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Budget and treasury office.

## Budgeted Financial Performance (Revenue and Expenditure by municipal vote)(Table A3)

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 - Budget and treasury office		—	—	—	—	—	—	175 508	191 056	205 869
Vote 2 - Community and social services		—	—	—	—	—	—	7 323	7 663	8 107
Vote 3 - Corporate services		—	—	—	—	—	—	27 628	27 328	28 752
Vote 4 - Electricity		—	—	—	—	—	—	87 442	96 039	104 942
Vote 5 - Environmental protection		—	—	—	—	—	—	—	—	—
Vote 6 - Executive and council		—	—	—	—	—	—	1 150	1 211	1 276
Vote 7 - Housing		—	—	—	—	—	—	72 621	62 200	74 150
Vote 8 - Planning and development		—	—	—	—	—	—	2 625	2 558	2 811
Vote 9 - Public safety		—	—	—	—	—	—	30 435	32 261	34 197
Vote 10 - Road transport		—	—	—	—	—	—	5 913	6 146	6 515
Vote 11 - Sport and recreation		—	—	—	—	—	—	41	43	46
Vote 12 - Waste management		—	—	—	—	—	—	36 439	38 626	40 943
Vote 13 - Waste water management		—	—	—	—	—	—	35 599	37 735	39 999
Vote 14 - Water		—	—	—	—	—	—	58 460	61 967	65 685
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	—	—	—	—	—	—	541 185	564 834	613 293
Expenditure by Vote to be appropriated	1									
Vote 1 - Budget and treasury office		—	—	—	—	—	—	42 933	45 515	49 245
Vote 2 - Community and social services		—	—	—	—	—	—	7 066	7 463	7 883
Vote 3 - Corporate services		—	—	—	—	—	—	64 766	66 390	70 048
Vote 4 - Electricity		—	—	—	—	—	—	73 346	77 363	81 586
Vote 5 - Environmental protection		—	—	—	—	—	—	305	324	343
Vote 6 - Executive and council		—	—	—	—	—	—	41 353	43 774	46 340
Vote 7 - Housing		—	—	—	—	—	—	41 753	68 043	80 342
Vote 8 - Planning and development		—	—	—	—	—	—	12 263	12 765	13 621
Vote 9 - Public safety		—	—	—	—	—	—	46 486	49 236	52 179
Vote 10 - Road transport		—	—	—	—	—	—	31 167	32 513	34 109
Vote 11 - Sport and recreation		—	—	—	—	—	—	9 647	10 213	10 812
Vote 12 - Waste management		—	—	—	—	—	—	45 956	42 175	44 480
Vote 13 - Waste water management		—	—	—	—	—	—	32 119	34 186	35 706
Vote 14 - Water		—	—	—	—	—	—	49 670	51 805	54 094
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	—	—	—	—	—	—	498 831	541 764	580 788
Surplus/(Deficit) for the year	2	—	—	—	—	—	—	42 355	23 070	32 505

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

1. Table A3 illustrates 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 GFS classification and not necessarily the organisational structure of the Municipality.

Function	Income R'000	Expenditure R'000	Admin Charges R'000	Surplus/(Deficit) R'000
<b>Water</b>	<b>58 460</b>	<b>49 670</b>	<b>5 559</b>	<b>3 231</b>
<b>Electricity</b>	<b>87 442</b>	<b>73 346</b>	<b>4 736</b>	<b>9 360</b>
<b>Waste Water Management</b>	<b>35 599</b>	<b>32 119</b>	<b>3 689</b>	<b>(209)</b>
<b>Refuse Removal</b>	<b>36 439</b>	<b>45 956</b>	<b>5 248</b>	<b>(14 765)</b>

## Budgeted Financial Performance (Revenue and Expenditure) (Table A4)

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	1									
Revenue By Source										
Property rates	2	–	–	–	–	–	–	94 233	99 887	105 880
Service charges - electricity revenue	2	–	–	–	–	–	–	82 544	87 497	92 747
Service charges - water revenue	2	–	–	–	–	–	–	55 916	59 271	62 827
Service charges - sanitation revenue	2	–	–	–	–	–	–	29 771	31 557	33 451
Service charges - refuse revenue	2	–	–	–	–	–	–	29 776	31 563	33 457
Service charges - other								–	–	–
Rental of facilities and equipment								1 920	2 035	2 157
Interest earned - external investments								5 500	5 500	5 500
Interest earned - outstanding debtors								8 000	8 480	8 989
Dividends received								–	–	–
Fines, penalties and forfeits								30 301	32 119	34 046
Licences and permits								55	58	62
Agency services								5 798	6 146	6 515
Transfers and subsidies								129 296	163 933	185 886
Other revenue	2	–	–	–	–	–	–	5 770	6 116	6 483
Gains on disposal of PPE								500	500	500
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	479 381	534 662	578 499
Expenditure By Type										
Employee related costs	2	–	–	–	–	–	–	186 963	196 315	208 171
Remuneration of councillors								11 650	12 349	13 090
Debt impairment	3							50 265	53 281	56 478
Depreciation & asset impairment	2	–	–	–	–	–	–	28 302	22 419	22 419
Finance charges								20 105	20 337	19 995
Bulk purchases	2	–	–	–	–	–	–	68 206	72 298	76 636
Other materials	8							54 532	81 335	94 531
Contracted services		–	–	–	–	–	–	37 130	39 261	42 660
Transfers and subsidies		–	–	–	–	–	–	110	110	110
Other expenditure	4, 5	–	–	–	–	–	–	41 569	44 059	46 699
Loss on disposal of PPE								–	–	–
Total Expenditure		–	–	–	–	–	–	498 831	541 764	580 788
Surplus/(Deficit)										
		–	–	–	–	–	–	(19 450)	(7 102)	(2 289)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)								61 805	30 172	34 794
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)								–	–	–
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	42 355	23 070	32 505
Taxation								–	–	–
Surplus/(Deficit) after taxation		–	–	–	–	–	–	42 355	23 070	32 505
Attributable to minorities								–	–	–
Surplus/(Deficit) attributable to municipality		–	–	–	–	–	–	42 355	23 070	32 505
Share of surplus/ (deficit) of associate	7							–	–	–
Surplus/(Deficit) for the year		–	–	–	–	–	–	42 355	23 070	32 505

## Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure) excluding capital transfers and contributions.

1. Total operating revenue is R541, 185 million in 2017/18 and increases to R613, 293 million by 2019/2020. This represents an increase of 4.4 per cent for the 2018/19 and 8.6 per cent for the 2019/2020 financial year.
2. Revenue to be generated from property rates is R94, 233 million in the 2017/18 financial year and increases to R99, 887 million by 2018/19 which represents 17 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.



3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R198, 007 million for the 2017/18 financial year and increasing to R222, 481 million by 2019/2020. For the 2017/18 financial year services charges amount to 37 per cent of the total revenue base.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. Employee related costs and bulk purchases are the main cost drivers within the municipality.

## Budgeted Capital Expenditure by vote, standard classification and funding (Table A5)

Vote 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
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Vote 2 - Community and social services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Electricity		-	-	-	-	-	-	-	3 450	1 943	750
Vote 5 - Environmental protection		-	-	-	-	-	-	-	-	-	-
Vote 6 - Executive and council		-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport		-	-	-	-	-	-	-	9 194	5 490	14 050
Vote 11 - Sport and recreation		-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management		-	-	-	-	-	-	-	-	834	1 000
Vote 13 - Waste water management		-	-	-	-	-	-	-	17 032	20 684	6 250
Vote 14 - Water		-	-	-	-	-	-	-	3 326	10 421	13 988
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	-	-	-	-	<b>33 002</b>	<b>39 373</b>	<b>36 038</b>
<b>Single-year expenditure, to be appropriated</b>	<b>2</b>										
Vote 1 - Budget and treasury office		-	-	-	-	-	-	-	42	-	-
Vote 2 - Community and social services		-	-	-	-	-	-	-	401	-	-
Vote 3 - Corporate services		-	-	-	-	-	-	-	5 006	-	-
Vote 4 - Electricity		-	-	-	-	-	-	-	10 559	7 000	13 900
Vote 5 - Environmental protection		-	-	-	-	-	-	-	-	-	-
Vote 6 - Executive and council		-	-	-	-	-	-	-	1 813	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	36 381	-	-
Vote 8 - Planning and development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Public safety		-	-	-	-	-	-	-	1 084	-	-
Vote 10 - Road transport		-	-	-	-	-	-	-	626	-	2 000
Vote 11 - Sport and recreation		-	-	-	-	-	-	-	1 600	-	-
Vote 12 - Waste management		-	-	-	-	-	-	-	4 518	700	1 000
Vote 13 - Waste water management		-	-	-	-	-	-	-	-	-	-
Vote 14 - Water		-	-	-	-	-	-	-	13 904	154	2 000
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	<b>75 934</b>	<b>7 834</b>	<b>18 900</b>
<b>Total Capital Expenditure - Vote</b>		-	-	-	-	-	-	-	<b>108 936</b>	<b>47 226</b>	<b>54 938</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	-	-	-	-	-	<b>6 862</b>	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	6 862	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	<b>38 382</b>	-	-
Community and social services		-	-	-	-	-	-	-	401	-	-
Sport and recreation		-	-	-	-	-	-	-	1 600	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	36 381	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	<b>10 904</b>	<b>5 490</b>	<b>16 050</b>
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	10 904	5 490	16 050
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	<b>52 789</b>	<b>41 736</b>	<b>38 888</b>
Energy sources		-	-	-	-	-	-	-	14 009	8 943	14 650
Water management		-	-	-	-	-	-	-	17 230	10 575	15 988
Waste water management		-	-	-	-	-	-	-	17 032	20 684	6 250
Waste management		-	-	-	-	-	-	-	4 518	1 534	2 000
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	-	-	-	-	-	-	-	<b>108 936</b>	<b>47 226</b>	<b>54 938</b>
<b>Funded by:</b>											
National Government		-	-	-	-	-	-	-	25 424	30 172	34 794
Provincial Government		-	-	-	-	-	-	-	36 381	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	-	-	-	-	-	-	-	<b>61 805</b>	<b>30 172</b>	<b>34 794</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	<b>6</b>	-	-	-	-	-	-	-	32 244	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	14 887	17 054	20 144
<b>Total Capital Funding</b>	<b>7</b>	-	-	-	-	-	-	-	<b>108 936</b>	<b>47 226</b>	<b>54 938</b>

## **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. The capital budget of 2017/18 makes provision for an amount of R108, 936 million. This allocation decrease to R47, 226 million in 2018/19 and increase to R54, 938 million in 2019/20.
3. The capital programme is funded from National and Provincial grants, which includes Municipal Infrastructure Grant, National Electrification Grant and Housing, borrowing and internally generated funds from current year surpluses. For 2017/18, capital transfers (excluding VAT) totals R61, 805 million (57 per cent) and decrease to R34, 794 million by 2019/2020. Borrowing has been provided at R32, 244 million for the 2017/18 financial year. Internally generated funding totaling R14, 887 million for 2017/2018 and R20, 144 million for 2019/2020. These funding sources are further discussed in detail in section 12 (Overview of Budget Funding).

## Budgeted Financial Position (Table A6)

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>								
<b>ASSETS</b>								
<b>Current assets</b>								
Cash						2 207	9 880	16 517
Call investment deposits	-	-	-	-	-	40 000	40 000	40 000
Consumer debtors	-	-	-	-	-	50 737	57 727	65 135
Other debtors						3 191	3 191	3 191
Current portion of long-term receivables						1	1	1
Inventory						5 739	5 739	5 739
<b>Total current assets</b>	-	-	-	-	-	101 875	116 538	130 584
<b>Non current assets</b>								
Long-term receivables						2	1	1
Investments						10 726	10 726	10 726
Investment property						59 040	58 478	57 917
Investment in Associate						-	-	-
Property, plant and equipment	-	-	-	-	-	812 583	838 033	871 195
Agricultural						-	-	-
Biological						-	-	-
Intangible						1 473	1 392	1 310
Other non-current assets						-	-	-
<b>Total non current assets</b>	-	-	-	-	-	883 824	908 631	941 149
<b>TOTAL ASSETS</b>	-	-	-	-	-	985 699	1 025 168	1 071 733
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Bank overdraft						-	-	-
Borrowing	-	-	-	-	-	9 813	9 099	8 189
Consumer deposits						4 829	5 118	5 425
Trade and other payables	-	-	-	-	-	57 538	67 164	73 553
Provisions						49 303	52 261	55 397
<b>Total current liabilities</b>	-	-	-	-	-	121 483	133 643	142 564
<b>Non current liabilities</b>								
Borrowing	-	-	-	-	-	122 558	114 045	105 646
Provisions	-	-	-	-	-	99 728	112 480	126 018
<b>Total non current liabilities</b>	-	-	-	-	-	222 286	226 524	231 664
<b>TOTAL LIABILITIES</b>	-	-	-	-	-	343 769	360 167	374 228
<b>NET ASSETS</b>	-	-	-	-	-	641 930	665 001	697 506
<b>COMMUNITY WEALTH/EQUITY</b>								
Accumulated Surplus/(Deficit)						637 062	660 132	692 637
Reserves	-	-	-	-	-	4 868	4 868	4 868
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	-	-	-	-	-	641 930	665 001	697 506

## Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with the standards of Generally Recognized Accounting Practice (GRAP), as with the financial Statements, and improves understandability 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 convertible into cash, or liabilities immediately required to be met from cash, appear first.

3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 112) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

## Budgeted Cash Flows (Table A7)

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates							84 809	89 898	95 292
Service charges							178 207	188 899	200 233
Other revenue							20 210	21 422	22 708
Government - operating							129 296	163 933	185 886
Government - capital							61 805	30 172	34 794
Interest							9 500	9 740	9 994
Dividends							-	-	-
<b>Payments</b>									
Suppliers and employees							(393 454)	(430 457)	(469 531)
Finance charges							(10 527)	(10 163)	(9 189)
Transfers and Grants							(110)	(110)	(110)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	-	-	-	-	-	-	<b>79 736</b>	<b>63 335</b>	<b>70 077</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE							500	500	500
Decrease (Increase) in non-current debtors							1	1	1
Decrease (increase) other non-current receivables							-	-	-
Decrease (increase) in non-current investments							-	-	-
<b>Payments</b>									
Capital assets							(108 936)	(47 226)	(54 938)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	-	-	-	-	-	-	<b>(108 435)</b>	<b>(46 725)</b>	<b>(54 437)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans							-	-	-
Borrowing long term/refinancing							32 244	-	-
Increase (decrease) in consumer deposits							273	290	307
<b>Payments</b>									
Repayment of borrowing							(8 102)	(9 226)	(9 309)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	-	-	-	-	-	-	<b>24 416</b>	<b>(8 937)</b>	<b>(9 002)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	-	-	-	-	-	-	<b>(4 283)</b>	<b>7 673</b>	<b>6 638</b>
Cash/cash equivalents at the year begin:							46 489	42 207	49 880
Cash/cash equivalents at the year end:	-	-	-	-	-	-	<b>42 207</b>	<b>49 880</b>	<b>56 517</b>

## 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. Cash and cash equivalents totals R46, 489 million for 2017/18 financial year and increase to R49, 880 million by the end of 2019/20.

### Cash Backed reserves/accumulated surplus reconciliation (Table A8)

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>								
Cash/cash equivalents at the year end	-	-	-	-	-	42 207	49 880	56 517
Other current investments > 90 days	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	10 726	10 726	10 726
<b>Cash and investments available:</b>	-	-	-	-	-	<b>52 933</b>	<b>60 606</b>	<b>67 243</b>
<b>Application of cash and investments</b>								
Unspent conditional transfers	-	-	-	-	-	2 946	2 946	2 946
Unspent borrowing	-	-	-	-	-	-	-	-
Statutory requirements								
Other working capital requirements	-	-	-	-	-	10 201	14 075	14 365
Other provisions								
Long term investments committed	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments						4 868	4 868	4 868
<b>Total Application of cash and investments:</b>	-	-	-	-	-	<b>18 015</b>	<b>21 889</b>	<b>22 179</b>
<b>Surplus(shortfall)</b>	-	-	-	-	-	<b>34 918</b>	<b>38 717</b>	<b>45 064</b>

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that the situation improve from R34, 918 million surplus to R45, 064 million surplus.

## Asset Management (Table A9)

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand								
<b>CAPITAL EXPENDITURE</b>								
<b>Total New Assets</b>	-	-	-	-	-	65 934	18 389	22 038
Roads Infrastructure	-	-	-	-	-	14 052	4 377	-
Storm water Infrastructure	-	-	-	-	-	10 000	675	13 050
Electrical Infrastructure	-	-	-	-	-	1 000	-	-
Water Supply Infrastructure	-	-	-	-	-	23 173	10 421	8 988
Sanitation Infrastructure	-	-	-	-	-	10 344	2 917	-
Solid Waste Infrastructure	-	-	-	-	-	4 518	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	-	-	-	-	63 087	18 389	22 038
Community Facilities	-	-	-	-	-	50	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	-	-	-	50	-	-
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	190	-	-
<b>Intangible Assets</b>	-	-	-	-	-	190	-	-
<b>Computer Equipment</b>	-	-	-	-	-	162	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	1 080	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	1 365	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	-	-	-	-	-	7 109	2 184	4 150
Roads Infrastructure	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	2 947	650	2 150
Water Supply Infrastructure	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	1 534	2 000
Rail Infrastructure	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	-	-	-	-	2 947	2 184	4 150
Community Facilities	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	119	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	316	-	-
<b>Transport Assets</b>	-	-	-	-	-	3 727	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	-	-	-	-	-	35 894	26 653	28 750
Roads Infrastructure	-	-	-	-	-	526	-	-
Storm water Infrastructure	-	-	-	-	-	4 035	439	3 000
Electrical Infrastructure	-	-	-	-	-	10 062	8 293	12 500
Water Supply Infrastructure	-	-	-	-	-	2 851	154	7 000
Sanitation Infrastructure	-	-	-	-	-	15 481	17 768	6 250
Solid Waste Infrastructure	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-



<b>Infrastructure</b>	-	-	-	-	-	32 956	26 653	28 750
Community Facilities	-	-	-	-	-	351	-	-
Sport and Recreation Facilities	-	-	-	-	-	1 600	-	-
<b>Community Assets</b>	-	-	-	-	-	1 951	-	-
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	250	-	-
Housing	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	-	-	-	-	250	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	455	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	282	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	-	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	14 579	4 377	-
Storm water Infrastructure	-	-	-	-	-	14 035	1 114	16 050
Electrical Infrastructure	-	-	-	-	-	14 009	8 943	14 650
Water Supply Infrastructure	-	-	-	-	-	26 023	10 575	15 988
Sanitation Infrastructure	-	-	-	-	-	25 826	20 684	6 250
Solid Waste Infrastructure	-	-	-	-	-	4 518	1 534	2 000
Rail Infrastructure	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	-	-	-	-	98 990	47 226	54 938
Community Facilities	-	-	-	-	-	401	-	-
Sport and Recreation Facilities	-	-	-	-	-	1 600	-	-
<b>Community Assets</b>	-	-	-	-	-	2 001	-	-
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	250	-	-
Housing	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	-	-	-	-	250	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	190	-	-
<b>Intangible Assets</b>	-	-	-	-	-	190	-	-
<b>Computer Equipment</b>	-	-	-	-	-	617	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	1 481	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	1 681	-	-
<b>Transport Assets</b>	-	-	-	-	-	3 727	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	-	-	-	-	-	108 936	47 226	54 938
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>								
Roads Infrastructure						88 777	90 776	88 397
Storm water Infrastructure						25 109	25 993	41 814
Electrical Infrastructure						81 616	89 277	102 646
Water Supply Infrastructure						147 544	155 542	168 953
Sanitation Infrastructure						188 659	205 913	208 732
Solid Waste Infrastructure						155 526	153 042	151 024
Rail Infrastructure						-	-	-
Coastal Infrastructure						-	-	-
Information and Communication Infrastructure						-	-	-
<b>Infrastructure</b>	-	-	-	-	-	687 232	720 542	761 565
Community Facilities						2 830	2 670	2 511
Sport and Recreation Facilities						1 600	1 600	1 600
<b>Community Assets</b>	-	-	-	-	-	4 430	4 270	4 111
<b>Heritage Assets</b>						-	-	-
Revenue Generating						59 040	58 478	57 917
Non-revenue Generating						-	-	-
<b>Investment properties</b>	-	-	-	-	-	59 040	58 478	57 917
Operational Buildings						83 671	78 379	73 087
Housing						-	-	-
<b>Other Assets</b>	-	-	-	-	-	83 671	78 379	73 087
<b>Biological or Cultivated Assets</b>						-	-	-
Servitudes						-	-	-
Licences and Rights						1 473	1 392	1 310
<b>Intangible Assets</b>	-	-	-	-	-	1 473	1 392	1 310
<b>Computer Equipment</b>						3 056	2 609	2 162
<b>Furniture and Office Equipment</b>						4 888	4 541	4 194
<b>Machinery and Equipment</b>						5 797	5 045	4 293
<b>Transport Assets</b>						23 510	22 647	21 783
<b>Libraries</b>						-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>						-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	-	-	-	-	-	873 096	897 903	930 422

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand								
<b>EXPENDITURE OTHER ITEMS</b>								
<u>Depreciation</u>	-	-	-	-	-	28 302	22 419	22 419
<u>Repairs and Maintenance by Asset Class</u>	-	-	-	-	-	92 854	98 054	104 037
Roads Infrastructure	-	-	-	-	-	20 142	21 204	22 476
Storm water Infrastructure	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	10 730	11 374	12 057
Water Supply Infrastructure	-	-	-	-	-	17 432	18 478	19 587
Sanitation Infrastructure	-	-	-	-	-	15 082	15 987	16 947
Solid Waste Infrastructure	-	-	-	-	-	2 005	2 125	2 253
Rail Infrastructure	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	-	-	-	-	65 392	69 169	73 319
Community Facilities	-	-	-	-	-	9 177	9 503	10 173
Sport and Recreation Facilities	-	-	-	-	-	821	870	922
<b>Community Assets</b>	-	-	-	-	-	9 998	10 373	11 095
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	7 157	7 587	8 042
Housing	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	-	-	-	-	7 157	7 587	8 042
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	3 800	4 028	4 270
<b>Intangible Assets</b>	-	-	-	-	-	3 800	4 028	4 270
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	303	321	340
<b>Machinery and Equipment</b>	-	-	-	-	-	1 134	1 202	1 274
<b>Transport Assets</b>	-	-	-	-	-	5 071	5 375	5 698
<b>Libraries</b>	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	-	-	-	-	-	121 156	120 473	126 456
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	0.0%	0.0%	39.5%	61.1%	59.9%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	0.0%	0.0%	151.9%	128.6%	146.8%
<i>R&amp;M as a % of PPE</i>	0.0%	0.0%	0.0%	0.0%	0.0%	11.4%	11.7%	11.9%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	0.0%	0.0%	0.0%	0.0%	0.0%	16.0%	14.0%	15.0%

## **Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The 2017/18 final capital budget allocation for renewal of existing assets amounts to 39.5% which is marginally below the National treasury requirement. The recommendation on repairs and maintenance are met as the repairs and maintenance spend as a percentage of written down value of assets is 11.4%. The reasons for the compliance to this National Treasury guideline are due to the implementation of mSCOA where the repairs and maintenance is allocated to projects which include all components related to repairs and maintenance. Repairs and maintenance expenditure will also gradually increase to above the guideline levels of 8%. The spending should also be aligned with the municipality's maintenance plans with regard to affordability and other priorities.

## Basic Service Delivery measurement (Table A10)

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
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	26 383	27 175	27 990
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	5 283	5 441	5 604
Using public tap (at least min.service level)	2	-	-	-	-	-	-	5 432	5 595	5 763
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	37 098	38 211	39 357
Using public tap (< min.service level)	3	-	-	-	-	-	-	90	90	90
Other water supply (< min.service level)	4	-	-	-	-	-	-	39	39	39
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	129	129	129
<b>Total number of households</b>	5	-	-	-	-	-	-	37 227	38 340	39 486
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	14 941	15 390	15 851
Flush toilet (with septic tank)		-	-	-	-	-	-	11 994	12 354	12 725
Chemical toilet		-	-	-	-	-	-	75	75	75
Pit toilet (ventilated)		-	-	-	-	-	-	140	140	140
Other toilet provisions (> min.service level)		-	-	-	-	-	-	4 388	4 520	4 655
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	31 538	32 479	33 446
Bucket toilet		-	-	-	-	-	-	70	70	70
Other toilet provisions (< min.service level)		-	-	-	-	-	-	159	159	159
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	229	229	229
<b>Total number of households</b>	5	-	-	-	-	-	-	31 767	32 708	33 675
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	170	170	170
Electricity - prepaid (min.service level)		-	-	-	-	-	-	6 901	6 901	6 901
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	7 071	7 071	7 071
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	820	820	820
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	820	820	820
<b>Total number of households</b>	5	-	-	-	-	-	-	7 891	7 891	7 891
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	33	33	33
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	33	33	33
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	33	33	33
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	4 000	4 000	4 000
Sanitation (free minimum level service)		-	-	-	-	-	-	4 000	4 000	4 000
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	3 000	3 000	3 000
Refuse (removed at least once a week)		-	-	-	-	-	-	4 000	4 000	4 000
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	2 544	2 697	2 858
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	5 823	6 172	6 543
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	2 266	2 402	2 546
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	6 663	7 063	7 487
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		-	-	-	-	-	-	17 296	18 334	19 434
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)								100 000	100 000	100 000
Water (kilolitres per household per month)								6	6	6
Sanitation (kilolitres per household per month)								-	-	-
Sanitation (Rand per household per month)								70	70	70
Electricity (kwh per household per month)								240	240	240
Refuse (average litres per week)										
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)								15	15	15
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		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	-	-	-	-	-	-	15	15	15

## **Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
  - a. Water services
  - b. Sanitation services
  - c. Electricity services
  - d. Refuse services
3. The Threshold to receive FBE in Theewaterskloof is two times the state old age pension. This threshold was decided on after taking into account the socio-economic and other conditions presently prevalent in the Theewaterskloof Municipal area. The methodology behind this threshold is viewed to be one that is practical, fair, equitable, and justifiable and it does not alienate any group of households. The old age pension is viewed as a relatively accurate measurement of poverty and affordability of municipal services. Decreasing the threshold will in any event result in an escalation of bad debt.

## 6. Overview of Annual Budget Process

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- **Political oversight of the budget process**

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that the Mayor of a 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 Executive Mayor (chairperson), councillors and the Municipal Manager and senior officials of the Municipality advising the committee members.

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

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

Budget guidelines were developed by the Budget and Treasury Office and submitted and approved by the Budget Steering Committee. Various Budget Steering Committee meetings were held where the draft budget was discussed. These meetings were held as follows:

- 02 November 2016
- 02 March 2017
- 16 March 2017
- 09 May 2017
- 10 May 2017

Section 21(1) of the MFMA states that the Mayor of a municipality must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

- **Schedule of Key Deadlines relating to budget process [MFMA s21 (1) (b)]**

The IDP and Budget time schedule of the 2017/2018 budget cycle was approved by Council in 24 August 2016, ten months before the start of the budget year in compliance with legislative directives.

- ***Process used to integrate the review of the IDP and preparation of the Budget***

Updating the IDP and Budget is an evolving and re-iterative process over a 10 month period. The initial parallel process commenced with the consultative process of the IDP in 2016 and the update of the MTREF to determine the affordability and sustainability framework at the same time.

The compilation of the new five year IDP process was undertaken in 2016 and will be table for approval March 2017.

- **Process for consultation with each group of stakeholders and outcomes**

Following the tabling of the draft budget in March 2017, local input was solicited via notices published in all newspapers and notices at all town offices as well as the website. Comments on the IDP and Budget was made by the public via verbal presentations, facsimiles, emails and in the form of correspondence to the municipality and was considered for incorporation as part of the final budget approval process.

- **Stakeholders involved in consultations**

The tabled budget was provided to National Treasury and Provincial Treasury in April 2017 for their consideration in line with S23 of the MFMA.

- **Process and media used to provide information on the Budget to the community**

The Municipality's consultation process on its draft IDP and budget was held during April 2017, where various community organisations and representatives may/will come forward to give input. Community representatives and organisations had to review the priorities given previously to ascertain whether it has been captured as priorities during the 2017/18 IDP process.

- **Methods employed to make the Budget document available (including websites)**

In compliance with the Municipal Finance Management Act and the Municipal Systems Act with regards to the advertising of Budget Documents (including the Tariffs, Fees and Charges for 2017/18), advertisements was placed in The Local newspapers. The information relating to resolutions and budget documentation will be displayed on the notice boards in the municipal offices as well as libraries.

In compliance with S 22 of the MFMA, the Budget documentation was published on the municipality's website following the tabling thereof at Council in 29 March 2017 and the approval thereof in May 2017.

### **IDP and Service Delivery and Budget Implementation Plan**

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

- Financial Sustainability
- Good Governance and Clean Audit
- Institutional Capacity Development
- Basic Service Delivery and Infrastructure
- Local Economic Development and Social Upliftment
- Sustainable Housing Programme
- Environmental Sustainability

The IDP has been taken into a business and financial planning process leading up to the 2017/18 MTREF, based on the approved 2016/17 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.



## 7. Overview of Alignment of Annual Budget with IDP

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An IDP should be utilised as a method to plan for future developments in the areas and to find the best solutions to achieve 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. It is important that the IDP developed by municipalities correlate with National and Provincial intent.

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

It is considered that a well-run budget process that incorporates the IDP will facilitate community input, encourage discussion, promote a better understanding of community needs, provide an opportunity for feedback, and improve accountability, transparency, and responsiveness to the needs of the local communities.

### **Vision of Theewaterskloof Municipality**

A Theewaterskloof where all of its people and key stakeholders are working together in establishing and developing a sustainable environment within which all of its people can live in peace, harmony and dignity and an economy able to create working and wealth opportunities for all.

### **Mission of Theewaterskloof Municipality**

To create and sustain an environment which shall enhance the socio-economic development capacity and impact of the Theewaterskloof Municipality in accordance with the Vision as stated above.

### **STRATEGIC FOCUS AREAS (SFA)**

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. The municipality opted to focus on five strategic areas which would result **in it overcoming its challenges and achieving its vision.**

**SFA 1: FINANCIAL VIABILITY****Strategic Goal****Improved Financial Sustainability of the Municipality****Municipal Strategic Focus areas: SFA1: Financial Viability**

<b>Strategic Objective</b>	<b>SO1: Work towards a sustainable future through sound financial management and continuous revenue growth</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Low recovery rate</li> <li>- Reliant on grants (due to high unemployment rate and large indigent population)</li> <li>- Converting to Municipal Standard Chart of Accounts: staffing, financial resources, time constraints, constantly changing legislation formats or directives, national treasury inability to give clear and precise direction</li> <li>- Broadening of the rates base through initiatives aimed at encouraging and stimulating local economy</li> <li>- Cost of compliance</li> <li>- Influx of indigents</li> </ul>
<b>Outcome / Impact</b>	Financial Sustainability and improved audit opinion
<b>Strategic Risks</b>	<ul style="list-style-type: none"> <li>- Implementation of MSCOA</li> <li>- Slow recovery of potential revenue</li> </ul>
<b>Directorate</b>	<b>Financial Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Work towards obtaining a clean audit</li> <li>- Vigorous driving and management of projects of the financial sustainability steering committee</li> <li>- Review Tariff structure</li> <li>- Improved functioning and results of the Revenue Section/improve the collection rate</li> <li>- Improved Financial Management</li> </ul>
<b>Objectives</b>	Improved Financial Management
<b>Alignment with National and Provincial Strategies</b>	
<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Municipal Financial Viability and Management
<b>National Outcome</b>	A responsive and accountable, effective and efficient local government system

<b>National Development Plan (2030)</b>	Developing a capable and Development State
<b>Provincial Strategic Objective</b>	Mainstreaming sustainability and optimising resource-use efficiency
<b>District Strategic Objective</b>	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National Policy and guidelines

#### Main Functions and Sector Plans associated with this SO

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
Good systems, compliance, revenue optimisation, financial sustainability planning	National Treasury and Provincial Treasury; ensuring clean audit	Budgets and 3 yr. plans; SDBIP

## SFA 2: GOOD GOVERNANCE

<b>Strategic Goal</b>	<b>Good Governance and Clean Audit</b>
<b>Municipal Strategic Focus Area</b>	Good Governance
<b>Strategic Objective</b>	<b>SO 2: To provide democratic, responsive and accountable government for the local communities</b>
<b>Challenges</b>	<i>The <u>cost of compliance</u> with increased legislation, regulations and accounting standards is not only costing more without any significant tangible benefits to the communities, it is also time-consuming and counter-productive.</i>
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>- Clean audit</li> <li>- Improved stakeholder relations</li> <li>- Improved communication</li> <li>- Improved community engagements</li> <li>- Functional and effective ward committees</li> </ul>
<b>Strategic Risks</b>	Excessive expectations in relation to institutional capacity
<b>Municipal Directorate</b>	<b>Corporate Services</b>
<b>Departmental Objectives</b>	<ul style="list-style-type: none"> <li>• Improve the functioning of the ward committee system</li> </ul>
<b>Municipal Directorate</b>	<b>Corporate Services</b>
<b>Departmental Interventions</b>	Know your ward campaign Host a Ward Committee Submit

	Ward Councillor Report back Meetings
<b>Municipal Directorate</b>	<b>Office of the MM</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Work towards obtaining a clean audit</li> <li>- Improved relationships</li> <li>- Improved Communication and community involvement</li> </ul>

**Alignment with National and Provincial Strategies**

<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Good Governance and Public Participation
<b>National Outcome</b>	A responsive and accountable, effective and efficient local government system
<b>National Development Plan (2030)</b>	Developing a capable and Development State
<b>Provincial Strategic Objective</b>	Embed good governance and integrated service delivery through partnerships and spatial planning
<b>District Strategic Objective</b>	To ensure Good Governance practice by providing a democratic and proactive accountable government and ensuring community participation through existing IGR structures

**Main Functions and Sector Plans associated with this SO**

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
<b>Council, public and stakeholder participation, ward Committees, policies, bylaws</b>	legislative framework and support	

### SFA 3: INSTITUTIONAL DEVELOPMENT

**Strategic Goal**

**Optimisation of Capacity**

<b>Municipal Strategic Focus Area</b>	Institutional Development
<b>Strategic Objectives</b>	<b>SO3:To ensure a healthy and productive workforce by creating a conducive working environment</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Inadequate systems and SOP's</li> <li>- Lack of office space</li> <li>- Shortage of Fleet (Traffic, refuse removal etc.)</li> </ul>
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>- Improved safety in working environment</li> <li>- Clean audit</li> <li>- Improved processes and productivity</li> <li>- Improved legal compliance</li> </ul>

<b>Strategic Risks</b>	Excessive expectations in relation to institutional capacity
<b>Municipal Directorate</b>	<b>Corporate Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Implement outcome based training strategies and programmes</li> <li>- Continuous review of policies and delegations and by-laws</li> <li>- Establishment of a Municipal Court</li> <li>- Implementation of MCGICT Policies</li> </ul>
<b>Municipal Directorate</b>	<b>Office of the MM</b>
<b>Departmental Interventions</b>	Optimum optimizing of PMS to ensure continuous performance improvement working towards a clean performance audit

**Alignment with National and Provincial Strategies**

<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Municipal Transformation and Institutional Development
<b>National Outcome</b>	A responsive and accountable, effective and efficient local government system
<b>National Development Plan (2030)</b>	Developing a capable and Development State
<b>Provincial Strategic Objective</b>	Mainstreaming sustainability and optimizing resource-use efficiency
<b>District Strategic Objective</b>	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development.

**Main Functions and Sector Plans associated with this SO**

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
<b>Organisational Development, Systems</b>		Operational plan, Performance Management System

<b>Strategic Goal</b>	<b>Optimisation of Capacity</b>
<b>Municipal Strategic Focus Area</b>	Institutional Development
<b>Strategic Objectives</b>	<b>SO4: Refine and improve the institutional capacity of the municipality</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Lack of succession planning</li> <li>- Trained workforce (water, sanitation, road works etc)</li> <li>- Lack/shortage of Man power</li> <li>- Constant changes to systems &amp; service providers creates security risk areas, strain on ICT resources</li> </ul>

<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>- Clean audit</li> <li>- Improved processes and productivity</li> <li>- Improved ICT systems</li> <li>- Improved municipal capacity</li> <li>- Improved legal compliance</li> </ul>
<b>Strategic Risks</b>	Excessive expectations in relation to institutional capacity
<b>Municipal Directorate</b>	<b>Corporate Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Full organisational design investigation</li> <li>- Improve ICT service and infrastructure</li> <li>- Implement outcome based training strategies and programmes</li> <li>- Continuous review of policies and delegations and by-laws</li> <li>- Establishment of a Municipal Court</li> <li>- Implementation of MCGICT Policies</li> </ul>
<b>Municipal Directorate</b>	<b>Office of the MM</b>
<b>Departmental Interventions</b>	Optimum optimizing of PMS to ensure continuous performance improvement working towards a clean performance audit

**Alignment with National and Provincial Strategies**

<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Municipal Transformation and Institutional Development
<b>National Outcome</b>	A responsive and accountable, effective and efficient local government system
<b>National Development Plan (2030)</b>	Developing a capable and Development State
<b>Provincial Strategic Objective</b>	Mainstreaming sustainability and optimizing resource-use efficiency
<b>District Strategic Objective</b>	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development.

**Main Functions and Sector Plans associated with this SO**

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
<b>Organisational Development, Systems</b>		Operational plan, Performance Management System

## SFA 4: BASIC SERVICE DELIVERY

Strategic Goal	Improve Service Delivery Levels	
Municipal Strategic Focus Area	Basic Service Delivery	
Strategic Objective	SO 5: To ensure a continuous and sustainable maintenance, replacement and upgrades of municipal infrastructure	
Challenges	<ul style="list-style-type: none"><li>- Budget (poor payment rate)</li><li>- Shortage of Fleet (Traffic, refuse removal etc.)</li><li>- Lack/shortage of Man power</li></ul>	
Outcome / Impact	<ul style="list-style-type: none"><li>- Provide residents with adequate basic services</li><li>- Sustainable water provision</li><li>- Backlog reduction</li><li>- Maintained fleet</li><li>- Improved electricity provision</li><li>- Rehabilitation and maintenance of urban streets</li></ul>	<ul style="list-style-type: none"><li>- Improved sewerage provision</li><li>- Improved and sustainable solid waste management</li><li>- Increased capacity for sustainable sewerage network</li><li>- Improved storm water network</li><li>- Increased revenue collection</li></ul>
Strategic Risks	<ul style="list-style-type: none"><li>- Bulk water provision</li><li>- Backlog in infrastructure</li></ul>	
Municipal Directorate	Technical Services	
Departmental Interventions	<ul style="list-style-type: none"><li>- Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program</li></ul>	
Municipal Directorate	Operational Services	
Departmental Interventions	<ul style="list-style-type: none"><li>- Day to Day Service Delivery</li><li>- Infrastructure and bulk upgrades</li></ul>	
Alignment with National and Provincial Strategies		
Sphere	Description	
National KPA	Basic Service Delivery	
National Outcome	<ul style="list-style-type: none"><li>- An effective, competitive and responsive economic infrastructure network</li><li>- Protection and enhancement of environmental assets and natural resources</li></ul>	
National Development Plan (2030)	<ul style="list-style-type: none"><li>- Nation building and social cohesion</li><li>- Economy and Development</li></ul>	
Provincial Strategic Objective	Mainstreaming sustainability and optimising resource-use efficiency	
District Strategic Objective	To ensure the Health and safety of all in the Overberg through the provision of efficient basic services and infrastructure	
Main Functions and Sector Plans associated with this SO		

Municipal Functions	Other spheres	Specific Plans
Water, sanitation, roads, transport infrastructure, storm water, waste removal, parks, recreation. Forward Planning and integration with Human Settlements	MIG funds and other external funding, DWA initiatives	Master plans; MIG project plans, Water Services Plans,

<b>Strategic Goal</b>	<b>Improve Service Delivery Levels</b>
<b>Municipal Strategic Focus areas</b>	Basic Service Delivery
<b>Strategic Objective</b>	<b>SO6:To maintain and improve basic service delivery and social amenities for the TWK community</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Lack of adequate sport facilities to cater for all sporting codes</li> <li>- Lack of sport and recreational facilities in rural areas (farms)</li> <li>- Limited budget for implementation of sport programmes</li> <li>- Vandalism of municipal property</li> </ul>
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>- Maintained community facilities</li> </ul>
<b>Strategic Risks</b>	
<b>Municipal Directorate</b>	<b>Operational Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Functioning and effective sport forums in all towns</li> <li>- Perform an audit on all sport facilities</li> <li>- Draft and implement a Sport</li> </ul>

**Alignment with National and Provincial Strategies**

<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Basic Service Delivery
<b>National Outcome</b>	All people in south Africa protected and feel safe
<b>National Development Plan (2030)</b>	Building Safer Communities
<b>Provincial Strategic Objective</b>	Increasing wellness, safety and tackle social ills
<b>District Strategic Objective</b>	To ensure the Health and safety of all in the Overberg through the provision of efficient basic services and infrastructure

**Main Functions and Sector Plans associated with this SO**

Municipal Functions	Other spheres	Specific Plans
Coordinating .facilitating sport, maintenance	MIG funds and other external funding, DCAS	



<b>Strategic Goal</b>	<b>Improve Service Delivery Levels</b>
<b>Municipal Strategic Focus Area</b>	Basic Service Delivery
<b>Strategic Objective</b>	<b>SO7: Improved Environmental Management</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Lack of updated by-laws</li> <li>- Capacity to develop policies</li> </ul>
<b>Outcome / Impact</b>	Sustainable environmental management
<b>Strategic Risks</b>	
<b>Municipal Directorate</b>	<b>Technical Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Conserve and rehabilitate the natural environment</li> <li>- Mitigate the risk of potential disasters</li> <li>- Increased cemetery capacity</li> <li>- Mitigate the risk of potential disasters</li> <li>- Manage the municipality's natural resources (Reserves, public open spaces, waterways)</li> </ul>

**Alignment with National and Provincial Strategies**

<i>Sphere</i>	<i>Description</i>	
National KPA	Basic Service Delivery	
National Outcome	Environmental Sustainability and Resilience	
National Development Plan (2030)	Building Safer Communities	
Provincial Strategic Objective	Increasing safety	
District Strategic Objective	To ensure the Health and safety of all in the Overberg through the provision of efficient basic services and infrastructure	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
Planning and Functioning of Settlements and Conservation,	Planning support (DEADP) and Compliance e.g. NEMA	Law Enforcement Strategy, SDF

<b>Strategic Goal</b>	<b>Improve Service Delivery Levels</b>	
<b>Municipal Strategic Focus Area</b>	Basic Service Delivery	
<b>Strategic Objective</b>	<b>SO8: Increase community safety through traffic policing, bylaw enforcement</b>	
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Shortage of Fleet (Traffic)</li> <li>- Lack/shortage of Man power</li> <li>- Lack of updated by-laws</li> <li>- Theft and vandalism of municipal property, goods and assets</li> <li>- Uncontrolled expanding of informal settlements</li> <li>- Illegal land grabs</li> </ul>	
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>- Increased community safety</li> <li>- Reduced crime within TWK municipal area</li> </ul>	
<b>Strategic Risks</b>	Immigration leading to land invasion and the increase in informal settlements	
<b>Municipal Directorate</b>	<b>Operational Services</b>	
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Establishment of Land Invasion Special Task Team</li> <li>- Effective management of informal settlements</li> <li>- Traffic and Law Enforcement turnaround strategy</li> <li>- Road safety and by-law awareness and building strong community partnerships – “Be part of the solution”</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation of Community Safety Programmes</li> <li>- Establish municipal court</li> <li>- Implement District Safety Plan to address road safety</li> <li>- Training of personnel for effective Law Enforcement</li> </ul>

**Alignment with National and Provincial Strategies**

<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Basic Service Delivery
<b>National Outcome</b>	All people in south Africa protected and feel safe
<b>National Development Plan (2030)</b>	Building Safer Communities
<b>Provincial Strategic Objective</b>	Increasing safety
<b>District Strategic Objective</b>	To ensure the Health and safety of all in the Overberg through the provision of efficient basic services and infrastructure

**Main Functions and Sector Plans associated with this SO**

Municipal Functions	Other spheres	Specific Plans
Traffic, Law Enforcement	DoCS	Law Enforcement Strategy, SDF

<b>Strategic Goal</b>	<b>Improve Service Delivery Levels</b>	
<b>Municipal Strategic Focus Area</b>	Basic Service Delivery	
<b>Strategic Objective</b>	<b>SO9: Ensure the provision of sustainable and integrated Human Settlements through accelerating affordable housing projects</b> <b>SO10: Upgrading of informal settlements and prioritising the most needy in housing allocation</b>	
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Influx of indigent people</li> <li>- Uncontrolled influx of seasonal workers</li> <li>- Insufficient municipal land for housing development</li> <li>- Increased demand for housing</li> <li>- Insufficient Funding</li> </ul>	<ul style="list-style-type: none"> <li>- Security of tenure</li> <li>- Slow delivery of rental opportunities and affordable housing</li> <li>- Land invasion</li> <li>- Weak development control measures</li> <li>- Compliance with national housing policies</li> </ul>
<b>Outcome / Impact</b>	Sustainable integrated human settlements	
<b>Strategic Risks</b>	Immigration leading to land invasion and the increase in informal settlements	
<b>Municipal Directorate</b>	<b>Development Services</b>	
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Strengthen the policy instruments and encourage compliance with legislation</li> <li>- Strengthen policies to manage/control migration</li> <li>- Provision of GAP housing</li> <li>- Provision of economic and social facilities</li> <li>- Ensure unbiased allocation of housing opportunities</li> </ul>	<ul style="list-style-type: none"> <li>- Acquire well located land for planned integrated Human Settlements</li> <li>- Implementation of the Human Settlements Program which includes programs such as IRDP, EHP &amp; EPHP)</li> <li>- Provision and Implementation of serviced sites</li> <li>- Speed up land release to transfer properties</li> </ul>

**Alignment with National and Provincial Strategies**

<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Basic Service Delivery
<b>National Outcome</b>	Sustainable human settlements and improved quality of household life
<b>National Development Plan (2030)</b>	Transforming Human Settlements
<b>Provincial Strategic Objective</b>	Developing integrated and sustainable human settlements

District Strategic Objective	To ensure the Health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
Planning and implementing housing projects with govt funds, GAP housing, managing emerging settlements	DHS, Human Settlement Projects	Human Settlement Plan & Housing Pipeline

## SFA 5: LOCAL ECONOMIC DEVELOPMENT

<b>Strategic Goal</b>	To make Theewaterskloof a desirable place to live and work in	
<b>Municipal Strategic Focus Area</b>	Local Economic Development	
<b>Strategic Objective</b>	<b>SO11:Create an enabling environment in order to maintain existing business and attract new investment into the TWK area</b>	
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- High level of unemployment'</li> <li>- Lack of interest of local labour in working in the Agricultural sector</li> <li>- Poor quality of education</li> <li>- Not enough housing stock in the area to attract paying residents</li> <li>- High level of imports into the municipal area increasing costs.</li> <li>- High level of substance abuse among youth</li> </ul>	
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>• Improved economic growth</li> <li>• Improved social conditions</li> </ul>	
<b>Strategic Risks</b>	Job creation via LED initiatives	
<b>Municipal Directorate</b>	<b>Development Services</b>	
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Implement the Youth Development Strategy in line with National programs such as EPWP, CWP and the youth entrepreneurial project</li> <li>- Encourage investors to invest in TWK (Labour intensive work opportunities in textile industry and agri-processing)</li> <li>- Roll out of Land Disposal Strategy</li> <li>- Expand the Biggest Deal Challenge to develop entrepreneurs</li> <li>- Review of Tourism Structure</li> <li>- SMME/ Contractor development linked to Capital Projects i.e. Housing and Infrastructure</li> </ul>	

### Alignment with National and Provincial Strategies

<i>Sphere</i>	<i>Description</i>
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National KPA	Local Economic Development	
National Outcome	Decent employment through inclusive economic growth	
National Development Plan (2030)	Economy and Development	
Provincial Strategic Objective	Creating opportunities for growth and jobs	
District Strategic objective	To promote local economic development by supporting initiatives in the District for the Development of a sustainable district economy	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
Creating Framework for Growth, Job Creation, Tourism, Specific Projects, PPPs, Town Planning  Health and Safety,, everything to do with soft services and recreation, human development, education and training	DEADP, DoEDT  Thusong initiative, CDWs, DECAS, DoE, DoSD, Rural Development	SDF, LED strategy  Youth Development Strategy. EPWP Strategy, 2030 Strategy, 2030 Projections, Green Economy, Tourism sector plan, Destination Marketing Plan

**Strategic Goal** To make Theewaterskloof a desirable place to live and work in

<b>Municipal Strategic Focus Area</b>	Local Economic Development
<b>Strategic Objective</b>	<b>SO11:Create an enabling environment in order to maintain existing business and attract new investment into the TWK area</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- High level of unemployment'</li> <li>- Lack of interest of local labour in working in the Agricultural sector</li> <li>- Poor quality of education</li> <li>- Not enough housing stock in the area to attract paying residents</li> <li>- High level of imports into the municipal area increasing costs.</li> <li>- High level of substance abuse among youth</li> </ul>
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>• Improved economic growth</li> <li>• Improved social conditions</li> </ul>
<b>Strategic Risks</b>	Job creation via LED initiatives
<b>Municipal Directorate</b>	<b>Development Services</b>

<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Implement the Youth Development Strategy in line with National programs such as EPWP, CWP and the youth entrepreneurial project</li> <li>- Encourage investors to invest in TWK (Labour intensive work opportunities in textile industry and agri-processing)</li> <li>- Roll out of Land Disposal Strategy</li> <li>- Expand the Biggest Deal Challenge to develop entrepreneurs</li> <li>- Review of Tourism Structure</li> <li>- SMME/ Contractor development linked to Capital Projects i.e. Housing and Infrastructure</li> </ul>
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**Alignment with National and Provincial Strategies**

<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Local Economic Development
<b>National Outcome</b>	Decent employment through inclusive economic growth
<b>National Development Plan (2030)</b>	Economy and Development
<b>Provincial Strategic Objective</b>	Creating opportunities for growth and jobs
<b>District Strategic objective</b>	To promote local economic development by supporting initiatives in the District for the Development of a sustainable district economy

**Main Functions and Sector Plans associated with this SO**

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
<b>Creating Framework for Growth, Job Creation, Tourism, Specific Projects, PPPs, Town Planning</b>  <b>Health and Safety,, everything to do with soft services and recreation, human development, education and training</b>	DEADP, DoEDT Thusong initiative, CDWs, DECAS, DoE, DoSD, Rural Development	SDF, LED strategy Youth Development Strategy. EPWP Strategy, 2030 Strategy, 2030 Projections, Green Economy, Tourism sector plan, Destination Marketing Plan

<b>Strategic Goal</b>	<b>Creating and enabling environment favourable for economic and human development in a sustainable manner</b>
<b>Municipal Strategic Focus Area</b>	Local Economic Development
<b>Strategic Objective</b>	<b>SO 13: Improve the social fabric of the TWK Community</b>

## Challenges

- Divided communities
- Isolation and limited access to opportunities
- Patterns of inequality
- Exclusion of marginalised groups (women, disabled & elderly)
- Challenge with availability of land for emerging farmers
- Limited funding for community development programmes

<b>Outcome / Impact</b>	<b>Improved social conditions:</b> <ul style="list-style-type: none"> <li>- Sustainable emerging agricultural sector that contribute to food security</li> <li>- Quality Early Childhood Development facilities and programs</li> <li>- Sustainable SMME's</li> <li>- Decrease in social ills</li> <li>- Increase in social cohesion</li> <li>- Increase in opportunities for the youth</li> <li>- Increase support to the elderly and individuals with disabilities</li> </ul>
<b>Strategic Risks</b>	None identified
<b>Municipal Directorate</b>	<b>Development Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Facilitation of NGO stakeholder</li> <li>- Youth Entrepreneurship and capacity building</li> <li>- Emerging Farmer Support</li> <li>- ECD Sector Facilitation</li> <li>- SMME Support</li> <li>- Facilitate the Comprehensive Rural Development Program (CRDP)</li> <li>- Facilitate Thusong Program</li> <li>- Facilitate Thusong Program</li> </ul>
<b>Alignment with National and Provincial Strategies</b>	
<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Local Economic Development
<b>National Outcome</b>	Decent employment through inclusive economic growth
<b>National Development Plan (2030)</b>	Economy and Development

<b>Provincial Strategic Objective</b>	Creating opportunities for growth and jobs
<b>District Strategic objective</b>	To promote local economic development by supporting initiatives in the District for the Development of a sustainable district economy

**Main Functions and Sector Plans associated with this SO**

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
<b>Creating Framework for Growth, Job Creation, Tourism, Specific Projects, PPPs, Town Planning Health and Safety,, everything to do with soft services and recreation, human development, education and training</b>	DEADP, DoEDT Thusong initiative, CDWs, DECAS, DoE, DoSD, Rural Development	SDF, LED strategy Youth Development Strategy. EPWP Strategy, 2030 Strategy, 2030 Projections, Green Economy, Tourism sector plan, Destination Marketing Plan

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

The 2017/18 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.



# Reconciliation between the IDP strategic objectives and budgeted revenue (Table SA4)

Strategic Objective	Goal	Goal Code	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											
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1							175 508	191 056	205 869
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2							2 761	2 919	3 086
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3							403	427	453
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4							-	-	-
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5							25 264	24 823	26 096
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6							227 592	244 152	262 026
Basic Service Delivery	Improved Environmental Management	SO7							-	-	-
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8							36 233	38 407	40 712
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects,	SO9							72 621	62 200	74 150
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10							-	-	-
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11							802	850	901
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12							-	-	-
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			-	-	-	-	-	-	541 185	564 834	613 293

Reconciliation between the IDP strategic objectives and budgeted operating expenditure  
(Table SA5)

Strategic Objective	Goal	Goal Code	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											
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1							36 948	39 175	42 528
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2							33 784	35 795	37 926
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3							31 245	33 088	35 035
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4							9 036	9 561	10 118
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5							16 205	15 331	16 347
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6							272 268	279 767	293 841
Basic Service Delivery	Improved Environmental Management	SO7							2 832	3 002	3 182
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8							48 508	51 379	54 448
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects,	SO9							40 021	66 207	78 396
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10							1 732	1 836	1 946
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11							6 201	6 572	6 965
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12							50	53	56
Allocations to other priorities											
Total Expenditure			-	-	-	-	-	-	498 831	541 764	580 788

Reconciliation between the IDP strategic objectives and budgeted operating expenditure  
(Table SA6)

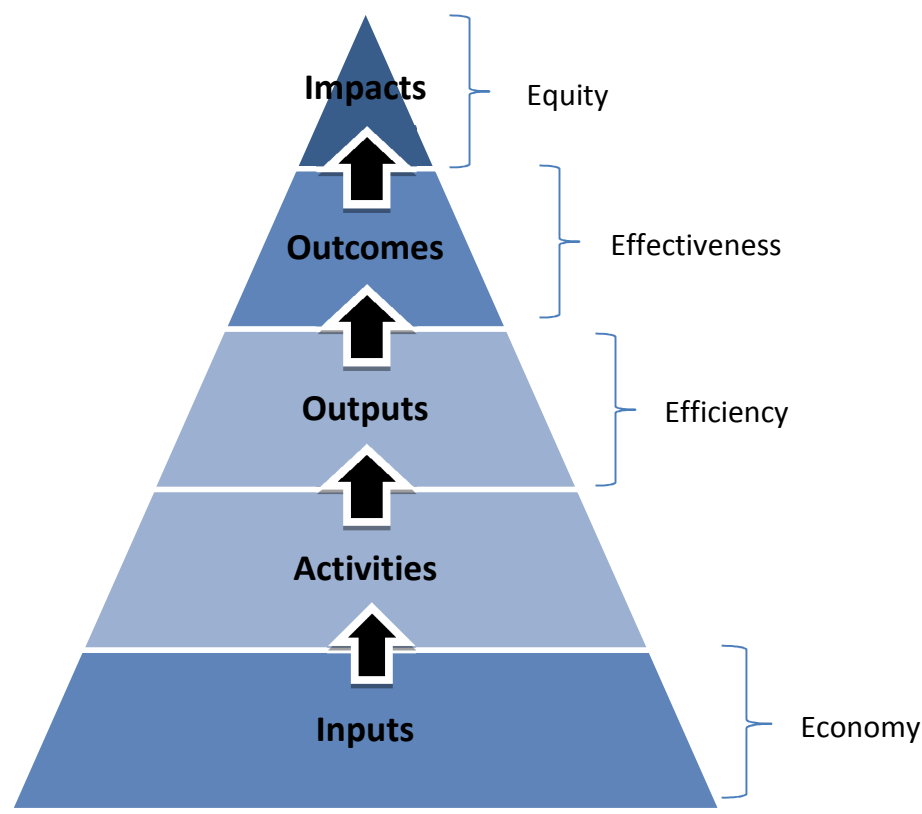
Strategic Objective	Goal	Goal Code	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1							42	-	-
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2							-	-	-
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3							221	-	-
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4							869	-	-
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5							3 917	-	-
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6							66 423	47 226	54 938
Basic Service Delivery	Improved Environmental Management	SO7							-	-	-
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8							1 084	-	-
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects,	SO9							36 381	-	-
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10							-	-	-
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11							-	-	-
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12							-	-	-
Allocations to other priorities											
Total Capital Expenditure			-	-	-	-	-	-	108 936	47 226	54 938

## 8. Measurable performance objectives and Indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

Performance information needs to be structured to demonstrate clearly how the municipality uses available resources to deliver on its strategic objectives.

In managing for results, budgets are developed in relation to inputs, activities and outputs, while the aim is to manage towards achieving the outcomes and impacts. The image below illustrates the relationship between these core performance information concepts.



**Economy indicators:** explore whether specific inputs are acquired at the lowest cost and at the right time.

**Efficiency indicators:** explore how productively inputs are translated into outputs. An efficient operation maximises the level of output for a given set of inputs, or it minimises the inputs required to produce a given level of output.

**Effectiveness indicators:** explore the extent to which the outputs of an institution achieve the desired outcomes. An effectiveness indicator assumes a model of how inputs and outputs relate to the achievement of an institution's strategic objectives and goals.

**Equity indicators:** explore whether services are being provided impartially, fairly and equitably. Equity indicators reflect the extent to which an institution has achieved and been able to maintain an equitable supply of comparable outputs across demographic groups, regions, urban and rural areas, and so on.

The following table sets out the municipalities main performance objectives and benchmarks for the 2017/18 MTREF.

### Key financial indicators and ratios (table SA8)

		Key financial indicators and ratios (Table 6A)									
Description of financial indicator	Basis of calculation	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
<b><u>Borrowing Management</u></b>											
Credit Rating		BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.7%	5.5%	5.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.1%	8.0%	7.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	68.4%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	2061.6%	2061.6%	2517.4%	2342.5%	2170.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	-	-	-	-	-	0.9	0.9	0.8	0.9	0.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	-	-	-	-	-	(0.9)	(0.9)	(1.4)	(1.8)	(2.5)
Liquidity Ratio	Monetary Assets/Current Liabilities	-	-	-	-	-	0.4	0.4	0.3	0.4	0.4
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	90.0%	90.0%	90.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	90.0%	90.0%	90.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.3%	11.4%	11.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	129.3%	128.7%	124.9%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)	2444153	2817158	60626680	2870922	2870922	2870922		3328893	3717042	4553377
	% Volume (units purchased and generated less units sold)/units purchased and generated	1 403	1 617	2 996	2 418	2 418	2 418		3 072	3 976	4 616
		4%	5%	5%	5%	5%	5%		5%	6%	7%
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)	1 072	1 125	1 307	649	649	649		1132123	1188729	1153067
	% Volume (units purchased and generated less units sold)/units purchased and generated	9700839.8	10179955.85	12535930.95	5210683	5210683	5210683		7,234	7,595	7,368
		22%	24%	25%	15%	15%	15%		19%	19%	19%
Employee costs	Employee costs/(Total Revenue - capital revenue)	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	39.0%	36.7%	36.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		41.4%	39.0%	38.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		19.4%	18.3%	18.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.1%	8.0%	7.3%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	-	-	-	-	-	-	18.5	19.2	20.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.3%	19.5%	20.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	-	-	-	-	-	-	-	1.3	1.4	1.5

## Performance indicators and benchmarks

### Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Theewaterskloof Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The municipality's debt portfolio is consisting out of annuity loans. The following financial performance indicators have formed part of the compilation of the 2017/18 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality.
- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is 5.7 per cent in 2017/2018 and decrease to 5 per cent in 2019/20.
- This decrease can be attributed to fewer loans taken up to fund portions of the capital programme. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the municipality has reached its prudential borrowing limits.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

### Safety of Capital

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. Lower figures are more acceptable, showing that the company is predominantly financed by equity whilst high gearing shows an over reliance on borrowings for a significant proportion of the municipality's capital requirements.

### Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and the benchmark would normally be set at a limit of 1, hence at no point in time should this ratio be less than 1. In the 2017/18 financial year the current ratio is 0.8, it shows a increase to 0.9 in the 2018/19 financial year and thereafter the forecasted is 0.9 in 2019/20. Going forward it will be necessary to increase these levels to allow the municipality to be able to pay its liabilities when it falls due.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2017/18 financial year the ratio was 0.3 and is increasing to 0.4 in the 2018/19 financial year.

## **Revenue Management**

As part of the financial sustainability strategy, initiatives have been implemented to increase cash inflow such as prepaid water and electricity meters for all. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Various other interventions are currently in process such as the Grabouw and Tesselaarsdal data cleansing, the restructuring of the revenue function and the task team for revenue management investigating the critical causes of a low collection rate which include systems, processes and data management.

## **Creditors Management**

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. The municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

## **Other Indicators**

- The electricity distribution losses have been set at 3,328,893kw for 2017/18. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity, including prepaid meters.
- The water distribution losses target is set at 1,132,123 kl. Initiatives such as free water leakage repair for indigent and prepaid water meters will assist in this regards.
- Employee costs as a percentage of operating revenue is 39% in the 2017/18 and decrease to 36.7% in 2018/19 and further decreasing in the 2019/20 year to 36%.

## **Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2017/18 financial year R 17 296 provision have been made for indigents household in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water and sanitation, 70 kwh of electricity and free waste removal, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement) on page 24.

## Drinking Water Quality and Waste Water Management in TWK Municipality.

There are eight towns each with its own water and waste water treatment facility that falls under the management of the Theewaterskloof Municipality Authority except, for Caledon (water treatment). The latter receives water from a service provider, Overberg Water.

### 1. Blue Drop Assessment

The Blue Drop Assessment strives to get municipalities to implement incident management protocols and by so doing thereby become more risk averse in their commitment to safe-guard public health in a precautionary manner. The latest report released by the DWS was in 2014.

Nationally there was a decrease in the performance of all municipalities. Theewaterskloof Municipality ranked as the 15<sup>th</sup> best on the Provincial Blue Drop log, with improvements at Botriver, Caledon and RSE. With this audit Risk management had more weighting then previous year. In 2013 TWK drafted their first Water Safety Plan. Implementation of risk mitigation identified in the Water Safety plan has been implemented gradually. The rate of drinking water quality compliance not being according to expectation also contributed to the decline. Each water system was assessed against a set of criteria in a Performance Area. The overall score generated in the specific performance area is displayed in table below.

Performance Area	System	Caledon	Botrivier	Genadendal	Grabouw
Water Safety Planning (35%)		30.29	18.20	16.98	11.20
Treatment Process Management (8%)		8.00	1.20	3.16	2.56
DWQ Compliances (30%)		28.95	29.40	8.10	24.75
Management, Accountability (10%)		7.58	5.40	4.65	5.40
Asset Management (14%)		9.42	9.31	8.79	5.08
Use efficiency, Loss Management (3%)		2.85	2.82	3.00	3.00
Bonus score		1.56	4.55	6.15	5.91
Penalties		0.00	0.00	0.0	0.00
<b>Blue Drop Score</b>		<b>90.63</b>	<b>70.88</b>	<b>50.83</b>	<b>57.90</b>



Performance Area	System	Greyton	Riviersonderend	Tesselaardal	Villiersdorp
Water Safety Planning (35%)		20.48	20.48	17.50	19.5
Treatment Process Management (8%)		3.76	3.16	1.20	5.16
DWQ Compliances (30%)		6.75	18.00	6.75	8.10
Management, Accountability (10%)		4.20	5.40	5.40	5.40
Asset Management (14%)		8.79	6.62	8.47	6.41
Use efficiency, Loss Management (3%)		2.85	2.10	3.00	3.00
Bonus score		5.25	5.97	6.75	5.25
Penalties		1.4	0.00	0.0	0.00
<b>Blue Drop Score</b>		<b>50.68%</b>	<b>61.73%</b>	<b>49.07%</b>	<b>52.82%</b>

## 1.1 Water Safety Plan

Caledon – only system scoring well. Lessons to be learnt from Caledon and implemented at other supply systems. DWS assisted us to draw up these plans for at least one of our town. All role players were involved in this project and complete the plans for the remaining systems. Implementation of Water Safety Plans was gradually implemented. The water Safety plans to be updated to incorporate implementations.

## 1.2 Treatment Process Management

All process controllers and treatment works are registered and uploaded on the Blue and Green drop regulatory systems but, we do not fully comply with regulation 2834 that states, that the registered process controllers comply with the legislative requirements in terms of

- Number of Process Controller per shift
- Complying with the required classification level of the treatment works and that the supervisor preferably on a higher classification level as that of the process controller on shift.

Record keeping of all water related incidents that may have an impact on the immediate or greater community.

It is a Blue and Green Drop necessity to have a qualified process controller on a Water and Wastewater Treatment System. The lack of skilled process controller and supervisors is just one of the many criteria that are needed for Blue & Green Drop Status achievements. At this stage our senior process controllers are in process with NQF 4 training in water & wastewater treatment. This type of training will allow these process controllers to be fully qualified and skilled in their current position.

### **1.3 Drinking Water Quality Compliances**

Drinking water quality compliance were poor particularly in Genadendal, Greyton, Tesselaarsdal and Villiersdorp.

Failure to achieve 100% compliance can be linked to numerous factors including:

- Having no permanent Process Controller at plants to manage changes in water quality.
- Incompetency of the process controller so therefore training needed or
- The process controller doesn't do daily operational monitoring to detect failures earlier before its reach the consumers
- Proper equipment's need to be place in order to do sampling
- Improper implementation of incident reporting regarding failure therefor trigger late response management
- Treatment Works operate above its design capacity or treatment works not design to remove certain parameters. Process audit need to be conducted to see how the treatment can optimize.

### **1.4 Management, Accountability**

Management accountability weight 10% of the total allocated blue drop score. Management commitment is measured by approval of the Water Management Plans, as the municipality has a responsibility towards the direct consumer and broader public that we serve. We therefore need to inform them about the status of the drinking water delivered. Communication is now being done via SLA's; notice boards and data submission to DWS and the DoH.

### **1.5 Asset Management**

The limited implementation of the Operational & Maintenance manuals on site, calibration certificates of water meters and availability of maintenance team competency from service providers influence the overall marked scored in this performance area. Some of the old treatment system lack proper or full O&M manual but with the assistance of Wamtechnology the Operational and Maintenance manuals were compiled.

### **1.6 Water Use Efficiency**

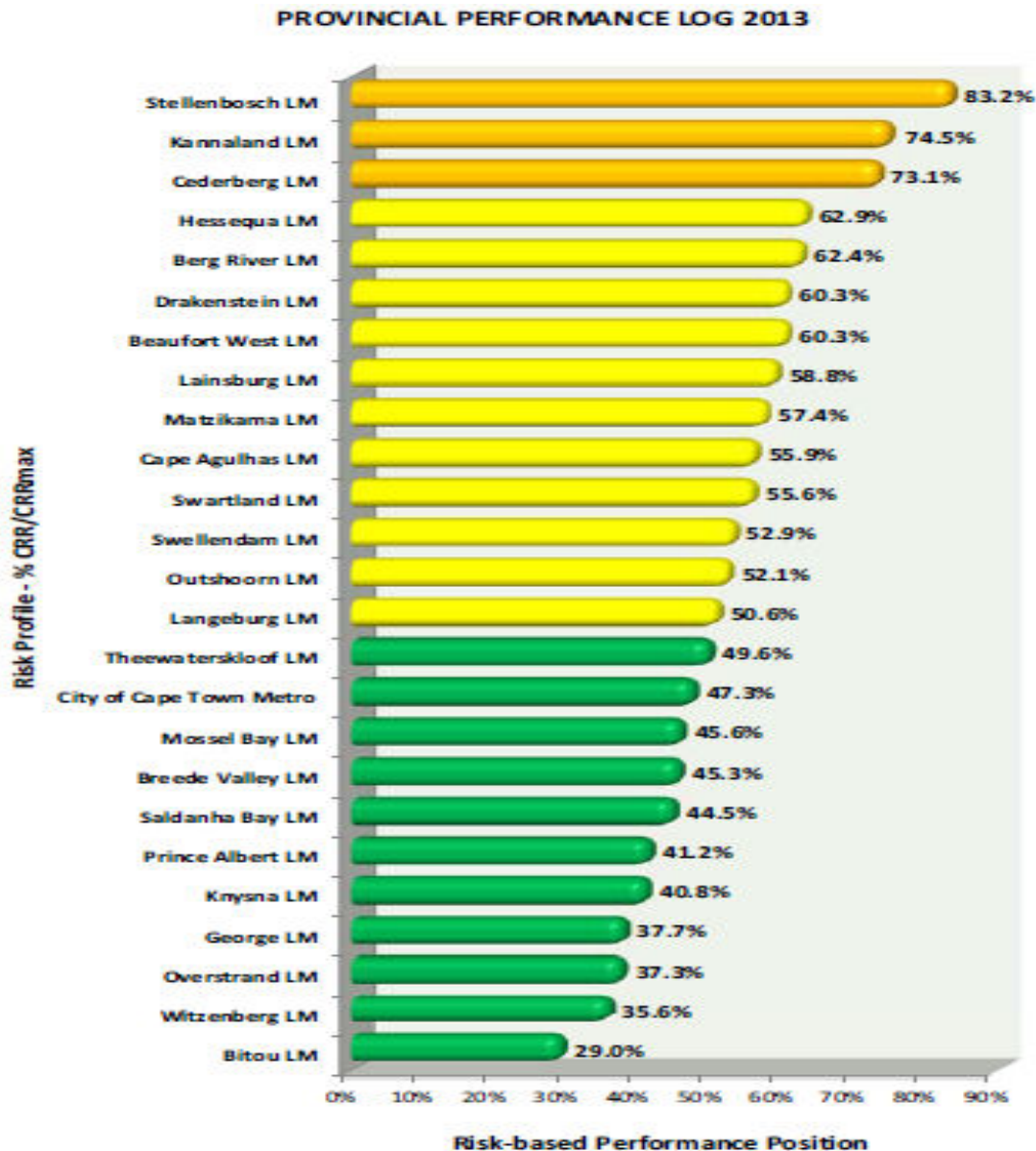
Water use efficiency was good, with good scores in the Tesselaarsdal, Villiersdorp, Genadendal and Grabouw systems.

### **Green drop Assessment (Waste water treatment plants)**

No Green drop assessment was done in 2014, only Critical Risk Ratings were released. Risk-based regulation allows the municipality to identify and prioritize the critical risk areas within its wastewater treatment process and to take corrective measure to abate these. Risk analysis is used to identify, quantify and manage the corresponding risk according to their potential impact on the water source. High/critical risk can be prioritized.

A Cumulative Risk Rating value is calculated for each of the Waste Water Treatment Plants taking into account the plants Design Capacity, Operational Flow, Compliance or non – compliance (PC Classification) and Number of noncompliance trends i.r.t quality of effluent.

Theewaterskloof Municipality ranked 11<sup>th</sup> on the overall Provincial risk profile in 2013 with a low risk of 49%.



According to the 2014 Green drop report that should still be released by DWS Botrivier, Caledon, Grabouw and Villiersdorp Waste Water Treatment Plants performance digressed. Caledon, Grabouw and Villiersdorp is due to hydraulic overload of which the latter two's upgrade are in the finishing stages and should be commissioned soon. Caledon's upgrade is in the concept and feasibility stage.

Genadendal, Greyton and RSE Waste Water Treatment Plants performance improved although Greyton WWTW is still above 60% and is expected to increase.

Current upgrades at Grabouw, Villiersdorp Waste Water Treatment plants will decrease the Critical Risk Rating. Caledon Waste Water Treatment plant has become a high risk. The upgrade as planned for 2017/18 will also decrease the Critical Risk Rating for Theewaterskloof Municipality.

See table below for each towns individual risk rating for the year 2014

The overall Critical Risk Rating % for 2014 is **47.05%** which is a low risk as it is less than 50%. This is lower than the 49.6% of 2013. With the completion of the upgrades it should decrease even more. This will leave only Greyton WWTW as a concern as the risk rating is increasing.

Theewaterskloof Municipality								
% CRR/CRR max	100							
	90							
	80							
	70							
	60							
	50							
	40							
	30							
	20							
	10							
	0							
	<b>Town</b>	<b>Botrivier</b>	<b>Caledon</b>	<b>Genadendal</b>	<b>Grabouw</b>	<b>Greyton</b>	<b>RSE</b>	<b>Villiers dorp</b>
	<b>Rating</b>	<b>41</b>	<b>71</b>	<b>18</b>	<b>59</b>	<b>65</b>	<b>29</b>	<b>65</b>

## **9. Overview of Budget Related Policies**

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The following Budget-Related Policies have been approved by Council or have been reviewed and amended in line with National Guidelines and Legislation.

### **7.1. Tariff Policy**

The municipality wishes to achieve the following by adopting this policy:

1. To comply with the provisions of Section 74 of the Local Government: Municipal Systems Act, 2000 (MSA): the municipality must adopt and implement a Tariff Policy on the levying of fees for municipal services provided by municipality
2. To comply with Section 62(1) (f) of the MFMA which states that the Accounting Officer must ensure that a municipality has and implement a Tariff Policy
3. To prescribe Procedures and Principles (as defined in Section 74 (2) of the MSA for calculating tariffs where the municipality wishes to implement service providers in terms of Section 76(b) of the Act.
4. To give guidance regarding tariff proposals and calculations to provide a framework to determine fair, transparent and affordable charges that also promote sustainable service delivery.

The policy ensures a holistic and comprehensive overview on all the revenues / charges levied.

### **7.2. Credit Control and Debt Collection Policy**

This policy has been formulated and developed in order to comply with Section 96 - 98 of the Local Government: Municipal Systems Act, 2000 which states:

In terms of Section 96 of the MSA a municipality-

- (a) must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and
- (b) for this purpose, must adopt, maintain and implement a Credit Control and Debt Collection Policy which is consistent with its rates and tariff policies and complies with the provisions of the MSA.

This policy is also aimed at guiding officials in the legislative implementation of processes necessary to ensure optimal revenue generation and collection. Increased revenue forms the basis for effective service delivery, infrastructure development, and economic growth.

In line with the objective of creating a vibrant and growing municipality, the Credit Control, and Debt Collection Policy is also aligned to the Batho-Pele Principles.

### **7.4. Cash Management and Investment Policy**

In terms of Section 13 (2) of the Municipal Finance Management Act, 2003 the municipality must establish an appropriate and effective Cash Management and Investment Policy.

The objectives of the policy are to ensure optimal performance with the least possible risk, in managing and investing the cash resources of the municipality and to ensure transparency, accountability, and appropriate lines of responsibility.

### **7.5. Grant in Aid Policy**

A Grant in Aid Policy was developed and approved by council in 28 October 2010 in terms of Section 67 of the MFMA.

It deals with processes and procedure to be followed when the municipality allocates grants to other institutions in an equitable and transparent manner and in line with IDP Objectives.

Provisions and disclosure must be made for Allocations under consideration in the final budget and other prescribed budget related documents for public comments.

Applications are made in line with Section 67 of the MFMA and the policy on a prescribed application form. The name of the institution, grant amount and description should be disclosed on the Grant Statement.

### **7.6. Asset Management Policy**

This policy has been designed to assist management and officials of the Theewaterskloof Municipality with the description and management procedures for Property, Plant and Equipment, Intangible Assets, and Investment Property.

It further aims to ensure that the assets of the municipality are properly accounted for, marked and to ensure that assets are utilized and maintained in an economic, effective, and efficient manner to ensure optimal utilization, value for money and sustainable service delivery.

### **7.7. Risk Management Policy**

Section 62 (1) of the MFMA requires that the Accounting Officer takes all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of Financial and Risk Management, of internal control and of internal audit as well as the effective, efficient, and economical use of the resources of the municipality.

The purpose of the Risk Management Policy is to enable the municipality not only to comply with legislation but also to manage risks by reducing/eliminating the likelihood and impact of risks in a pro-active, responsible and structured manner.

### **7.8. Virement Policy**

Virement is process of transferring funds from one line item to another within one vote with the approval of the relevant Senior Manager and CFO, to enable Budget Manager to transfer funds from one vote line-item with anticipated savings to another.

The aim is to improve financial controls over the processes and procedures of transferring funds and to ensure accountability and improved Budgetary Control.

### **7.9. Anti-Corruption Policy**

To ensure that the Municipality is in compliance with the Municipal Systems Act, Act No 32 of 2000 which requires the Municipality, amongst other things to develop and adopt appropriate systems and procedures that contribute to effective and efficient management of the municipality and its resources.

### **7.10. Funds and Reserves Policy**

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;

- Cash backed accumulated funds from previous years' surpluses not committed for other purposes. and
- Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced with if the funding sources have been considered, are available and have not been committed for other purposes.

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines in ensuring financial viability over both the short- and long term and includes funding- as well as reserves requirements.

#### **7.11. Short Term Insurance Policy**

The MFMA was introduced with the following objective:

- *The object of this Act is to secure sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for—*
  - a. *ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities;*
  - b. *the management of their revenues, expenditures, assets and liabilities and the handling of their financial dealings;*

The objective of this Short Term Insurance Management Policy is to ensure that the;

- municipality has transparent Insurance claim processes and procedures;
- general public are informed about the correct processes & procedures when filing a claim with the municipality;
- general public are aware of the required documentation when filing a claim with the municipality;
- managers and staff are aware of their responsibilities with regards to insurance management;
- managers and staff are informed about the correct processes & procedures when reporting;
- managers and staff are aware of the required documentation when filing a claim with the municipality;
- unions are informed about the correct processes & procedures;
- unions are aware of the required documentation;

All the above-mentioned Policies were approved by Council and are reviewed at least annually. The policies are available on the municipality's website.

#### **a) Policy on the Writing-Off of Irrecoverable Debt**

The purpose of this policy is to ensure that the principles and procedures for the writing-off of irrecoverable debt are formalised to ensure that consumers (especially households) are relieved of their spiral of debt.

## 10. Overview of Budget Assumptions

**The Challenge** of the International, National and Local Economy is limited Resources versus unlimited needs. Theewaterskloof Municipality is no exception as the unlimited needs of the community as outlined in the IDP are far more than the limited revenue and resource capacity of the municipality. This is largely the reason for adopting Financial Viability as one of our long-term themes defined as improved sustainable revenue capacity versus sound financial resource management.

The Ministerial Advisory Committee defines **Financial Viability** as “the ability of a local authority to fulfil its constitutional and legislative responsibilities. Resources to fulfil these obligations are derived from both the Equitable Share received and distributed nationally, as well as the revenue a municipality can raise locally”.

### It is important to highlight the following assumptions:

#### **Expenditure:**

- **Salaries:**  
Increase is 9.85%
- **Councillors Remuneration:**  
6% increase is budgeted for.  
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).
- **Eskom Bulk Electricity Tariff**  
Bulk purchases will increase with 2, 2% (With the final approval of NERSA)
- **Bulk Water Tariff:**  
No indication (although recommended that no increase be provided for Overberg water board)

#### **Revenue**

- **Tariffs& Revenue Projections:**  
Tariffs must be cost-reflective as far as possible because any subsidisation places a burden on another group of consumers. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible.

Increases are as follows:

<b>Particulars</b>	<b>2017/18</b>
Property Rates	13.49%
Water	8.99%
Sewerage	9.11%
Electricity (subject to NERSA approval)	1.88%
Refuse Removal	7.03%

- **Households**  
It is assumed that the total number of households in the municipal area (the tax base) will stay stable during the financial year.



- **Collection rate for municipal services**

It is assumed that the collection rate (percentage of service charges recovered) for the financial year will be the same as the previous payment rate. In accordance with relevant legislation and national directives, the estimated revenue recovery rates are based on realistic and sustainable trends. The Municipality's collection rate is set at 90%. Adequate provision is made for non-recovery

- **Grants**

It is assumed that the National and Provincial grants as per the Division of Revenue Bill (DORA Bill) which has been included in the budget will be received during the 2017/18 financial year.

- **Indigents**

We provided for +/- 7,590 Households. This figure seems to be realistic as there are many occupants of RDP Houses whether the beneficiaries or not who would qualify for Indigents Subsidy. Revenue Cost = R17 296 million.

The following problem areas are key factors to be addresses to ensure that the municipality is financial viable:

- Subsidisation of rates funded services from trading services
- No contribution to a capital replacement reserve fund
- 1. Productivity and Cost Cutting Measures
- 2. Ageing Infrastructure and inadequate provision for repairs and maintenance
- 3. Out-dated fiscal model and limited grant funding for the benefit of indigent communities only
- 4. Institutional capacity and development sustainability
- 5. Uncontrolled Influx of Indigent People
- 6. Narrow Revenue Base of the municipality
- 7. Lack of Accurate Data Required for Longer Term Financial Planning
- 8. Unfunded/Underfunded Mandates

**“Mind the Gap”** has been identified in a previous financial year. It remains relevant as it is crucial to narrow the gap between the expectations of the departments, the wider community of TWK and the financial and other resource capacity of the municipality. This includes managing and reducing high stakeholders/ community expectations and increasing capacity/ resources/ efficiency and effectiveness. First, it is important to determine/ assess the financial health and potential (where we are). Then match available resources and potential resources (including financial) against Service Delivery, Infrastructure and Capital Needs for the next 5 years.

**Local Economic Development (LED)** is a very important focus area as we need to broaden our Revenue Capacity by developing in the area. The Successful implementation of the Local Economic Development Strategy is a very important to enhance the Financial Viability of the municipality as LED have a definite impact on job creation, development, etc.

The Primary Focus of LED is:

- Social and Economic Development and Tourism.
- Tourism promotion and destination marketing
- SMME Development and Support

## **Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2017/18 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors, such as Demographics, Socio-Economic and Financial Factors and Principles and planning strategies have informed the compilation of the 2017/18 MTREF:

- CPI
- Interest Rates
- Fuel Price
- Economic Growth
- Economic Recession/ Job Losses
- Councillor's and Officials' Remuneration
- Debt Collection Rate
- Tariff Adjustment
- Indigent Increase
- Informal Settlement Control
- Migration/ Population Increase
- Equitable Share
- Bulk Purchase Tariff Increase

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars have been taken into consideration in the planning and prioritisation process.

## **Economic Growth**

This 2017/2018 budget has to be prepared at the back of what is happening in the local, national and international economy

## **South African Economy**

- Economic growth estimate for 2016 has been revised down to 0.5% from 0.9%.
- Income growth has been uneven – the bottom 20% have benefited from social grants and better access to services, the top 20% have benefited from the rising demand for skills and pay increases. Those in the middle have been left behind.
- Wealth remains highly concentrated – 95% of wealth is in the hands of 10% of the population.
- 35% of the labour force are unemployed or have given up hope of finding work.
- National Treasury forecasts a moderate recovery over the next three years.
- Aim is to reach 2.2% in 2019.
- It is possible as supply-side constraints become less binding, global economy recovers, and business and consumer confidence rebound.
- Inflation forecast has been revised down to 6.4% for 2016.
- Inflation is expected to remain close to 6% annually over the medium term.
- Household consumption expenditure growth is projected to reach 2.3% in 2019.
- Investment by general government is expected to average 4.8% growth.
- Investment by public corporations is to reach 2.3% growth in 2019.
- Government has budgeted R987.4 billion for infrastructure over the next three years.
- Rapid progress on National Development Plan reforms can bolster confidence and promote investment.

Slower growth in the region and global trade weakness limit export potential. This 2017/2018 budget has to be prepared at the back of what is happening in the local, national and international economy.

Sluggish growth and volatility look set to remain features of the world economy for some time to come. This has led to downward revisions of economic growth forecasts, particularly for developing countries, in South Africa's case; these difficulties are compounded by structural factors weak business confidence and low household demand have limited growth.

### **Economic outlook and forecast**

The expectation at this stage is that GDP growth will increase from 0.5 per cent last year to 1.3 per cent in 2017, and will continue to improve moderately over the medium term.

- The services sector was the main contributor to growth in 2016, bringing nearly 120 000 new work opportunities.
- Mining continued to underperform while manufacturing output was supported by buoyant sales in petrochemicals, food and beverages and motor vehicles. Mining and manufacturing employment declined by 80 000 jobs in 2016.
- Weak business confidence and low levels of profitability weighed on investment across all sectors.
- Though the policy interest rate has increased by 2 percentage points since 2014, inflation ended the year above the target, with food prices continuing to reflect the impact on agriculture of poor rainfall.
- Lower growth in our trading partners in Africa and elsewhere has contributed to sluggish export earnings.

Unemployment remains SA's single greatest economic and social challenge. Government measures include tax incentives for employment and investment, support for enterprise development, skills development and employment programmes.

In 2007 the labor force in South Africa was 16,984 million, whereby 4,336 million was unemployed. This means that 25.5 percent of the labor force was unemployed.

In 2017 the labor force is 21,849 million whereas 5,781 million is unemployed, hence 26.5 percent of the labor force is unemployed. This results in a 1 percent increase from 2007 until 2017.

In South Africa, the unemployment rate measures the number of people actively looking for a job as a percentage of the labor force. However, as much of South Africa's unemployment problem is structural in nature, it needs to be addressed through structural microeconomic interventions, and the new growth path, as outlined by government, goes some way in this direction.

### **The Local Economy**

TWK supports this initiative by utilizing the Expanded Public Works Program (EPWP). Theewaterskloof comprised R5.401 billion (or 40.51 per cent) of the Districts total R13.33 billion GDPR at the end of 2015. GDP growth averaged 4.46 per cent per annum over the period 2005 – 2015. This is above the District average of 3.96 per cent. The municipality's average annual growth of 3.33 per cent in the post-recessionary period still outperforms the District average of 2.97 per cent for this period.

The Municipality employed 45.8 per cent (57 518 laborers) of the Overberg District's labor force in 2015, and experienced a moderate employment growth of 1.7 per cent per annum since 2005, which was below the overall district employment growth rate of 2.2 per cent per annum. Employment growth has nevertheless picked up significantly in the post-recessionary period (2010 - 2015) averaging 3.3 per cent per annum (which is now above the district's rate of 3.0 per cent over the period 2010 – 2015).

### **Guideline from National Treasury to Strengthen Municipalities**

Government continues to invest in improving the financial capability of municipalities. In the period ahead, National Treasury and provincial treasuries have agreed to focus their efforts on four “game changers”:

- The new Municipal Standard Chart of Accounts, which will be implemented from 1 July 2017, contributing to greater transparency and consistency of municipal finances.
- Targeted supply chain management interventions to achieve cost savings and combat fraud.
- Enhanced revenue management, including appropriate tariff-setting, regular billing and effective collection systems.
- Improved asset management, including adherence to 8 per cent of the value of assets being spent on their maintenance.

If we make progress in local financial management, we will transform the lives of millions of people<sup>1</sup>

### **Tariff Adjustment**

A “zero-base” approach to improve on tariff setting, ensuring that the principles of benefit received, cost of service and cost-recovery, affordability and sustainability is taken into consideration.

A Briefing- Session was conducted and one-on-one Sessions were held with Directorates Operations, Development and Technical Services and Town Managers on 07 and 08 February 2017.

These engagements were dedicated to tariffs and the process of rationalization of services, identification of various categories of consumers, the level of services rendered/demanded and the levying of appropriate cost-recovery tariffs.

### **Factors impacting on Tariff Increases**

The following factors were taken into consideration when calculating proposed tariff increases:

- Affordability
- Economic Recession, Job Losses
- Councillors Remuneration
- Personnel Cost
- Escalating Fuel Prices
- Economic Indicators (CPI, Interest Rates)

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<sup>1</sup> 2017 Budget Speech

- Escalating Bulk Purchases Prices (Water and Electricity)
- Increasing Indigents
- Electricity Bulk Price Increases (Eskom)
- Repairs and Maintenance
- Willingness and Ability to Pay
  - ✓ The Level/Standard of Service: the higher the level and standard, the higher the tariffs.
  - ✓ Benefit Received
  - ✓ Affordability
  - ✓ Reputation: Good Governance
  - ✓ Good Service Delivery also ensures improved willingness to pay
  - ✓ Recover of Capital and Usage Costs

#### Deliverables

- The possibilities of Rationalisation of Tariffs (number reduced)
- Tariffs and Tariff Policy simplified for easy understanding and enhanced transparency.
- Service Delivery Cost fully calculated and tariffs should reflect full cost.
- Tariff Setting ensures the Sustainability of Services.
- Tariff Policy must reflect the Financial Strategies.

#### Tariff Goals

- Revenue Sufficiency
- Affordability of services
- Promoting local economic development
- Wasteful use of service discourage
- Rate of return on assets (in order to ensure allowance is made for the future expansion of infrastructure)

### **Equitable Share**

The Equitable Share increased from **R69, 861 m** in 2016/17 to **R77, 911 m** 2017/18.

<b>Years</b>	<b>Equitable Share '000</b>	<b>Indigent Subsidy '000</b>	<b>Subsidy as a % of Equitable Share</b>
<b>2012/2013</b>	<b>53 343</b>	<b>20 492</b>	<b>38%</b>
<b>2013/2014</b>	<b>57 262</b>	<b>22 914</b>	<b>40%</b>
<b>2014/2015</b>	<b>62 481</b>	<b>27 500</b>	<b>44%</b>
<b>2015/2016</b>	<b>63 908</b>	<b>32 922</b>	<b>52%</b>
<b>2016/2017</b>	<b>69 861</b>	<b>22 896</b>	<b>33%</b>
<b>2017/2018</b>	<b>77 911</b>	<b>17 296</b>	<b>22%</b>

### **Indigents Subsidy**

The number of indigent Households is projected to increase. This anticipated increase is mainly caused by high levels of unemployment in the Theewaterskloof region, Agricultural Seasonal Employment and Influx of Indigent people seeking greener pastures. This trend will have a significant impact on the Equitable Share Grant Allocation.

## **Informal Settlement Control**

It is evident that squatter control is becoming an unavoidable issue which needs to be managed more pro-effectively. The municipality is actively pursuing ideas to establish a squatter control unit to address this issue.

## **Migration/ Population Increase**

According to the census 2001 Theewaterskoof had a population of 93,276, and the results of the 2011 census the population is 108,790 which shows an estimated increase of 14%.

The population growth is especially in the Grabouw and Villiersdorp. Farms is due to the agriculture sector being one of the major economic activities in TWK. The agriculture sector, more intensively in the Fruit production is labour-intensive and seasonal. These farm workers are only economically active for a certain period of the year and can contribute to revenue (municipal service) only during that period.

The result of the increase in the population is that there is an increase pressure on our public services such as Clinics, Law Enforcement, and our infrastructure and land availability for houses.

## **Community Consultation**

The draft 2017/18 MTREF was tabled before Council on 29 March 2017 for community consultation and was published on the municipality's website, and hard copies made available at customer care offices, municipal notice boards and various libraries.

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

Ward Committees and Town Advisory Forum, which serve as the representative forums of stakeholders and form the link between the Municipality and the community, was utilised to facilitate the community consultation process during April 2017, and included nine public briefing sessions. The applicable dates and venues was published in all the local newspapers.

## 11. Overview of Budget and Funding

In terms of Section 18 of the Municipal Finance Management Act, an Annual Budget may only be funded from:

- Realistically anticipated revenues to be collected
- Cash backed accumulated funds from previous years surpluses not committed for other purposes
- Borrowed funds, but only for the Capital Budget (Fixed assets, Infrastructure, Property, Plant and Equipment)

The budget recognizes compliance to the following:

- Credible, consistent and responsive to the municipality's IDP
- Funded and achievable in terms of service delivery
- Institutional Needs Analyses and takes into consideration Risk Analyses, Internal, and External Factors impacting on service delivery.
- Contains Revenue and Expenditure Projections that are consistent with current and past year performances.
- The municipality has overcome all the major obstacles which had an impact on its capacity to spend its budget and render services. These include blockages in the form of staff, policies, procedures, and processes.
- Does not jeopardize the Financial Viability of the municipality.

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal and property rates.

Revenue was based on:

- Growth in the municipality and economic development
- Revenue management and enhancement
- Achievement of 90 per cent annual collection rate for consumer revenue
- Electricity tariff increase within the National Electricity Regulator of South Africa (NERSA) approval
- Achievement of full cost recovery of specific user charges
- Determining tariff escalation rate by establishing/calculating revenue requirements
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

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

The following illustrate the difference between the 2016/17 and 2017/18 tariff increase:

<b>Particulars</b>	<b>2016/17</b>	<b>2017/18</b>
Property Rates	9.89%	13.49%
Water	7.70%	8.99%
Sewerage	6%	9.11%
Electricity (subject to NERSA approval)	5%	1.88%
Refuse Removal	7.90%	7.03%

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R198, 007 million for the 2017/18 financial year and increasing to R222, 481 million for the 2019/20 financial year

Operational grants and subsidies amount to R129, 296 million, R163, 933 million and R185, 886 million for each of the respective financial years of the MTREF.

Investment revenue actual performance will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

#### Monetary investments by type (Table SA15)

Investment type	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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>								
<b>Parent municipality</b>								
Securities - National Government						-	-	-
Listed Corporate Bonds						-	-	-
Deposits - Bank						50 726	50 726	50 726
Deposits - Public Investment Commissioners						-	-	-
Deposits - Corporation for Public Deposits						-	-	-
Bankers Acceptance Certificates						-	-	-
Negotiable Certificates of Deposit - Banks						-	-	-
Guaranteed Endowment Policies (sinking)						-	-	-
Repurchase Agreements - Banks						-	-	-
Municipal Bonds						-	-	-
<b>Municipality sub-total</b>	-	-	-	-	-	50 726	50 726	50 726
<b>Entities</b>								
Securities - National Government						-	-	-
Listed Corporate Bonds						-	-	-
Deposits - Bank						-	-	-
Deposits - Public Investment Commissioners						-	-	-
Deposits - Corporation for Public Deposits						-	-	-
Bankers Acceptance Certificates						-	-	-
Negotiable Certificates of Deposit - Banks						-	-	-
Guaranteed Endowment Policies (sinking)						-	-	-
Repurchase Agreements - Banks						-	-	-
<b>Entities sub-total</b>	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>	-	-	-	-	-	50 726	50 726	50 726



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

Detail of borrowings (Table SA17)

Borrowing - Categorized by type	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
<b>Parent municipality</b>									
Annuity and Bullet Loans						-	122 558	114 045	105 646
Long-Term Loans (non-annuity)						-	-	-	-
Local registered stock						-	-	-	-
Instalment Credit						-	-	-	-
Financial Leases						-	-	-	-
PPP liabilities						-	-	-	-
Finance Granted By Cap Equipment Supplier						-	-	-	-
Marketable Bonds						-	-	-	-
Non-Marketable Bonds						-	-	-	-
Bankers Acceptances						-	-	-	-
Financial derivatives						-	-	-	-
Other Securities						-	-	-	-
<b>Municipality sub-total</b>	-	-	-	-	-	-	122 558	114 045	105 646
<b>Total Borrowing</b>	-	-	-	-	-	-	122 558	114 045	105 646

### 1.3 Cash flow Management

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

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

## Budget cash flow statement (Table A7)

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates							84 809	89 898	95 292
Service charges							178 207	188 899	200 233
Other revenue							20 210	21 422	22 708
Government - operating							129 296	163 933	185 886
Government - capital							61 805	30 172	34 794
Interest							9 500	9 740	9 994
Dividends							-	-	-
<b>Payments</b>									
Suppliers and employees							(393 454)	(430 457)	(469 531)
Finance charges							(10 527)	(10 163)	(9 189)
Transfers and Grants							(110)	(110)	(110)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	-	-	-	-	-	-	<b>79 736</b>	<b>63 335</b>	<b>70 077</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE							500	500	500
Decrease (Increase) in non-current debtors							1	1	1
Decrease (increase) other non-current receivables							-	-	-
Decrease (increase) in non-current investments							-	-	-
<b>Payments</b>									
Capital assets							(108 936)	(47 226)	(54 938)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	-	-	-	-	-	-	<b>(108 435)</b>	<b>(46 725)</b>	<b>(54 437)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans							-	-	-
Borrowing long term/refinancing							32 244	-	-
Increase (decrease) in consumer deposits							273	290	307
<b>Payments</b>									
Repayment of borrowing							(8 102)	(9 226)	(9 309)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	-	-	-	-	-	-	<b>24 416</b>	<b>(8 937)</b>	<b>(9 002)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	-	-	-	-	-	-	<b>(4 283)</b>	<b>7 673</b>	<b>6 638</b>
Cash/cash equivalents at the year begin:							46 489	42 207	49 880
Cash/cash equivalents at the year end:	-	-	-	-	-	-	42 207	49 880	56 517

### 1.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

## Cash backed reserves/accumulated surplus reconciliation (Table A8)

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>								
<b>Cash and investments available</b>								
Cash/cash equivalents at the year end	-	-	-	-	-	42 207	49 880	56 517
Other current investments > 90 days	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	10 726	10 726	10 726
<b>Cash and investments available:</b>	-	-	-	-	-	<b>52 933</b>	<b>60 606</b>	<b>67 243</b>
<b>Application of cash and investments</b>								
Unspent conditional transfers	-	-	-	-	-	2 946	2 946	2 946
Unspent borrowing	-	-	-	-	-	-	-	-
Statutory requirements								
Other working capital requirements	-	-	-	-	-	10 201	14 075	14 365
Other provisions								
Long term investments committed	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments						4 868	4 868	4 868
<b>Total Application of cash and investments:</b>	-	-	-	-	-	<b>18 015</b>	<b>21 889</b>	<b>22 179</b>
<b>Surplus(shortfall)</b>	-	-	-	-	-	<b>34 918</b>	<b>38 717</b>	<b>45 064</b>

From the above table it can be seen that the cash and investments available total R18, 015 million in the 2017/18 financial year and increase to R22, 179 million by 2019/20, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.
- There is no unspent borrowing from the previous financial years. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. It needs to be noted that, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.
- Other provision liability is informed by, amongst others, the supplementary pension liability.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites and quarries.

The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

## 1.5 Funding compliance measurement

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

Funding compliance measurement (Table SA10)

Description	MFMA section	Ref	2013/14	2014/15	2015/16	2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Funding measures</b>								
Cash/cash equivalents at the year end - R'000	18(1)b	1	–	–	–	42 207	49 880	56 517
Cash + investments at the yr end less applications - R'000	18(1)b	2	–	–	–	34 918	38 717	45 064
Cash year end/monthly employee/supplier payments	18(1)b	3	–	–	–	1.3	1.4	1.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	–	–	–	42 355	23 070	32 505
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(0.0%)	0.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	82.3%	82.3%	82.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	17.2%	17.2%	17.2%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	68.4%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10				100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0.0%	0.0%	0.0%	13.0%	12.2%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	(35.1%)	(54.1%)
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	11.4%	11.7%	11.9%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	6.5%	4.6%	7.6%

### 1.5.1.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2017/18 MTREF shows R42, 207 million, R49, 880 million and R56, 517 million for each respective financial year.

### 1.5.1.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A8, on page 19. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

### 1.5.1.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash

position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. The ratio for the period 2017/18 is 1.3 and increase to 1.5 for the 2019/20. Currently it is estimated that the municipality will have 1.3 months cash available (2017/18), although the municipality's aim is to improve this ratio to at least two months. This measure will have to be carefully monitored going forward.

#### *1.5.1.4 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2017/18 MTREF the indicative outcome is a surplus excluding depreciation off sets of R42 million, R23 million and R33 million.

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

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

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above the percentage for the 2017/18 MTREF is 6 and 0 for the outer years. The outcome is lower than it should be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

#### *1.5.1.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 82.3 each of the respective financial years. Given that the assumed collection rate for rates and service charges was based on a 90 per cent performance target, the cash flow statement has been conservatively determined.

#### *1.5.1.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad

debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 17.2 per cent over the MTREF.

#### *1.5.1.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 68.4 per cent of own funded capital.

#### *1.5.1.10 Transfers/grants revenue as a percentage of Government transfers/grants available*

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

#### *1.5.1.11 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. The ratio reflected in 2017/18 financial year for current consumer debtors and long term receivables percentage change are 0.00% .

#### *1.5.1.12 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table SA34C on page 90. As previously illustrated the municipality has a relatively low expenditure percentage on Repairs and Maintenance.

#### *1.5.1.13 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table SA34b on page 88.

## 12. Expenditure on allocations and grant programmes

Expenditure on allocations and grant programmes (Table SA19)

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	-	-	-	-	-	-	85 641	94 222	103 599
Local Government Equitable Share							77 911	87 508	95 078
Expanded Public Works Programme [Schedule 5B]							1 621	-	-
[Schedule 5B]							1 700	1 700	1 700
Municipal Infrastructure Grant [Schedule 5B]							4 041	4 154	4 470
[Schedule 5B]							368	860	1 351
5B]							-	-	1 000
Other transfers/grants [insert description]									
<b>Provincial Government:</b>	-	-	-	-	-	-	43 655	69 711	82 287
Capacity Building							240	360	480
Community Development Workers							130	130	130
Human Settlement Development							36 240	62 200	74 150
Library Service							6 718	7 021	7 427
Maintenance of Main Roads							115	-	-
Thusong Centre							212	-	100
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
N/A									
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
N/A									
<b>Total operating expenditure of Transfers and Grants</b>	-	-	-	-	-	-	129 296	163 933	185 886
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	-	-	-	-	-	-	25 424	30 172	34 794
Municipal Infrastructure Grant [Schedule 5B]							22 792	24 032	25 145
(Municipal Grant) [Schedule 5B]							2 632	6 140	9 649
<b>Provincial Government:</b>	-	-	-	-	-	-	36 381	-	-
Library Service							-	-	-
Human Settlements							36 381	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
N/A									
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
N/A									
<b>Total capital expenditure of Transfers and Grants</b>	-	-	-	-	-	-	61 805	30 172	34 794
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	-	-	-	-	-	-	191 101	194 105	220 680

Salaries, allowances & benefits (political office bearers, councillors/senior managers)(Table SA23)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
<b>Councillors</b>							
Speaker	1	717 531	–	31 182			748 713
Chief Whip	–	–	–	–			–
Executive Mayor	1	896 915	–	31 182			928 097
Deputy Executive Mayor	1	717 531	–	31 182			748 713
Executive Committee	5	3 363 433	–	155 909			3 519 342
Total for all other councillors	19	5 112 408	–	592 452			5 704 860
<b>Total Councillors</b>	<b>27</b>	<b>10 807 817</b>	<b>–</b>	<b>841 907</b>			<b>11 649 724</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)	1	1 145 600	46 371	112 420	89 527		1 393 918
Chief Finance Officer	1	984 966	123 630	130 955	98 903		1 338 454
Directorate: Corporate Services	1	942 948	15 111	88 036	71 358		1 117 453
Directorate: Technical Services	1	942 948	15 111	88 036	71 358		1 117 453
Directorate: Operations	1	988 097	104 683	110 718	95 992		1 299 490
Directorate: Development	1	942 948	15 111	88 036	71 358		1 117 453
<b>Total Senior Managers of the Municipality</b>	<b>6</b>	<b>5 947 505</b>	<b>320 018</b>	<b>618 201</b>	<b>498 495</b>		<b>7 384 220</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>33</b>	<b>16 755 322</b>	<b>320 018</b>	<b>1 460 108</b>	<b>498 495</b>		<b>19 033 944</b>



## Summary councillor and staff benefits (Table SA22)

Summary of Employee and Councillor remuneration	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
	A	B	C	D	E	F	G	H	I
<b><u>Councillors (Political Office Bearers plus Other)</u></b>									
Basic Salaries and Wages							10 808	11 456	12 144
Pension and UIF Contributions							-	-	-
Medical Aid Contributions							-	-	-
Motor Vehicle Allowance							-	-	-
Cellphone Allowance							842	892	946
Housing Allowances							-	-	-
Other benefits and allowances							-	-	-
<b>Sub Total - Councillors</b>	-	-	-	-	-	-	11 650	12 349	13 090
<b>% increase</b>		-	-	-	-	-	-	6.0%	6.0%
<b><u>Senior Managers of the Municipality</u></b>									
Basic Salaries and Wages							5 948	6 304	6 683
Pension and UIF Contributions							189	200	212
Medical Aid Contributions							48	51	54
Overtime							-	-	-
Performance Bonus							498	528	560
Motor Vehicle Allowance							439	466	493
Cellphone Allowance							125	133	141
Housing Allowances							23	24	26
Other benefits and allowances							114	121	128
Payments in lieu of leave							-	-	-
Long service awards							-	-	-
Post-retirement benefit obligations							-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	-	-	-	-	-	-	7 384	7 827	8 297
<b>% increase</b>		-	-	-	-	-	-	6.0%	6.0%
<b><u>Other Municipal Staff</u></b>									
Basic Salaries and Wages							123 941	129 512	137 360
Pension and UIF Contributions							21 038	22 300	23 638
Medical Aid Contributions							5 745	6 090	6 456
Overtime							5 228	5 542	5 875
Performance Bonus							-	-	-
Motor Vehicle Allowance							9 429	9 995	10 595
Cellphone Allowance							522	553	586
Housing Allowances							1 507	1 597	1 693
Other benefits and allowances							5 000	5 300	5 618
Payments in lieu of leave							1 800	1 908	2 022
Long service awards							1 793	1 901	2 015
Post-retirement benefit obligations							3 575	3 790	4 017
<b>Sub Total - Other Municipal Staff</b>	-	-	-	-	-	-	179 579	188 488	199 874
<b>% increase</b>		-	-	-	-	-	-	5.0%	6.0%
<b>Total Parent Municipality</b>	-	-	-	-	-	-	198 613	208 664	221 261
		-	-	-	-	-	-	5.1%	6.0%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	-	-	-	-	-	-	198 613	208 664	221 261
<b>% increase</b>		-	-	-	-	-	-	5.1%	6.0%
<b>TOTAL MANAGERS AND STAFF</b>	-	-	-	-	-	-	186 963	196 315	208 171

## Summary of personnel numbers (Table SA24)

Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)								27	-	-
Board Members of municipal entities	4							-	-	-
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3							6	-	2
Other Managers	7							29	29	-
Professionals		-	-	-	-	-	-	182	181	-
Finance								7	7	-
Spatial/town planning								12	12	-
Information Technology								4	4	-
Roads								33	33	-
Electricity								21	20	-
Water								45	45	-
Sanitation								16	16	-
Refuse								11	11	-
Other								33	33	-
Technicians		-	-	-	-	-	-	137	128	13
Finance								76	67	4
Spatial/town planning										
Information Technology										
Roads								16	16	-
Electricity										
Water										
Sanitation										
Refuse										
Other								45	45	9
Clerks (Clerical and administrative)								51	51	-
Service and sales workers								68	64	2
Skilled agricultural and fishery workers								-	-	-
Craft and related trades								-	-	-
Plant and Machine Operators								36	26	-
Elementary Occupations								126	126	123
<b>TOTAL PERSONNEL NUMBERS</b>	9	-	-	-	-	-	-	662	605	140
<b>% increase</b>					-	-	-	-	-	-
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10							83	74	4
Human Resources personnel headcount	8, 10							6	6	2

### **13. Annual Budgets and Service delivery and Budget Implementation plans- Internal Departments**

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The Functional performance of the municipality provides comprehensive information on the implementation of the SDBIP and the relevant Functional Area reporting schedule:

- a. A detailed departmental SDBIP will be available on the website of TWK Municipality.

The functional breakdown per Directorate is as follows:

#### **Corporate Service:**

##### **Legal Advisory**

- Both the Director and deputy Director Corporate Services are the Legal Officers for the organisation and provide legal support to all Directorates

##### **Administration**

- Give administrative support to the Council and its political structures
- Corporate support for other Directorates and Town offices
- Provision of secretariat services to all directorates
- The management of the municipality's incoming and outgoing mail including the distribution and dispatch of correspondence to and from the public
- The management of access to records
- The management of Security and Cleaning Services

##### **Human Resources**

- Ensuring a skilled workforce through training and selection
- Ensuring sound HR administration
- Ensuring an informed labour force by practicing sound labour relations
- Ensuring a sound organisational structure

##### **Information Technology**

- The Information Technology department serves as support function for the whole of the organization:
- Maintaining the IT and communication Infrastructure
- Facilitate the integration of information systems
- Establishing and maintaining proper backup procedures and systems
- Ensuring information security

#### **Development Services:**

##### **Integrated Development Planning**

This department provides a unique support service to all departments, community and council. It is responsible for the coordination and management of the IDP process, Organisational Performance Management, Annual Reporting, Service Delivery and Budget Implementation Plan, and Social Development

##### **Local Economic Development (LED) and Tourism**

- Create an enabling environment for economic development
- Increase economic opportunities for people

- Promote intergovernmental collaboration
- Build local Capacity
- Encourage PPP in Local economic Development
- Monitor and evaluate LED strategy.
- Capacitate SMME's

#### **Housing and Integrated Human Settlement**

- The function of this department is to facilitate, manage and maintain low cost housing development within the Theewaterskloof Municipality

#### **Property Management**

- The Property Management section has to ensure that Municipal owned immovable assets are managed efficiently, effectively and economically and are dealt with in a manner which will ensure the maximum benefit to the municipality and the community

### **Financial Services:**

#### **Expenditure and Supply Chain Management**

- Salaries: Implementation of approved payroll, paying of salaries, allowances and accounting for payroll implementation
- Creditors: Payment and recording of creditors' payments and reconciliations
- Supply Chain Management: Responsible for the Administration and Management of Procurement of goods and services (i.e. Acquisition Management in particular)
- Bank Reconciliation
- Administration and Management of Investments
- Administration and Management of Loans
- Maintain Professionalism, Honesty, Integrity and Internal Controls

#### **Revenue Management**

- Facilitation and application for Municipal Services
- Debtors Billing Administration and Management
- Meter Reading
- Administration of Clearance Certificates
- Rendering of Monthly Consumer / Rates Debtors Accounts
- Debtors Customer Care and Query Administration
- Receipting and bank revenue management
- Credit Control, Debt Collection and Indigents Management
- Maintain Professionalism, Honesty, Integrity and Internal Controls

#### **Budget Office**

- Budget
- In-year Reporting
- Annual Financial Statements,
- Budgetary Management and Control
- Asset Management
- Insurance Management
- Costing Services (commenced in September 2009)
- Financial Viability
- Co-ordinate Financial Policy Formulation

- Financial Management Workshops under leadership of CFO
- Maintain Professionalism, Honesty, Integrity and Internal Controls

### **Technical Service:**

#### **Water Distribution and Treatment**

- (Supply potable water in accordance with (SABS 241) to the residents within its jurisdiction. In terms of Schedule 4B of the Constitution: "Water and Sanitation Services limited to potable water supply systems")

#### **Roads**

- The TheewaterskloofMunicipality is responsible for the roads and storm water reticulation within the towns of the WC031 established municipal area. The Roads and Storm water Division functions as a division on its own headed by the Assistant manager of each town. This unit has 85 trained technical, artisans and other operational staff

#### **Electricity Distribution**

The electricity purchase and distribution functions of the municipality are administered as follows and include:

- The effective and efficient distribution and reticulation of energy in the following towns (Caledon, Villiersdorp, Greyton and Riviersonderend. Grabouw, Genadendal, Tesselaarsdal, Botrivier and Middleton reside within Eskom jurisdiction)
- Distribute electricity subject to the license conditions set by NERSA

#### **Electricity/Street lighting**

- Provide adequate street lighting for urban areas
- Maintain/Repair of faulty street lights
- Upgrade of existing services as well as new developments
- These services extend to include Theewaterskloof (Caledon, Greyton, Riviersonderend and Villiersdorp, but do not take account rural areas such as Tesselaarsdal, Botrivier, Grabouw, Genadendal which resides within the jurisdiction of provincial Government

#### **Waste Water Management (Sewerage)**

- TheewaterskloofMunicipality provides sewerage collection systems, comprising water borne sewer networks, bucket removal system and vacuum tanker service where necessary, and treats the collected effluent at 7 sewage treatment plants. Further services include the provision and maintenance of communal toilets in informal areas

#### **Solid Waste Management**

- Theewaterskloof municipality is responsible for the day to day operations in every town and for the removal and collection of the waste, cleaning of road reserves and most public open places. There are three Transfer-stations in the Municipal jurisdiction, one in Grabouw, Villiersdorp and the other in Botriver. Caledon has a licensed waste site but Genadendal, Greyton and Riviersonderend is not permitted yet.

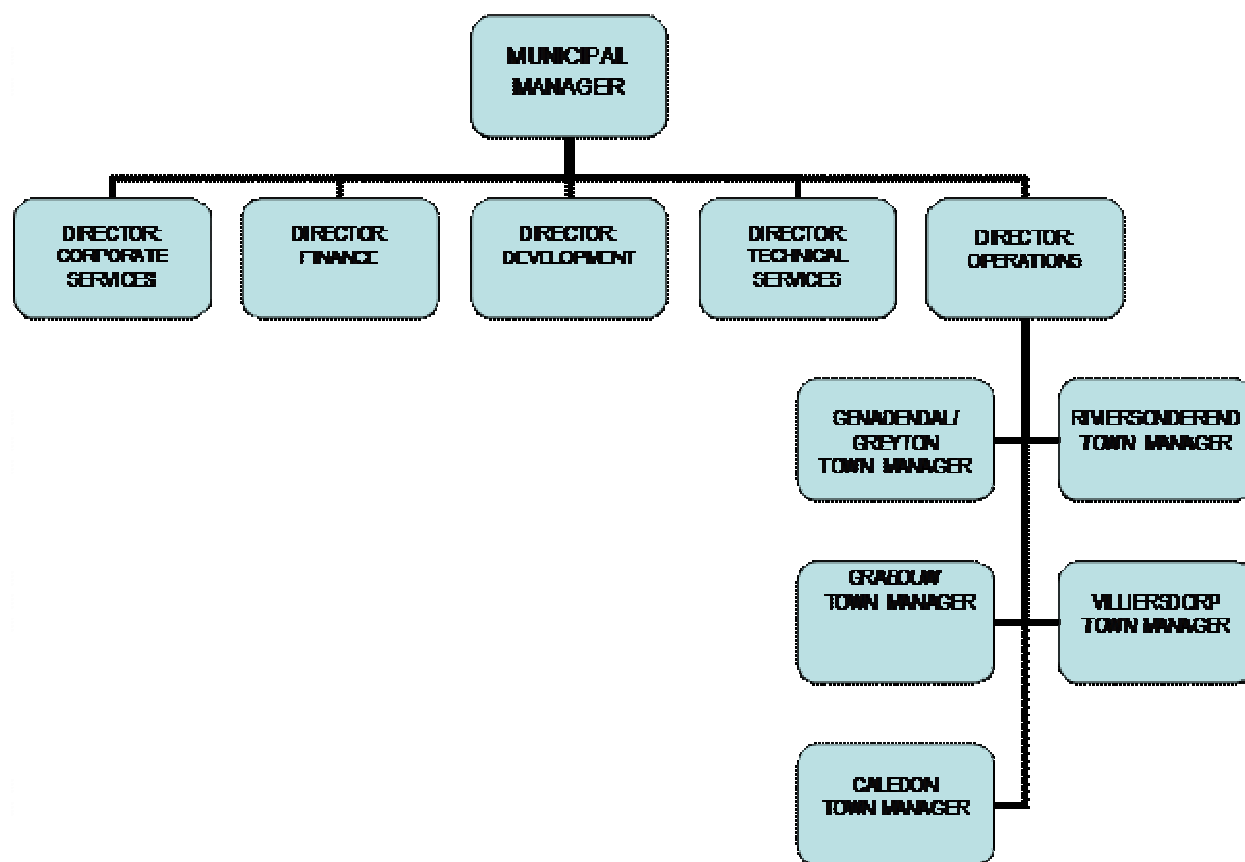
#### **FleetManagement**

- To manage and maintain all fleet of the municipality.
- To provide sufficient municipal services to all residence within the municipal boundary.

### **OPERATIONS**

- Responsible for the day-to-day to service delivery within all Theewaterskloof Towns.

## Senior Management Capability and Structure



## 14. Capital expenditure details

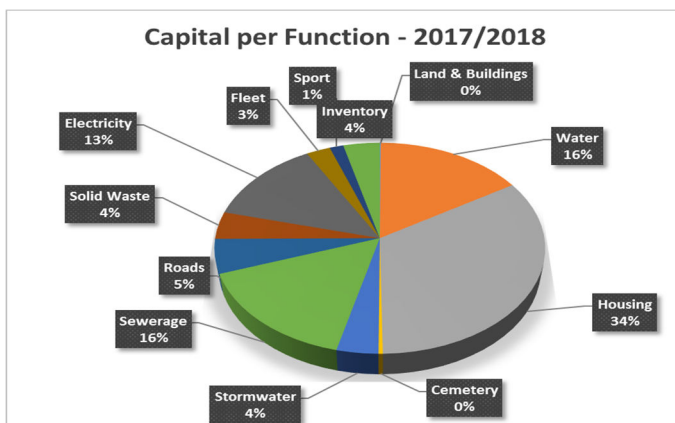
In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees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

### Capital Budget

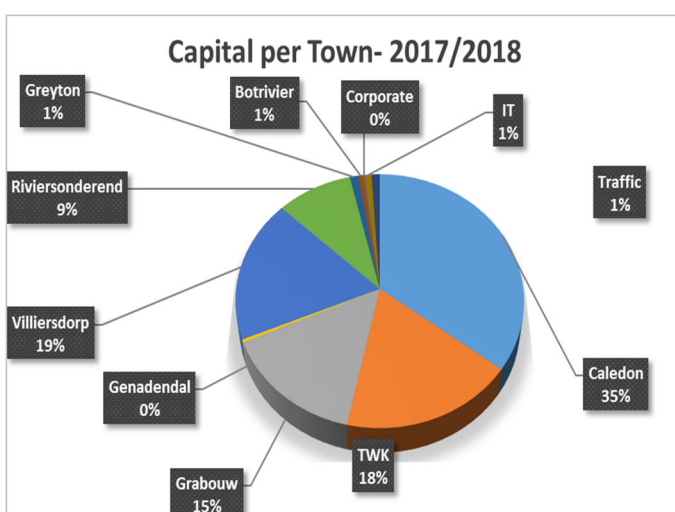
The capital budget per function, town and per funding source is illustrated below:

The Capital Budget amounts to R108, 941 million in 2017/18, R47, 226million in 2018/19 and R54, 938 million in 2019/20.

CAPITAL PER FUNCTION	
CAPITAL PER FUNCTION	2017/2018
Land & Buildings	100 000
Water	17 229 824
Housing	36 381 000
Cemetery	400 877
Stormwater	4 035 088
Sewerage	17 032 192
Roads	5 684 920
Solid Waste	4 517 544
Electricity	14 009 000
Sport	1 600 000
Fleet	3 731 757
Inventory	4 219 000
	<b>108 941 201</b>



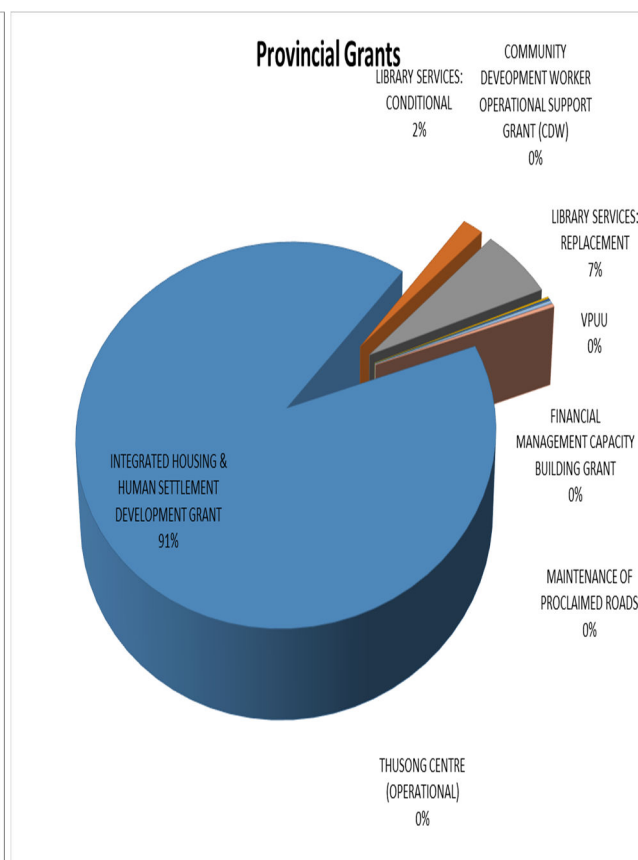
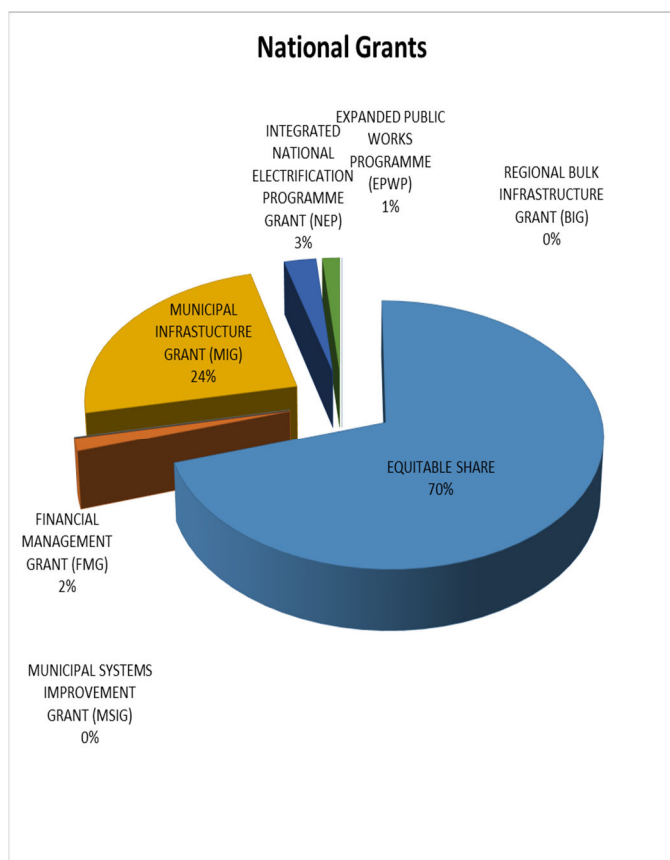
CAPITAL PER TOWN	
CAPITAL PER TOWN	2017/2018
Caledon	38 115 716
TWK	20 454 145
Grabouw	16 168 500
Genadendal	370 048
Villiersdorp	19 815 562
Riviersonderend	10 050 981
Greyton	1 140 750
Botrivier	565 000
Corporate	307 500
IT	869 000
Traffic	1 084 000
	<b>108 941 201</b>



CAPITAL FUNDING SOURCES	2017/2018
MIG	22 792 105
OWN FUNDS	3 559 316
LOANS	32 249 201
NEP	2 631 579
CAPITAL OUT OF REVENUE	8 766 000
CRR	2 562 000
HOUSING GRANT	36 381 000
	<b>108 941 201</b>

The table below reflects the 2017 Division of Revenue Act Grant Allocations

<b>GRANT ALLOCATIONS 2017/2018</b>				
<b>NATIONAL ALLOCATIONS</b>				
GRANT		2017/18	2018/2019	2019/2020
		BUDGET	BUDGET	Budget
		R'000	R'000	R'000
EQUITABLE SHARE		77 911 000	87 508 000	95 078 000
EQUITABLE SHARE FORMULA	OPEX	77 911 000	87 508 000	95 078 000
SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION	OPEX	-	-	-
FINANCIAL MANAGEMENT GRANT (FMG)	OPEX	1 700 000	1 700 000	1 700 000
MUNICIPAL SYSTEMS IMPROVEMENT GRANT (MSIG)	OPEX	-	-	1 000 000
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	OPEX	26 833 000	28 186 000	29 615 000
OPERATING CAPITAL	OPEX	850 000	789 474	950 000
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (NEP)	CAPEX	25 983 000	27 396 526	28 665 000
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	OPEX	3 000 000	7 000 000	11 000 000
REGIONAL BULK INFRASTRUCTURE GRANT (BIG)	OPEX	1 621 000	-	-
REGIONAL BULK INFRASTRUCTURE GRANT (BIG)	CAPEX	-	-	-
<b>TOTAL NATIONAL GRANTS</b>		<b>111 065 000</b>	<b>124 394 000</b>	<b>138 393 000</b>
<b>PROVINCIAL ALLOCATIONS</b>				
INTEGRATED HOUSING & HUMAN SETTLEMENT DEVELOPMENT GRANT		72 621 000	62 200 000	74 150 000
INTEGRATED HOUSING: OPERATIONAL	OPEX	36 240 000	-	-
INTEGRATED HOUSING: CAPITAL	CAPEX	36 381 000	62 200 000	74 150 000
LIBRARY SERVICES		6 718 000	7 021 000	7 427 000
LIBRARY SERVICES: CONDITIONAL	OPEX	1 500 000	1 588 000	1 678 000
LIBRARY SERVICES: REPLACEMENT	OPEX	5 218 000	5 433 000	5 749 000
COMMUNITY DEVELOPMENT WORKER OPERATIONAL SUPPORT GRANT (CDW)	OPEX	130 000	130 000	130 000
MAINTENANCE OF PROCLAIMED ROADS	OPEX	115 000	-	-
VPUU	OPEX	-	-	-
THUSONG CENTRE (OPERATIONAL)	OPEX	212 000	-	100 000
FINANCIAL MANAGEMENT CAPACITY BUILDING GRANT	OPEX	240 000	360 000	480 000
<b>TOTAL PROVINCIAL GRANTS</b>		<b>80 036 000</b>	<b>76 732 000</b>	<b>89 714 000</b>
<b>OTHER GRANT PROVIDERS</b>				
HAN	OPEX	1 020 000	-	-
SETA	OPEX	-	-	-
<b>TOTAL OTHER GRANT PROVIDERS</b>		<b>1 020 000</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>		<b>192 121 000</b>	<b>201 126 000</b>	<b>228 107 000</b>
<b>NOTE: Allocations for Conditional Grants are only made for one year and the amounts published for the outer years in the schedules of the Division of Revenue Act (DORA) are published for indicative purposes only and are not guaranteed.</b>				
	OPEX	126 757 000	97 508 474	106 865 000
	CAPEX	65 364 000	96 596 526	113 815 000
	<b>TOTAL</b>	<b>192 121 000</b>	<b>194 105 000</b>	<b>220 680 000</b>





## 15. Capital expenditure details

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

Capital expenditure on new assets by asset class (Table SA34a)

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
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			-	-	-	-	-	-	63 087	18 389	22 038
Roads Infrastructure			-	-	-	-	-	-	14 052	4 377	-
Roads									14 052	4 377	-
Road Structures									-	-	-
Road Furniture									-	-	-
Capital Spares									-	-	-
Storm water Infrastructure			-	-	-	-	-	-	10 000	675	13 050
Drainage Collection									-	-	-
Storm water Conveyance									10 000	675	13 050
Attenuation									-	-	-
Electrical Infrastructure			-	-	-	-	-	-	1 000	-	-
Power Plants									-	-	-
HV Substations									-	-	-
HV Switching Station									-	-	-
HV Transmission Conductors									-	-	-
MV Substations									-	-	-
MV Switching Stations									-	-	-
MV Networks									-	-	-
LV Networks									1 000	-	-
Capital Spares									-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	23 173	10 421	8 988
Dams and Weirs									-	-	-
Boreholes									825	1 028	988
Reservoirs									-	-	-
Pump Stations									-	-	-
Water Treatment Works									-	-	-
Bulk Mains									13 554	9 393	8 000
Distribution									8 794	-	-
Distribution Points									-	-	-
PRV Stations									-	-	-
Capital Spares									-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	10 344	2 917	-
Pump Station									-	-	-
Reticulation									10 344	2 917	-
Waste Water Treatment Works									-	-	-
Outfall Sewers									-	-	-
Toilet Facilities									-	-	-
Capital Spares									-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	4 518	-	-
Landfill Sites									-	-	-
Waste Transfer Stations									4 386	-	-
Waste Processing Facilities									-	-	-
Waste Drop-off Points									132	-	-
Waste Separation Facilities									-	-	-
Electricity Generation Facilities									-	-	-
Capital Spares									-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Rail Lines									-	-	-
Rail Structures									-	-	-
Rail Furniture									-	-	-
Drainage Collection									-	-	-
Storm water Conveyance									-	-	-
Attenuation									-	-	-
MV Substations									-	-	-
LV Networks									-	-	-

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	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
R thousand										
Capital expenditure on new assets by Asset Class/Sub-class										
Community Assets		-	-	-	-	-	-	50	-	-
Community Facilities		-	-	-	-	-	-	50	-	-
Halls								-	-	-
Centres								-	-	-
Crèches								-	-	-
Clinics/Care Centres								-	-	-
Fire/Ambulance Stations								-	-	-
Testing Stations								-	-	-
Museums								-	-	-
Galleries								-	-	-
Theatres								-	-	-
Libraries								-	-	-
Cemeteries/Crematoria								50	-	-
Police								-	-	-
Parks								-	-	-
Public Open Space								-	-	-
Nature Reserves								-	-	-
Public Ablution Facilities								-	-	-
Markets								-	-	-
Stalls								-	-	-
Abattoirs								-	-	-
Airports								-	-	-
Taxi Ranks/Bus Terminals								-	-	-
Capital Spares								-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities								-	-	-
Outdoor Facilities								-	-	-
Capital Spares								-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments								-	-	-
Historic Buildings								-	-	-
Works of Art								-	-	-
Conservation Areas								-	-	-
Other Heritage								-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property								-	-	-
Unimproved Property								-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property								-	-	-
Unimproved Property								-	-	-

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	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices								-	-	-
Pay/Enquiry Points								-	-	-
Building Plan Offices								-	-	-
Workshops								-	-	-
Yards								-	-	-
Stores								-	-	-
Laboratories								-	-	-
Training Centres								-	-	-
Manufacturing Plant								-	-	-
Depots								-	-	-
Capital Spares								-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing								-	-	-
Social Housing								-	-	-
Capital Spares								-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets								-	-	-
Intangible Assets		-	-	-	-	-	-	190	-	-
Servitudes								-	-	-
Licences and Rights		-	-	-	-	-	-	190	-	-
Water Rights								-	-	-
Effluent Licenses								-	-	-
Solid Waste Licenses								-	-	-
Computer Software and Applications								190	-	-
Load Settlement Software Applications								-	-	-
Unspecified								-	-	-
Computer Equipment		-	-	-	-	-	-	162	-	-
Computer Equipment								162	-	-
Furniture and Office Equipment		-	-	-	-	-	-	1 080	-	-
Furniture and Office Equipment								1 080	-	-
Machinery and Equipment		-	-	-	-	-	-	1 365	-	-
Machinery and Equipment								1 365	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets								-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Libraries								-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals								-	-	-
Total Capital Expenditure on new assets	1	-	-	-	-	-	-	65 934	18 389	22 038

# Capital expenditure on renewal of existing assets by asset class (Table SA34b)

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	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	2 947	2 184	4 150
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures								-	-	-
Road Furniture								-	-	-
Capital Spares								-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection								-	-	-
Storm water Conveyance								-	-	-
Attenuation								-	-	-
Electrical Infrastructure		-	-	-	-	-	-	2 947	650	2 150
Power Plants								-	-	-
HV Substations								-	-	-
HV Switching Station								-	-	-
HV Transmission Conductors								-	-	-
MV Substations								-	-	-
MV Switching Stations								-	-	-
MV Networks								495	-	-
LV Networks								888	650	750
Capital Spares								1 564	-	1 400
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs								-	-	-
Boreholes								-	-	-
Reservoirs								-	-	-
Pump Stations								-	-	-
Water Treatment Works								-	-	-
Bulk Mains								-	-	-
Distribution								-	-	-
Distribution Points								-	-	-
PRV Stations								-	-	-
Capital Spares								-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station								-	-	-
Reticulation								-	-	-
Waste Water Treatment Works								-	-	-
Outfall Sewers								-	-	-
Toilet Facilities								-	-	-
Capital Spares								-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	1 534	2 000
Landfill Sites								-	1 534	2 000
Waste Transfer Stations								-	-	-
Waste Processing Facilities								-	-	-
Waste Drop-off Points								-	-	-
Waste Separation Facilities								-	-	-
Electricity Generation Facilities								-	-	-
Capital Spares								-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines								-	-	-
Rail Structures								-	-	-
Rail Furniture								-	-	-
Drainage Collection								-	-	-
Storm water Conveyance								-	-	-
Attenuation								-	-	-
MV Substations								-	-	-
LV Networks								-	-	-
Capital Spares								-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps								-	-	-
Piers								-	-	-
Revetments								-	-	-
Promenades								-	-	-
Capital Spares								-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres								-	-	-
Core Layers								-	-	-
Distribution Layers								-	-	-
Capital Spares								-	-	-

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
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Land Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment										
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	119	-	-
Furniture and Office Equipment								119	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	316	-	-
Machinery and Equipment								316	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	3 727	-	-
Transport Assets								3 727	-	-
<b>Libraries</b>		-	-	-	-	-	-	-	-	-
Libraries										
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on renewal of existing asset</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 109</b>	<b>2 184</b>	<b>4 150</b>
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.5%	4.6%	7.6%
<b>Renewal of Existing Assets as % of deprecn</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.1%	9.7%	18.5%

# Repairs and maintenance expenditure by asset class (Table SA34c)

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure			–	–	–	–	–	65 392	69 169	73 319
Roads Infrastructure			–	–	–	–	–	20 142	21 204	22 476
Roads								20 060	21 117	22 384
Road Structures									–	–
Road Furniture								82	87	92
Capital Spares								–	–	–
Storm water Infrastructure			–	–	–	–	–	–	–	–
Drainage Collection								–	–	–
Storm water Conveyance								–	–	–
Attenuation								–	–	–
Electrical Infrastructure			–	–	–	–	–	10 730	11 374	12 057
Power Plants								–	–	–
HV Substations								–	–	–
HV Switching Station								–	–	–
HV Transmission Conductors								–	–	–
MV Substations								–	–	–
MV Switching Stations								–	–	–
MV Networks								–	–	–
LV Networks								10 730	11 374	12 057
Capital Spares								–	–	–
Water Supply Infrastructure			–	–	–	–	–	17 432	18 478	19 587
Dams and Weirs								–	–	–
Boreholes								–	–	–
Reservoirs								–	–	–
Pump Stations								–	–	–
Water Treatment Works								540	572	606
Bulk Mains								–	–	–
Distribution								16 893	17 906	18 981
Distribution Points								–	–	–
PRV Stations								–	–	–
Capital Spares								–	–	–
Sanitation Infrastructure			–	–	–	–	–	15 082	15 987	16 947
Pump Station								–	–	–
Reticulation								8 869	9 401	9 965
Waste Water Treatment Works								6 213	6 586	6 981
Outfall Sewers								–	–	–
Toilet Facilities								–	–	–
Capital Spares								–	–	–
Solid Waste Infrastructure			–	–	–	–	–	2 005	2 125	2 253
Landfill Sites								2 005	2 125	2 253
Waste Transfer Stations								–	–	–
Waste Processing Facilities								–	–	–
Waste Drop-off Points								–	–	–
Waste Separation Facilities								–	–	–
Electricity Generation Facilities								–	–	–
Capital Spares								–	–	–
Rail Infrastructure			–	–	–	–	–	–	–	–
Rail Lines								–	–	–
Rail Structures								–	–	–
Rail Furniture								–	–	–
Drainage Collection								–	–	–
Storm water Conveyance								–	–	–
Attenuation								–	–	–
MV Substations								–	–	–
LV Networks								–	–	–
Capital Spares								–	–	–
Coastal Infrastructure			–	–	–	–	–	–	–	–
Sand Pumps								–	–	–
Piers								–	–	–
Revetments								–	–	–
Promenades								–	–	–
Capital Spares								–	–	–
Information and Communication Infrastructure			–	–	–	–	–	–	–	–
Data Centres								–	–	–
Core Layers								–	–	–
Distribution Layers								–	–	–
Capital Spares								–	–	–

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1								
Repairs and maintenance expenditure by Asset Class/Sub-class									
Community Assets		-	-	-	-	-	9 998	10 373	11 095
Community Facilities		-	-	-	-	-	9 177	9 503	10 173
Halls							354	151	260
Centres							-	-	-
Crèches							-	-	-
Clinics/Care Centres							-	-	-
Fire/Ambulance Stations							-	-	-
Testing Stations							-	-	-
Museums							-	-	-
Galleries							-	-	-
Theatres							-	-	-
Libraries							-	-	-
Cemeteries/Crematoria							559	593	628
Police							-	-	-
Purls							-	-	-
Public Open Space							7 026	7 448	7 895
Nature Reserves							1 237	1 312	1 390
Public Ablution Facilities							-	-	-
Markets							-	-	-
Stalls							-	-	-
Abattoirs							-	-	-
Airports							-	-	-
Taxi Ranks/Bus Terminals							-	-	-
Capital Spares							-	-	-
Sport and Recreation Facilities		-	-	-	-	-	821	870	922
Indoor Facilities							-	-	-
Outdoor Facilities							821	870	922
Capital Spares							-	-	-
Heritage assets		-	-	-	-	-	-	-	-
Monuments							-	-	-
Historic Buildings							-	-	-
Works of Art							-	-	-
Conservation Areas							-	-	-
Other Heritage							-	-	-
Investment properties		-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-
Improved Property							-	-	-
Unimproved Property							-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-
Improved Property							-	-	-
Unimproved Property							-	-	-
Other assets		-	-	-	-	-	7 157	7 587	8 042
Operational Buildings		-	-	-	-	-	7 157	7 587	8 042
Municipal Offices							6 878	7 291	7 728
Pay/Enquiry Points							-	-	-
Building Plan Offices							-	-	-
Workshops							279	296	313
Yards							-	-	-
Stores							-	-	-
Laboratories							-	-	-
Training Centres							-	-	-
Manufacturing Plant							-	-	-
Depots							-	-	-
Capital Spares							-	-	-
Housing		-	-	-	-	-	-	-	-
Staff Housing							-	-	-
Social Housing							-	-	-
Capital Spares							-	-	-

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>									
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-
Biological or Cultivated Assets							-	-	-
<u>Intangible Assets</u>		-	-	-	-	-	3 800	4 028	4 270
Servitudes							-	-	-
Licences and Rights		-	-	-	-	-	3 800	4 028	4 270
Water Rights							-	-	-
Effluent Licenses							-	-	-
Solid Waste Licenses							-	-	-
Computer Software and Applications							3 800	4 028	4 270
Load Settlement Software Applications							-	-	-
Unspecified							-	-	-
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-
Computer Equipment							-	-	-
<u>Furniture and Office Equipment</u>		-	-	-	-	-	303	321	340
Furniture and Office Equipment							303	321	340
<u>Machinery and Equipment</u>		-	-	-	-	-	1 134	1 202	1 274
Machinery and Equipment							1 134	1 202	1 274
<u>Transport Assets</u>		-	-	-	-	-	5 071	5 375	5 698
Transport Assets							5 071	5 375	5 698
<u>Libraries</u>		-	-	-	-	-	-	-	-
Libraries							-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals							-	-	-
Total Repairs and Maintenance Expenditure	1	-	-	-	-	-	92 854	98 054	104 037
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	12.7%	12.1%	12.4%
R&M as % Operating Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.7%	19.2%



# Capital expenditure details (Table SA36)

Municipal Vote/Capital project  R thousand	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)  6	Asset Class  3	Asset Sub-Class  3	2017/18 Medium Term Revenue & Expenditure Framework			Project information	
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>											
10.2 - Roads	WC031_Purchase of land for access road to the site from		SO6	Yes	Roads Infrastructure	Roads	100	-	-	Caledon	New
14.1 - Water: Distribution	WC031_Prepaid Water meters		SO6	Yes	Water Supply Infrastructure	Distribution	2 500	-	-	Whole of Municipality	Upgrade
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Grabouw Rooidakke		SO9	Yes	Water Supply Infrastructure	Distribution	3 250	-	-	Grabouw	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Grabouw Rooidakke		SO9	Yes	Sanitation Infrastructure	Reticulation	3 250	-	-	Grabouw	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Grabouw Rooidakke		SO9	Yes	Roads Infrastructure	Roads	3 250	-	-	Grabouw	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Grabouw Rooidakke		SO9	Yes	Water Supply Infrastructure	Distribution	1 044	-	-	Grabouw	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Grabouw Rooidakke		SO9	Yes	Sanitation Infrastructure	Reticulation	1 044	-	-	Grabouw	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Grabouw Rooidakke		SO9	Yes	Roads Infrastructure	Roads	1 044	-	-	Grabouw	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Grabouw Rooidakke		SO9	Yes	Storm water Infrastructure	Storm water Conveyance	10 000	-	-	Grabouw	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Riviersonderend (14		SO9	Yes	Water Supply Infrastructure	Distribution	2 333	-	-	Riviersonderend	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Riviersonderend (14		SO9	Yes	Sanitation Infrastructure	Reticulation	2 333	-	-	Riviersonderend	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Riviersonderend (14		SO9	Yes	Roads Infrastructure	Roads	2 333	-	-	Riviersonderend	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Villiersdorp Destiny F		SO9	Yes	Water Supply Infrastructure	Distribution	667	-	-	Villiersdorp	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Villiersdorp Destiny F		SO9	Yes	Sanitation Infrastructure	Reticulation	667	-	-	Villiersdorp	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Villiersdorp Destiny F		SO9	Yes	Roads Infrastructure	Roads	667	-	-	Villiersdorp	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Botrivier New Franc		SO9	Yes	Water Supply Infrastructure	Distribution	167	-	-	Botrivier	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Botrivier New Franc		SO9	Yes	Sanitation Infrastructure	Reticulation	167	-	-	Botrivier	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Botrivier New Franc		SO9	Yes	Roads Infrastructure	Roads	167	-	-	Botrivier	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Caledon Site Saviwa		SO9	Yes	Water Supply Infrastructure	Distribution	1 333	-	-	Caledon	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Caledon Site Saviwa		SO9	Yes	Sanitation Infrastructure	Reticulation	1 333	-	-	Caledon	New
7.1 - Administration: Housing	WC031_Low Cost Housing Project: Caledon Site Saviwa		SO9	Yes	Roads Infrastructure	Roads	1 333	-	-	Caledon	New

Municipal Vote/Capital project  R thousand	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)  6	Asset Class  3	Asset Sub-Class  3	2017/18 Medium Term Revenue & Expenditure Framework			Project information	
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>											
2.1 - Cemeteries	WC031_Cemetery		SO6	Yes	Community Assets	Cemeteries/Crematoria	50	–	–	Grabouw	New
2.1 - Cemeteries	WC031_Cemetery		SO6	Yes	Community Assets	Cemeteries/Crematoria	351	–	–	Caledon	Upgrade
14.2 - Water: Treatment Works	WC031_Water Source Development - Tesselaarsdal		SO6	Yes	Water Supply Infrastructure	Boreholes	424	589	988	Caledon	New
14.2 - Water: Treatment Works	WC031_Water Source Development - Tesselaarsdal		SO6	Yes	Water Supply Infrastructure	Boreholes	182	–	–	Caledon	New
14.2 - Water: Treatment Works	WC031_Water Source Development		SO6	Yes	Water Supply Infrastructure	Boreholes	–	439	–	Greyton/Genadendal	New
14.2 - Water: Treatment Works	WC031_Water Source Development		SO6	Yes	Water Supply Infrastructure	Boreholes	219	–	–	Greyton/Genadendal	New
14.1 - Water: Distribution	WC031_Destiny: Bulk water		SO6	Yes	Water Supply Infrastructure	Bulk Mains	2 502	7 393	3 000	Villiersdorp	New
14.1 - Water: Distribution	WC031_Destiny: Bulk water		SO6	Yes	Water Supply Infrastructure	Bulk Mains	–	2 000	3 000	Villiersdorp	New
14.2 - Water: Treatment Works	WC031_Villiersdorp water treatment works upgrade: feasibility study		SO6	Yes	Water Supply Infrastructure	Water Treatment Works	351	–	–	Villiersdorp	Upgrade
10.2 - Roads	WC031_Stormwater Upgrade		SO6	Yes	Storm water Infrastructure	Storm water Conveyance	4 035	439	1 000	Whole of Municipality	Upgrade
13.1 - Sewerage: Networks	WC031_Destiny: Bulk sewer		SO6	Yes	Sanitation Infrastructure	Reticulation	1 551	2 917	–	Villiersdorp	New
13.3 - Sewerage: Treatment Works	WC031_Waste Water Treatment Works Upgrade		SO6	Yes	Sanitation Infrastructure	Waste Water Treatment Works	–	4 689	–	Caledon	Upgrade
13.3 - Sewerage: Treatment Works	WC031_Waste Water Treatment Works Upgrade		SO6	Yes	Sanitation Infrastructure	Waste Water Treatment Works	831	6 629	–	Caledon	Upgrade
13.3 - Sewerage: Treatment Works	WC031_Waste Water Treatment Works Upgrade		SO6	Yes	Sanitation Infrastructure	Waste Water Treatment Works	4 366	–	–	Caledon	Upgrade
13.1 - Sewerage: Networks	WC031_Bulk outfall sewer		SO6	Yes	Sanitation Infrastructure	Outfall Sewers	6 194	2 632	1 750	Caledon	Upgrade
13.1 - Sewerage: Networks	WC031_Bulk outfall sewer		SO6	Yes	Sanitation Infrastructure	Outfall Sewers	685	3 818	4 500	Caledon	Upgrade
13.1 - Sewerage: Networks	WC031_Bulk outfall sewer		SO6	Yes	Sanitation Infrastructure	Outfall Sewers	3 405	–	–	Caledon	Upgrade
10.2 - Roads	WC031_Destiny access road		SO6	Yes	Roads Infrastructure	Roads	5 159	3 947	–	Villiersdorp	New
10.2 - Roads	WC031_Destiny access road		SO6	Yes	Roads Infrastructure	Roads	–	429	–	Villiersdorp	New
10.2 - Roads	WC031_Housing - upgrade Disa Street		SO6	Yes	Roads Infrastructure	Roads	526	–	–	Riviersonderend	Upgrade
12.2 - Refuse Sites	WC031_Waste Drop off		SO6	Yes	Solid Waste Infrastructure	Waste Drop-off Points	74	–	–	Riviersonderend	New
12.2 - Refuse Sites	WC031_Waste Drop off		SO6	Yes	Solid Waste Infrastructure	Waste Drop-off Points	57	–	–	Riviersonderend	New
12.2 - Refuse Sites	WC031_Transfer Station		SO6	Yes	Solid Waste Infrastructure	Waste Transfer Stations	976	–	–	Caledon	New
12.2 - Refuse Sites	WC031_Transfer Station		SO6	Yes	Solid Waste Infrastructure	Waste Transfer Stations	866	–	–	Caledon	New
12.2 - Refuse Sites	WC031_Transfer Station		SO6	Yes	Solid Waste Infrastructure	Waste Transfer Stations	2 544	–	–	Caledon	New

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	2017/18 Medium Term Revenue & Expenditure Framework			Project information	
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand				6	3	3					
Parent municipality: List all capital projects grouped by Municipal Vote											
4.2 - Electricity: Street Lights	WC031_Grabouw highmast lighting		SO6	Yes	Electrical Infrastructure	LV Networks	1 000	–	–	Grabouw	New
4.1 - Electricity: Distribution	WC031_Replace and upgrade MV networks and miniatur		SO6	Yes	Electrical Infrastructure	MV Networks	888	650	750	Caledon	Renew
4.1 - Electricity: Distribution	WC031_Upgrading Cemetery switching station		SO6	Yes	Electrical Infrastructure	MV Switching Stations	2 562	1 293	–	Caledon	Upgrade
4.1 - Electricity: Distribution	WC031_Replace switching station Viljoen Engineering		SO6	Yes	Electrical Infrastructure	MV Switching Stations	495	–	–	Villiersdorp	Renew
4.1 - Electricity: Distribution	WC031_Complete ring supply to Van Schalkwyk PHASE1		SO6	Yes	Electrical Infrastructure	LV Networks	990	–	–	Greyton/Genadendal	Renew
4.1 - Electricity: Distribution	WC031_Replace overhead line Da La Vigne PHASE2.		SO6	Yes	Electrical Infrastructure	LV Networks	574	–	–	Riviersonderend	Renew
4.1 - Electricity: Distribution	WC031_Upgrading of Bulk Electrical Infrastructure		SO6	Yes	Electrical Infrastructure	MV Networks	2 632	6 140	9 649	Villiersdorp	Upgrade
4.1 - Electricity: Distribution	WC031_Upgrading of Bulk Electrical Infrastructure		SO6	Yes	Electrical Infrastructure	MV Networks	4 500	–	–	Villiersdorp	Upgrade
4.1 - Electricity: Distribution	WC031_Upgrading of Bulk Electrical Infrastructure		SO6	Yes	Electrical Infrastructure	MV Networks	368	860	1 351	Villiersdorp	Upgrade
11.3 - Sport and Recreation	WC031_Upgrading of Pineview sports ground		SO6	Yes	Community Assets	Outdoor Facilities	1 600	–	–	Grabouw	Upgrade
3.2 - Administration: Technical Services	WC031_Purchase of Fleet		SO5	Yes	Transport Assets	Transport Assets	2 776	–	–	Whole of Municipality	Renew
14.1 - Water: Distribution	WC031_Drought Relieve		SO6	Yes	Water Supply Infrastructure	Bulk Mains	9 298	–	–	Caledon	New
14.1 - Water: Distribution	WC031_Drought Relieve		SO6	Yes	Water Supply Infrastructure	Bulk Mains	1 754	–	–	Riviersonderend	New
4.1 - Electricity: Distribution	WC031_Replace overhead line Caledon street PHASE1.		SO6	Yes	Electrical Infrastructure	LV Networks	–	–	800	Greyton/Genadendal	Renew
4.1 - Electricity: Distribution	WC031_Replace overhead line Main Road PHASE1.		SO6	Yes	Electrical Infrastructure	LV Networks	–	–	–	Riviersonderend	Renew
4.1 - Electricity: Distribution	WC031_Replace overhead line Main Road PHASE1.		SO6	Yes	Electrical Infrastructure	LV Networks	–	–	600	Riviersonderend	Renew
4.1 - Electricity: Distribution	WC031_Upgrading existing borderline feeder cables		SO6	Yes	Electrical Infrastructure	LV Networks	–	–	1 500	Caledon	Upgrade
12.2 - Refuse Sites	WC031_Landfill Rehab		SO6	Yes	Solid Waste Infrastructure	Landfill Sites	–	350	–	Caledon	Renew
10.2 - Roads	WC031_Stormwater Upgrade for New France		SO6	Yes	Storm water Infrastructure	Storm water Conveyance	–	–	2 000	Botrivier	Upgrade
14.1 - Water: Distribution	WC031_Water bulk connecto for Uitsig		SO6	Yes	Water Supply Infrastructure	Bulk Mains	–	–	2 000	Caledon	New
12.2 - Refuse Sites	WC031_Landfill Rehab		SO6	Yes	Solid Waste Infrastructure	Landfill Sites	–	–	1 000	Caledon	Renew
12.2 - Refuse Sites	WC031_Landfill Rehab		SO6	Yes	Solid Waste Infrastructure	Landfill Sites	–	350	–	Caledon	Renew
10.2 - Roads	WC031_Grabouw - Rooidakke Storm water		SO6	Yes	Storm water Infrastructure	Storm water Conveyance	–	–	3 282	Grabouw	New
10.2 - Roads	WC031_Grabouw - Rooidakke Storm water		SO6	Yes	Storm water Infrastructure	Storm water Conveyance	–	675	7 643	Grabouw	New
14.1 - Water: Distribution	WC031_Steenbras water supply line		SO6	Yes	Water Supply Infrastructure	Bulk Mains	–	–	7 000	Grabouw	Upgrade
10.2 - Roads	WC031_Destiny stormwater provision		SO6	Yes	Storm water Infrastructure	Storm water Conveyance	–	–	2 125	Villiersdorp	New
12.2 - Refuse Sites	WC031_Villiersdorp rehabilitate landfill site		SO6	Yes	Solid Waste Infrastructure	Landfill Sites	–	834	1 000	Villiersdorp	Renew
14.2 - Water: Treatment Works	WC031_Upgrade Water Treatment Plant feasibility study		SO6	Yes	Water Supply Infrastructure	Water Treatment Works	–	154	–	Botrivier	Upgrade

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	2017/18 Medium Term Revenue & Expenditure Framework			Project information	
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand				6	3	3					
Parent municipality:											
List all capital projects grouped by Municipal Vote											
3.6 - IT Services	WC031_New Systems Required		SO4	Yes	Computer Equipment	Computer Equipment	110			Administrative	New
3.6 - IT Services	WC031_New Laptops		SO4	Yes	Computer Equipment	Computer Equipment	52			Administrative	New
3.6 - IT Services	WC031_Replacements/Upgrades Required		SO4	Yes	Computer Equipment	Computer Equipment	275			Administrative	Upgrade
3.6 - IT Services	WC031_Server Upgrades Required		SO4	Yes	Computer Equipment	Computer Equipment	180			Administrative	Upgrade
3.6 - IT Services	WC031_LCD Screens		SO4	Yes	Furniture and Office Equipment	Furniture and Office Equipment	20			Administrative	Upgrade
3.6 - IT Services	WC031_Laser/Multifunctional Printers		SO4	Yes	Furniture and Office Equipment	Furniture and Office Equipment	14			Administrative	New
3.6 - IT Services	WC031_Dot Matrix Printers (Cashiers)		SO4	Yes	Furniture and Office Equipment	Furniture and Office Equipment	8			Administrative	New
3.6 - IT Services	WC031_ICT Equipment & Tools		SO4	Yes	Furniture and Office Equipment	Furniture and Office Equipment	10			Administrative	New
3.6 - IT Services	WC031_Corporate Governance of ICT		SO4	Yes	Furniture and Office Equipment	Furniture and Office Equipment	200			Administrative	New
3.4 - Directorate: Corporate Services	WC031_Fotostaatmasjien – Kleur 55 bladsye per minuut		SO3	Yes	Furniture and Office Equipment	Furniture and Office Equipment	130			Administrative	Upgrade
3.4 - Directorate: Corporate Services	WC031_Fotostaatmasjien – 28 bladsye per minuut; dokum		SO3	Yes	Furniture and Office Equipment	Furniture and Office Equipment	45			Administrative	Upgrade
3.4 - Directorate: Corporate Services	WC031_Water Dispenser Machines		SO3	Yes	Furniture and Office Equipment	Furniture and Office Equipment	13			Administrative	Renew
6.1 - Administration: Towns	WC031_Fotostaatmasjien – 22 bladsye per minuut; dokum		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	42			Botrivier	Upgrade
6.1 - Administration: Towns	WC031_Fotostaatmasjien – 28 bladsye per minuut; dokum		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	45			Villiersdorp	Upgrade
3.5 - Human Resources	WC031_2 x Alcho breatherliser tester		SO3	Yes	Furniture and Office Equipment	Furniture and Office Equipment	22			Administrative	New
3.5 - Human Resources	WC031_2 x Parrot Flipchart easel		SO3	Yes	Furniture and Office Equipment	Furniture and Office Equipment	2			Administrative	New
3.5 - Human Resources	WC031_1 x Paltot Screen Projector Pulldown		SO3	Yes	Furniture and Office Equipment	Furniture and Office Equipment	3			Administrative	New
3.5 - Human Resources	WC031_2 x 4 Draw Filing Cabinet (Melamine Wedge)		SO3	Yes	Furniture and Office Equipment	Furniture and Office Equipment	6			Administrative	New
9.5 - Traffic Services	WC031_Uitbreiding van Caledon Verkeerskantore		SO8	Yes	Other assets	Municipal Offices	250			Caledon	Upgrade
9.5 - Traffic Services	WC031_cctv Kameras		SO8	Yes	Furniture and Office Equipment	Furniture and Office Equipment	450			Caledon	New
9.5 - Traffic Services	WC031_Locker units x 40		SO8	Yes	Furniture and Office Equipment	Furniture and Office Equipment	200			Caledon	New
9.3 - Law Enforcement	WC031_Koelvaste baadjies x 15		SO8	Yes	Machinery and Equipment	Machinery and Equipment	90			Caledon	New
9.3 - Law Enforcement	WC031_Operational equipment		SO8	Yes	Machinery and Equipment	Machinery and Equipment	84			Whole of Municipality	New
9.5 - Traffic Services	WC031_4 x Bluelights and siren systems		SO8	Yes	Machinery and Equipment	Machinery and Equipment	10			Caledon	New
3.2 - Administration: Technical Services	WC031_AllyCad - Design Program		SO5	Yes	Intangible Assets	Computer Software and Applications	190	–	–	Administrative	New

Municipal Vote/Capital project  R thousand	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)  6	Asset Class  3	Asset Sub-Class  3	2017/18 Medium Term Revenue & Expenditure Framework			Project information	
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
Parent municipality: List all capital projects grouped by Municipal Vote											
6.1 - Administration: Towns	WC031_Walk Behind Roller		SO6	Yes	Machinery and Equipment	Machinery and Equipment	200			Grabouw	New
6.1 - Administration: Towns	WC031_2x Hilly Boor		SO6	Yes	Machinery and Equipment	Machinery and Equipment	12			Grabouw	New
6.1 - Administration: Towns	WC031_2x Grinders(groot)		SO6	Yes	Machinery and Equipment	Machinery and Equipment	6			Grabouw	New
6.1 - Administration: Towns	WC031_2x Grinders(klein)		SO6	Yes	Machinery and Equipment	Machinery and Equipment	4			Grabouw	New
6.1 - Administration: Towns	WC031_2x Boor		SO6	Yes	Machinery and Equipment	Machinery and Equipment	3			Grabouw	New
6.1 - Administration: Towns	WC031_Bar Fridge		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	3			Grabouw	New
6.1 - Administration: Towns	WC031_High Pressure Cleaning machine		SO6	Yes	Machinery and Equipment	Machinery and Equipment	25			Grabouw	New
6.1 - Administration: Towns	WC031_Canteen units		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	5			Grabouw	New
6.1 - Administration: Towns	WC031_High Pressure Cleaning machine		SO6	Yes	Machinery and Equipment	Machinery and Equipment	25			Grabouw	New
6.1 - Administration: Towns	WC031_Bar Fridge		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	3			Grabouw	New
6.1 - Administration: Towns	WC031_Lesenaar		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	3			Grabouw	New
6.1 - Administration: Towns	WC031_Microwave		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	2			Grabouw	New
6.1 - Administration: Towns	WC031_Lab Kas		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	3			Grabouw	New
6.1 - Administration: Towns	WC031_Ph Meter		SO6	Yes	Machinery and Equipment	Machinery and Equipment	12			Grabouw	New
6.1 - Administration: Towns	WC031_Beker toets masjien		SO6	Yes	Machinery and Equipment	Machinery and Equipment	28			Grabouw	New
6.1 - Administration: Towns	WC031_2x Microvawe		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	3			Grabouw	New
6.1 - Administration: Towns	WC031_2x Vacuum Masjien		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	3			Grabouw	New
6.1 - Administration: Towns	WC031_2x Kantoor stoele (Pineview Bib)		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	2			Grabouw	New
6.1 - Administration: Towns	WC031_4 x Airconditioner		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	48			Grabouw	New
6.1 - Administration: Towns	WC031_Water Meter		SO6	Yes	Machinery and Equipment	Machinery and Equipment	40			Greyton/Genadendal	New
6.1 - Administration: Towns	WC031_Straat Broomer		SO6	Yes	Machinery and Equipment	Machinery and Equipment	35			Greyton/Genadendal	New
6.1 - Administration: Towns	WC031_Bystand Pomp		SO6	Yes	Machinery and Equipment	Machinery and Equipment	50			Greyton/Genadendal	New
6.1 - Administration: Towns	WC031_Bo-mag roller		SO6	Yes	Machinery and Equipment	Machinery and Equipment	150			Greyton/Genadendal	Renew
6.1 - Administration: Towns	WC031_Stoele x 3		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	4			Greyton/Genadendal	Renew
6.1 - Administration: Towns	WC031_Tafel		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	4			Greyton/Genadendal	New
6.1 - Administration: Towns	WC031_Breekware		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	4			Greyton/Genadendal	Renew
6.1 - Administration: Towns	WC031_Stoele		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	5			Greyton/Genadendal	Renew
6.1 - Administration: Towns	WC031_Tafels x8		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	10			Greyton/Genadendal	Renew



Municipal Vote/Capital project  R thousand	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)  6	Asset Class  3	Asset Sub-Class  3	2017/18 Medium Term Revenue & Expenditure Framework			Project information	
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>											
6.1 - Administration: Towns	WC031_Rugsakke - Spuit		SO6	Yes	Machinery and Equipment	Machinery and Equipment	13			Caledon	Renew
6.1 - Administration: Towns	WC031_Rugsakke - Spuit		SO6	Yes	Machinery and Equipment	Machinery and Equipment	3			Riviersonderend	Renew
6.1 - Administration: Towns	WC031_Rugsakke - Spuit (Tesselaarsdal)		SO6	Yes	Machinery and Equipment	Machinery and Equipment	1			Caledon	New
6.1 - Administration: Towns	WC031_Angle Grinder (3) Big One		SO6	Yes	Machinery and Equipment	Machinery and Equipment	6			Caledon	Renew
6.1 - Administration: Towns	WC031_Angle Grinder (2) Small		SO6	Yes	Machinery and Equipment	Machinery and Equipment	4			Caledon	Renew
6.1 - Administration: Towns	WC031_Sludge pompe (3)		SO6	Yes	Machinery and Equipment	Machinery and Equipment	45			Caledon	Renew
6.1 - Administration: Towns	WC031_Drills		SO6	Yes	Machinery and Equipment	Machinery and Equipment	8			Caledon	New
6.1 - Administration: Towns	WC031_Jack Hammer		SO6	Yes	Machinery and Equipment	Machinery and Equipment	18			Caledon	New
6.1 - Administration: Towns	WC031_Concrete mixers (2)		SO6	Yes	Machinery and Equipment	Machinery and Equipment	45			Caledon	New
6.1 - Administration: Towns	WC031_Bomag roller		SO6	Yes	Machinery and Equipment	Machinery and Equipment	200			Caledon	New
6.1 - Administration: Towns	WC031_Sluitkaste (Lockers) 20		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	25			Caledon	Renew
6.1 - Administration: Towns	WC031_Green drop Package (2)		SO6	Yes	Machinery and Equipment	Machinery and Equipment	70			Caledon	New
6.1 - Administration: Towns	WC031_4x Vacuum Masjen		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	6			Caledon	New
6.1 - Administration: Towns	WC031_Concrete / Asphalt cutters 1		SO6	Yes	Machinery and Equipment	Machinery and Equipment	40			Botrivier	Renew
6.1 - Administration: Towns	WC031_Plaatkompakteerder		SO6	Yes	Machinery and Equipment	Machinery and Equipment	25			Botrivier	New
6.1 - Administration: Towns	WC031_Plastiek tafeltjies en stoeltjies		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	6			Riviersonderend	New
6.1 - Administration: Towns	WC031_Yskas		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	2			Riviersonderend	New
6.1 - Administration: Towns	WC031_Yskas		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	2			Riviersonderend	New
6.1 - Administration: Towns	WC031_2000W Angle grinder		SO6	Yes	Machinery and Equipment	Machinery and Equipment	3			Riviersonderend	Renew
6.1 - Administration: Towns	WC031_2 X 800W Angle grinders		SO6	Yes	Machinery and Equipment	Machinery and Equipment	2			Riviersonderend	New
6.1 - Administration: Towns	WC031_Portable waterpump		SO6	Yes	Machinery and Equipment	Machinery and Equipment	6			Riviersonderend	New
6.1 - Administration: Towns	WC031_Hammer drill		SO6	Yes	Machinery and Equipment	Machinery and Equipment	4			Riviersonderend	New
6.1 - Administration: Towns	WC031_Electric Jack hammer		SO6	Yes	Machinery and Equipment	Machinery and Equipment	24			Riviersonderend	New
6.1 - Administration: Towns	WC031_Metal cut-off saw		SO6	Yes	Machinery and Equipment	Machinery and Equipment	4			Riviersonderend	New
6.1 - Administration: Towns	WC031_Desk		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	3			Riviersonderend	Renew
6.1 - Administration: Towns	WC031_Highback chair		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	2			Riviersonderend	Renew
6.1 - Administration: Towns	WC031_Cabinets x 2		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	8			Riviersonderend	New
6.1 - Administration: Towns	WC031_Portable Blowers		SO6	Yes	Machinery and Equipment	Machinery and Equipment	15			Villiersdorp	New
6.1 - Administration: Towns	WC031_Steel Litter Bins x 40		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	60			Villiersdorp	New
6.1 - Administration: Towns	WC031_High Pressure Cleaner		SO6	Yes	Machinery and Equipment	Machinery and Equipment	10			Villiersdorp	New
6.1 - Administration: Towns	WC031_Brushcutters X 3		SO6	Yes	Machinery and Equipment	Machinery and Equipment	30			Villiersdorp	Renew

Municipal Vote/Capital project  R thousand	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)  6	Asset Class  3	Asset Sub-Class  3	2017/18 Medium Term Revenue & Expenditure Framework			Project information	
								Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
Parent municipality:												
6.1 - Administration: Towns		WC031_L Shape Desk		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	8			Villiersdorp	Renew
6.1 - Administration: Towns		WC031_High Back Chair		SO6	Yes	Furniture and Office Equipment	Furniture and Office Equipment	3			Villiersdorp	Renew
6.1 - Administration: Towns		WC031_Pipe spanners		SO6	Yes	Machinery and Equipment	Machinery and Equipment	9			Villiersdorp	New
6.1 - Administration: Towns		WC031_Sludge Pump 75mm inlet		SO6	Yes	Machinery and Equipment	Machinery and Equipment	30			Villiersdorp	New
6.1 - Administration: Towns		WC031_7.5 kw Generatr		SO6	Yes	Machinery and Equipment	Machinery and Equipment	20			Villiersdorp	New
6.1 - Administration: Towns		WC031_Electrical Jackhammer		SO6	Yes	Machinery and Equipment	Machinery and Equipment	20			Villiersdorp	New
6.1 - Administration: Towns		WC031_Sludge Pump 75mm inlet		SO6	Yes	Machinery and Equipment	Machinery and Equipment	30			Villiersdorp	New
6.1 - Administration: Towns		WC031_Brush Cutter		SO6		Machinery and Equipment	Machinery and Equipment	10			Villiersdorp	New
6.1 - Administration: Towns		WC031_Chain Saw		SO6		Machinery and Equipment	Machinery and Equipment	8			Villiersdorp	New
6.1 - Administration: Towns		WC031_Mini Bar Fridge		SO6		Furniture and Office Equipment	Furniture and Office Equipment	5			Villiersdorp	New
6.1 - Administration: Towns		WC031_Skill Saw		SO6		Machinery and Equipment	Machinery and Equipment	1			Villiersdorp	New
6.1 - Administration: Towns		WC031_INFRARED CAMERA		SO6		Machinery and Equipment	Machinery and Equipment	85			Caledon	New
6.1 - Administration: Towns		WC031_PRESSURE TESTER		SO6		Machinery and Equipment	Machinery and Equipment	98			Caledon	New
6.1 - Administration: Towns		WC031_VERVANGING VAN GEREEDSKAP		SO6		Machinery and Equipment	Machinery and Equipment	16			Whole of Municipality	Renew
6.1 - Administration: Towns		WC031_VERVANGING RADIO CAM 25668		SO6		Machinery and Equipment	Machinery and Equipment	6			Villiersdorp	Renew
1.3 - Financial Services		WC031_Finance Equipment		SO1		Furniture and Office Equipment	Furniture and Office Equipment	42			Whole of Municipality	Renew
Parent Capital expenditure	1							108 936	47 226	54 938		

Consolidated Projects delayed from previous years (Table SA37)

Municipal Vote/Capital project	Ref.  1,2	Project name	Project number	Asset Class  3	Asset Sub-Class  3	GPS co-ordinates  4	Previous target year to complete	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
							Year					
R thousand												
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				Examples	Examples							
N/A												



## Consolidated detailed operational projects (Table SA38)

Municipal Vote/Operational project	Ref			IDP	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
R thousand	4	Program/Project description	Project number	Goal code 2	Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location
Parent municipality:										
List all operational projects grouped by Municipal Vote										
Vote 1 - Budget and treasury office		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Furniture and C		SO1			5	5	6	
Vote 1 - Budget and treasury office		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO1			307	325	345	
Vote 1 - Budget and treasury office		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO1			4	4	5	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Capacity Building Training and Development_Capacity Building		SO1			240	360	480	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO1			–	–	–	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Efficient and Effective Public Service		SO1			4 609	4 885	6 178	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Financial Management Grant_Budget and Treasury Office		SO1			894	894	894	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Financial Management Grant_Interns Compensation		SO1			598	598	598	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Financial Management Grant_Training Minimum Competency		SO1			–	–	–	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Municipal Properties		SO1			1 861	1 972	2 091	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy		SO1			28 430	30 130	31 931	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO2			–	–	–	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Procurement Reforms and Fighting Corruption		SO2			2 216	2 349	2 489	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Strategic Management and Governance_Risk Management		SO2			2 197	2 328	2 467	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO4			–	–	–	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Efficient and Effective Public Service		SO4			1 211	1 281	1 355	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Strategic Management and Governance_Risk Management		SO4			361	382	405	
Vote 2 - Community and social services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO6			12	12	13	
Vote 2 - Community and social services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Communi		SO6			559	593	628	
Vote 2 - Community and social services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Communi		SO6			–	–	–	
Vote 2 - Community and social services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machiner		SO6			11	12	12	
Vote 2 - Community and social services		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO6			–	–	–	
Vote 2 - Community and social services		Operational_Typical Work Streams_Community Development_Library Programmes		SO6			6 342	6 719	7 119	
Vote 2 - Community and social services		Operational_Typical Work Streams_Efficient and Effective Public Service		SO6			142	127	110	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Furniture and C		SO3			13	14	14	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO3			4	5	5	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO3			53	56	60	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Furniture		SO3			285	302	320	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO3			11	12	13	
Vote 3 - Corporate services		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO3			657	696	738	
Vote 3 - Corporate services		Operational_Typical Work Streams_Human Resources_Human Resource Management		SO3			8 961	9 498	10 067	
Vote 3 - Corporate services		Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy		SO3			21 261	22 505	23 818	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Intangible		SO4			3 800	4 028	4 270	

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
					Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand	4									Ward location
<b>Parent municipality:</b>										
<i>List all operational projects grouped by Municipal Vote</i>										
Vote 3 - Corporate services		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO4			20	21	22	
Vote 3 - Corporate services		Operational_Typical Work Streams_Efficient and Effective Public Service		SO4			3 644	3 849	4 066	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO5			4	4	4	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO5			25	27	28	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machinery		SO5			32	34	36	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO5			27	29	31	
Vote 3 - Corporate services		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO5			–	–	–	
Vote 3 - Corporate services		Operational_Typical Work Streams_Expanded Public Works Programme_Project		SO5			1 626	5	6	
Vote 3 - Corporate services		Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy		SO5			14 491	15 232	16 243	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO6			20	21	22	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO6			34	36	38	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO6			2 992	3 172	3 362	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Communit		SO6			142	151	160	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machinery		SO6			4	4	4	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO6			41	43	46	
Vote 3 - Corporate services		Operational_Typical Work Streams_Municipal Properties		SO6			6 618	6 646	6 676	
Vote 4 - Electricity		Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Electrical Infr		SO6			7 264	7 700	8 162	
Vote 4 - Electricity		Operational_Maintenance_Infrastructure_Preventative Maintenance_Interval Based_Electrical Infr		SO6			3 467	3 675	3 895	
Vote 4 - Electricity		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO6			5	5	6	
Vote 4 - Electricity		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO6			96	101	107	
Vote 4 - Electricity		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO6			108	114	121	
Vote 4 - Electricity		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machinery		SO6			10	11	11	
Vote 4 - Electricity		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO6			73	77	82	
Vote 4 - Electricity		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO6			–	–	–	
Vote 4 - Electricity		Operational_Typical Work Streams_Efficient and Effective Public Service		SO6			62 042	65 382	68 886	
Vote 4 - Electricity		Operational_Typical Work Streams_Public Protection and Safety		SO6			282	299	317	
Vote 5 - Environmental protection		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO7			–	–	–	
Vote 5 - Environmental protection		Operational_Typical Work Streams_Environmental_Pollution Control		SO7			305	324	343	
Vote 6 - Executive and council		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO2			11	12	12	
Vote 6 - Executive and council		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO2			9	9	10	
Vote 6 - Executive and council		Operational_Typical Work Streams_Capacity Building Training and Development_Capacity Building		SO2			40	42	45	
Vote 6 - Executive and council		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO2			65	69	73	
Vote 6 - Executive and council		Operational_Typical Work Streams_Communication and Public Participation_Public Participation Mee		SO2			80	85	90	

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
					Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand	4									Ward location
<b>Parent municipality:</b>										
<i>List all operational projects grouped by Municipal Vote</i>										
Vote 1 - Budget and treasury office		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Furniture and C		SO1			5	5	6	
Vote 1 - Budget and treasury office		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO1			307	325	345	
Vote 1 - Budget and treasury office		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO1			4	4	5	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Capacity Building Training and Development_Capacity Building		SO1			240	360	480	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO1			–	–	–	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Efficient and Effective Public Service		SO1			4 609	4 885	6 178	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Financial Management Grant_Budget and Treasury Office		SO1			894	894	894	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Financial Management Grant_Interns Compensation		SO1			598	598	598	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Financial Management Grant_Training Minimum Competency		SO1			–	–	–	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Municipal Properties		SO1			1 861	1 972	2 091	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy		SO1			28 430	30 130	31 931	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO2			–	–	–	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Procurement Reforms and Fighting Corruption		SO2			2 216	2 349	2 489	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Strategic Management and Governance_Risk Management		SO2			2 197	2 328	2 467	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO4			–	–	–	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Efficient and Effective Public Service		SO4			1 211	1 281	1 355	
Vote 1 - Budget and treasury office		Operational_Typical Work Streams_Strategic Management and Governance_Risk Management		SO4			361	382	405	
Vote 2 - Community and social services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and C		SO6			12	12	13	
Vote 2 - Community and social services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Communi		SO6			559	593	628	
Vote 2 - Community and social services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Communi		SO6			–	–	–	
Vote 2 - Community and social services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machiner		SO6			11	12	12	
Vote 2 - Community and social services		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO6			–	–	–	
Vote 2 - Community and social services		Operational_Typical Work Streams_Community Development_Library Programmes		SO6			6 342	6 719	7 119	
Vote 2 - Community and social services		Operational_Typical Work Streams_Efficient and Effective Public Service		SO6			142	127	110	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Furniture and C		SO3			13	14	14	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO3			4	5	5	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO3			53	56	60	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Furniture		SO3			285	302	320	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO3			11	12	13	
Vote 3 - Corporate services		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO3			657	696	738	
Vote 3 - Corporate services		Operational_Typical Work Streams_Human Resources_Human Resource Management		SO3			8 961	9 498	10 067	
Vote 3 - Corporate services		Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy		SO3			21 261	22 505	23 818	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Intangible		SO4			3 800	4 028	4 270	

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
					Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand	4									Ward location
<b>Parent municipality:</b>										
<i>List all operational projects grouped by Municipal Vote</i>										
Vote 3 - Corporate services		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO4			20	21	22	
Vote 3 - Corporate services		Operational_Typical Work Streams_Efficient and Effective Public Service		SO4			3 644	3 849	4 066	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO5			4	4	4	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO5			25	27	28	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machinery		SO5			32	34	36	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO5			27	29	31	
Vote 3 - Corporate services		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO5			–	–	–	
Vote 3 - Corporate services		Operational_Typical Work Streams_Expanded Public Works Programme_Project		SO5			1 626	5	6	
Vote 3 - Corporate services		Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy		SO5			14 491	15 232	16 243	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO6			20	21	22	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO6			34	36	38	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO6			2 992	3 172	3 362	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Communi		SO6			142	151	160	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machinery		SO6			4	4	4	
Vote 3 - Corporate services		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO6			41	43	46	
Vote 3 - Corporate services		Operational_Typical Work Streams_Municipal Properties		SO6			6 618	6 646	6 676	
Vote 4 - Electricity		Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Electrical Infr		SO6			7 264	7 700	8 162	
Vote 4 - Electricity		Operational_Maintenance_Infrastructure_Preventative Maintenance_Interval Based_Electrical Infr		SO6			3 467	3 675	3 895	
Vote 4 - Electricity		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO6			5	5	6	
Vote 4 - Electricity		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO6			96	101	107	
Vote 4 - Electricity		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO6			108	114	121	
Vote 4 - Electricity		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machinery		SO6			10	11	11	
Vote 4 - Electricity		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO6			73	77	82	
Vote 4 - Electricity		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO6			–	–	–	
Vote 4 - Electricity		Operational_Typical Work Streams_Efficient and Effective Public Service		SO6			62 042	65 382	68 886	
Vote 4 - Electricity		Operational_Typical Work Streams_Public Protection and Safety		SO6			282	299	317	
Vote 5 - Environmental protection		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO7			–	–	–	
Vote 5 - Environmental protection		Operational_Typical Work Streams_Environmental_Pollution Control		SO7			305	324	343	
Vote 6 - Executive and council		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO2			11	12	12	
Vote 6 - Executive and council		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO2			9	9	10	
Vote 6 - Executive and council		Operational_Typical Work Streams_Capacity Building Training and Development_Capacity Building		SO2			40	42	45	
Vote 6 - Executive and council		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO2			65	69	73	
Vote 6 - Executive and council		Operational_Typical Work Streams_Communication and Public Participation_Public Participation Mee		SO2			80	85	90	

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
					Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand	4									Ward location
<b>Parent municipality:</b>										
<i>List all operational projects grouped by Municipal Vote</i>										
Vote 6 - Executive and council		Operational_Typical Work Streams_Community Development_Community Development Initiatives		SO2			1 150	1 211	1 276	
Vote 6 - Executive and council		Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy		SO2			23 490	24 896	26 387	
Vote 6 - Executive and council		Operational_Typical Work Streams_Ward Committees_Meetings		SO2			483	512	543	
Vote 6 - Executive and council		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Assets		SO6			26	28	29	
Vote 6 - Executive and council		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Other Assets		SO6			279	296	313	
Vote 6 - Executive and council		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport Assets		SO6			19	20	21	
Vote 6 - Executive and council		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Seminars		SO6			—	—	—	
Vote 6 - Executive and council		Operational_Typical Work Streams_Efficient and Effective Public Service		SO6			798	822	847	
Vote 6 - Executive and council		Operational_Typical Work Streams_Strategic Management and Governance_Administrative Strategy		SO6			14 903	15 772	16 694	
Vote 7 - Housing		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Seminars		SO10			—	—	—	
Vote 7 - Housing		Operational_Typical Work Streams_Community Development_Housing Projects		SO10			1 732	1 836	1 946	
Vote 7 - Housing		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Assets		SO9			—	—	—	
Vote 7 - Housing		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport Assets		SO9			2	2	2	
Vote 7 - Housing		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Seminars		SO9			—	—	—	
Vote 7 - Housing		Operational_Typical Work Streams_Community Development_Housing Projects		SO9			40 019	66 205	78 394	
Vote 8 - Planning and development		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Seminars		SO11			—	—	—	
Vote 8 - Planning and development		Operational_Typical Work Streams_Efficient and Effective Public Service		SO11			4 137	4 384	4 646	
Vote 8 - Planning and development		Operational_Typical Work Streams_Local Economic Development_Project Implementation		SO11			1 816	1 925	2 041	
Vote 8 - Planning and development		Operational_Typical Work Streams_Tourism_Tourism Projects		SO11			248	262	278	
Vote 8 - Planning and development		Operational_Typical Work Streams_Local Economic Development_Project Implementation		SO12			50	53	56	
Vote 8 - Planning and development		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Seminars		SO2			—	—	—	
Vote 8 - Planning and development		Operational_Typical Work Streams_Efficient and Effective Public Service		SO2			2 875	3 047	3 230	
Vote 8 - Planning and development		Operational_Typical Work Streams_Strategic Management and Governance_IDP Implementation and Review		SO2			46	49	52	
Vote 8 - Planning and development		Operational_Typical Work Streams_Strategic Management and Governance_IDP Planning and Review		SO2			1 122	1 186	1 253	
Vote 8 - Planning and development		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Community Development		SO6			212	—	100	
Vote 8 - Planning and development		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Seminars		SO6			—	—	—	
Vote 8 - Planning and development		Operational_Typical Work Streams_Municipal Properties		SO6			1 757	1 859	1 966	
Vote 9 - Public safety		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other Assets		SO7			755	800	848	
Vote 9 - Public safety		Operational_Typical Work Streams_Emergency and Disaster Management_Disaster Management		SO7			1 772	1 878	1 990	
Vote 9 - Public safety		Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Roads Infrastructure		SO8			82	87	92	
Vote 9 - Public safety		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and Equipment		SO8			26	28	29	
Vote 9 - Public safety		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Assets		SO8			175	186	197	
Vote 9 - Public safety		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other Assets		SO8			355	376	399	

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
					Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand	4									Ward location
<b>Parent municipality:</b>										
<i>List all operational projects grouped by Municipal Vote</i>										
Vote 9 - Public safety		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO8			175	185	196	
Vote 9 - Public safety		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO8			–	–	–	
Vote 9 - Public safety		Operational_Typical Work Streams_Public Protection and Safety		SO8			43 147	45 697	48 427	
Vote 10 - Road transport		Operational_Maintenance_Infrastructure_Preventative Maintenance_Condition Based_Roads Infras		SO6			20 060	21 117	22 384	
Vote 10 - Road transport		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO6			112	119	126	
Vote 10 - Road transport		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO6			970	1 028	1 090	
Vote 10 - Road transport		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machiner		SO6			174	184	196	
Vote 10 - Road transport		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO6			659	699	740	
Vote 10 - Road transport		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO6			–	–	–	
Vote 10 - Road transport		Operational_Typical Work Streams_Efficient and Effective Public Service		SO6			4 645	4 546	4 465	
Vote 10 - Road transport		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO8			15	16	17	
Vote 10 - Road transport		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO8			–	–	–	
Vote 10 - Road transport		Operational_Typical Work Streams_Public Protection and Safety		SO8			4 534	4 804	5 092	
Vote 11 - Sport and recreation		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO6			69	73	77	
Vote 11 - Sport and recreation		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO6			100	106	112	
Vote 11 - Sport and recreation		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Communi		SO6			1 234	1 308	1 386	
Vote 11 - Sport and recreation		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Communi		SO6			7 026	7 448	7 895	
Vote 11 - Sport and recreation		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Communi		SO6			821	870	922	
Vote 11 - Sport and recreation		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machiner		SO6			31	33	35	
Vote 11 - Sport and recreation		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO6			114	120	128	
Vote 11 - Sport and recreation		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO6			–	–	–	
Vote 11 - Sport and recreation		Operational_Typical Work Streams_Efficient and Effective Public Service		SO6			253	255	256	
Vote 12 - Waste management		Operational_Maintenance_Infrastructure_Preventative Maintenance_Interval Based_Solid Waste Di		SO6			2 005	2 125	2 253	
Vote 12 - Waste management		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO6			224	237	252	
Vote 12 - Waste management		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO6			399	423	448	
Vote 12 - Waste management		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO6			275	292	309	
Vote 12 - Waste management		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machiner		SO6			179	190	201	
Vote 12 - Waste management		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO6			363	384	407	
Vote 12 - Waste management		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO6			–	–	–	
Vote 12 - Waste management		Operational_Typical Work Streams_City Cleanliness and Clean-up_Clean-up Actions		SO6			102	108	114	
Vote 12 - Waste management		Operational_Typical Work Streams_Efficient and Effective Public Service		SO6			42 410	38 416	40 496	
Vote 13 - Waste water management		Operational_Maintenance_Infrastructure_Corrective Maintenance_Emergency_Sanitation Infrastruc		SO6			940	996	1 056	
Vote 13 - Waste water management		Operational_Maintenance_Infrastructure_Preventative Maintenance_Interval Based_Sanitation Infra		SO6			8 869	9 401	9 965	



**WC031 Theewaterskloof - Supporting Table SA38 Consolidated detailed operational projects**

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
					Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location
R thousand	4									
Parent municipality:										
List all operational projects grouped by Municipal Vote										
Vote 13 - Waste water management		Operational_Maintenance_Infrastructure_Preventative Maintenance_Interval Based_Sanitation Infra		SO6			5 273	5 590	5 925	
Vote 13 - Waste water management		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO6			77	82	87	
Vote 13 - Waste water management		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO6			607	643	682	
Vote 13 - Waste water management		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO6			1 105	1 171	1 242	
Vote 13 - Waste water management		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machinery		SO6			78	82	87	
Vote 13 - Waste water management		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO6			487	516	547	
Vote 13 - Waste water management		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO6			–	–	–	
Vote 13 - Waste water management		Operational_Typical Work Streams_Efficient and Effective Public Service		SO6			14 683	15 704	16 115	
Vote 14 - Water		Operational_Maintenance_Infrastructure_Preventative Maintenance_Interval Based_Water Supply I		SO6			16 893	17 906	18 981	
Vote 14 - Water		Operational_Maintenance_Infrastructure_Preventative Maintenance_Interval Based_Water Supply I		SO6			540	572	606	
Vote 14 - Water		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Machinery and		SO6			17	18	19	
Vote 14 - Water		Operational_Maintenance_Non-infrastructure_Corrective Maintenance_Emergency_Transport Asse		SO6			201	213	226	
Vote 14 - Water		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Condition Based_Other A		SO6			1 220	1 293	1 371	
Vote 14 - Water		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Machinery		SO6			50	52	56	
Vote 14 - Water		Operational_Maintenance_Non-infrastructure_Preventative Maintenance_Interval Based_Transport		SO6			135	143	151	
Vote 14 - Water		Operational_Typical Work Streams_Capacity Building Training and Development_Workshops, Semi		SO6			17	18	19	
Vote 14 - Water		Operational_Typical Work Streams_Drinking Water Quality		SO6			4 687	4 814	4 948	
Vote 14 - Water		Operational_Typical Work Streams_Efficient and Effective Public Service		SO6			25 911	26 776	27 717	
Parent operational expenditure							498 831	541 764	580 788	

## 16. Legislation Compliance Status

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Compliance with the MFMA Implementation requirements has been substantially adhered to through the following activities:

- **Budget and Treasury Office:** A Budget and Treasury Office has been established in accordance with the MFMA.
- **Budgeting:** The annual budget is prepared in accordance with the requirements prescribed by the MFMA and National Treasury.
- **Financial Reporting:** 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- **Annual Report:** The Annual Report is prepared in accordance with the MFMA and National Treasury.
- **Debt Collection:** A Debt Collection unit has been established in accordance with the relative legislation. The staff appointments in the Debt Collection Department have almost been completed and the department is fully functional. Debt collection restructuring is also scheduled to improve the efficiency of the unit and ensure collections and credit control is done at optimal levels.
- **Internal Audit:** The department is fully functional with a Deputy Director, Internal Auditor and a Clerk Internal Audit in order to comply with the MFMA and obtain value for money.
- **Supply Chain Management:** A Functional Supply Chain Management Unit in accordance with the MFMA.
- **Risk Management:** Theewaterskloof Municipality has adopted a Risk Management Policy in August 2009 and official has undergone training. A risk register is compile which identify the top ten risks and is reviewed and monitor regularly.
- **Asset Management:** The Fixed Asset Register is fully GRAP compliant and the Asset Maintenance Plan is in progress in order to comply with legislation.
- **Internship Programme:** Theewaterskloof Municipality is participating in the Municipal Finance Management Internship Programme. Five Interns are employed and are undergoing various training in all sections of the Finance Department.



## 17. Other supporting documents

### a. Tariff list

Refer to Annexure A for a final list of tariffs to be approved.

### b. Supplementary notes to tables

Supporting detail to budgeted financial performance (Table SA1)

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>								
<b>REVENUE ITEMS:</b>								
<b>Property rates</b>								
Total Property Rates						95 633	101 371	107 453
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>						—	—	—
<b>Net Property Rates</b>	—	—	—	—	—	95 633	101 371	107 453
<b>Service charges - electricity revenue</b>								
Total Service charges - electricity revenue						89 748	95 133	100 841
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>						—	—	—
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	—	—	—	—	—	2 266	2 402	2 546
<b>Net Service charges - electricity revenue</b>	—	—	—	—	—	87 482	92 731	98 295
<b>Service charges - water revenue</b>								
Total Service charges - water revenue						56 553	59 946	63 543
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>						—	—	—
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	—	—	—	—	—	2 544	2 697	2 858
<b>Net Service charges - water revenue</b>	—	—	—	—	—	54 009	57 249	60 684
<b>Service charges - sanitation revenue</b>								
Total Service charges - sanitation revenue						35 594	37 730	39 993
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>						—	—	—
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	—	—	—	—	—	5 823	6 172	6 543
<b>Net Service charges - sanitation revenue</b>	—	—	—	—	—	29 771	31 557	33 451
<b>Service charges - refuse revenue</b>								
Total refuse removal revenue						36 439	38 626	40 943
Total landfill revenue								
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>						—	—	—
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	—	—	—	—	—	6 663	7 063	7 487
<b>Net Service charges - refuse revenue</b>	—	—	—	—	—	29 776	31 563	33 457
<b>Other Revenue by source</b>								
Administrative Handling Fees							—	—
Advertisements						1	1	1
Building Plan Approval						1 600	1 696	1 798
Building Plan Clause Levy						130	138	146
Cemetery and Burial						550	583	618
Clearance Certificates						—	—	—
Collection Charges						100	106	112
Development Charges						500	530	562
Encroachment Fees						80	85	90
Escort Fees						80	85	90
Incidental Cash Surpluses						2	2	2
Insurance Refund						500	530	562
Legal Fees						100	106	112
Library Fees_Loan Fees						—	—	—
Library Fees_Membership						5	6	6
Municipal Information and Statistics						—	—	—
Objections and Appeals						—	—	—
Other Revenue						1	1	1
Photocopies and Faxes						53	56	60
Plan Printing and Duplicates						10	11	11
Private Jobs						6	6	7
Public Contributions and Donations						1 020	1 081	1 146
Royalties						1	1	1
Sub-division and Consolidation Fees						300	318	337
Tender Documents						80	85	90
Town Planning and Servitudes						1	1	1
Transaction Handling Fees						400	424	449
Valuation Services						250	265	281
<b>Total 'Other' Revenue</b>	—	—	—	—	—	5 770	6 116	6 483

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>								
<b>EXPENDITURE ITEMS:</b>								
<b>Employee related costs</b>								
Basic Salaries and Wages						131 388	137 405	145 727
Pension and UIF Contributions						21 227	22 501	23 851
Medical Aid Contributions						5 793	6 141	6 509
Overtime						5 228	5 542	5 875
Performance Bonus						498	528	560
Motor Vehicle Allowance						9 868	10 461	11 088
Cellphone Allowance						647	686	727
Housing Allowances						1 530	1 622	1 719
Other benefits and allowances						5 118	5 425	5 750
Payments in lieu of leave						1 800	1 908	2 022
Long service awards						1 793	1 901	2 015
Post-retirement benefit obligations						3 575	3 790	4 017
<b>sub-total</b>	-	-	-	-	-	188 466	197 908	209 860
<u>Less: Employees costs capitalised to PPE</u>						-	-	-
<b>Total Employee related costs</b>	-	-	-	-	-	188 466	197 908	209 860
<b>Contributions recognised - capital</b>								
List contributions by contract								
<b>Total Contributions recognised - capital</b>	-	-	-	-	-	-	-	-
<b>Depreciation &amp; asset impairment</b>								
Depreciation of Property, Plant & Equipment						22 802	16 919	16 919
Lease amortisation						-	-	-
Capital asset impairment						5 500	5 500	5 500
Depreciation resulting from revaluation of PPE						-	-	-
<b>Total Depreciation &amp; asset impairment</b>	-	-	-	-	-	28 302	22 419	22 419
<b>Bulk purchases</b>								
Electricity Bulk Purchases						58 659	62 178	65 909
Water Bulk Purchases						13 430	14 235	15 089
<b>Total bulk purchases</b>	-	-	-	-	-	72 088	76 414	80 998
<b>Transfers and grants</b>								
Cash transfers and grants	-	-	-	-	-	110	110	110
Non-cash transfers and grants	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	-	-	-	-	-	110	110	110
<b>Contracted services</b>								
Air Pollution						250	265	281
Alien Vegetation Control						828	877	930
Animal Care						299	317	336
Auctioneers						80	85	90
Audit Committee						284	301	319
Building Contractor						25	27	28
Business and Financial Management						3 119	3 358	3 605
Catering Services						230	242	254
Clearing and Grass Cutting Services						225	239	253
Commissions and Committees						80	85	90
Electrical Contractors						617	654	693
Engineering_Civil						1 190	1 261	1 337
Fire Services						1 750	1 855	1 966
Geoinformatic Services						162	171	182
Graphic Designers						82	86	92
Haulage - Refuse						2 850	3 021	3 202
Laboratory Services - Water						733	777	824
Land and Quantity Surveyors						-	-	-
Legal Cost						933	989	1 049
Maintenance of Buildings and Facilities						6 127	6 494	6 884
Maintenance of Infrastructure Assets						3 613	3 684	3 905
Maintenance of Vehicles and Equipment						6 366	6 748	7 153
Management of Informal Settlements						300	318	337
Medical Examinations						65	69	73
Personnel and Labour						1 083	1 148	1 217
Photographer						20	21	22
Quality Control						74	78	83
Refuse Removal						20	21	22
Research and Advisory						844	895	948
Security Services						380	402	427
Sewerage Services						120	127	135
Town Planner						98	104	110
Traffic Fines Management						2 700	2 862	3 034
Translators, Scribes and Editors						150	159	169
Transportation						25	27	28
Valuer and Assessors						1 235	1 309	1 387
<b>sub-total</b>	-	-	-	-	-	36 954	39 075	41 462
<b>Allocations to organs of state:</b>								
Electricity								
Water								
Sanitation								
Other								
<b>Total contracted services</b>	-	-	-	-	-	36 954	39 075	41 462

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>								
<b>Other Expenditure By Type</b>								
Collection costs						-	-	-
Contributions to 'other' provisions						-	-	-
Consultant fees						-	-	-
Audit fees						3 150	3 339	3 539
General expenses						-	-	-
Actuarial Losses						4 700	4 982	5 281
Advertising						798	845	896
Bank Charges, Facility and Card Fees						465	493	523
Bargaining Council						60	64	67
Bulk SMS						157	167	177
Bursaries (Employees)						220	233	247
Commission Paid						1 606	1 703	1 805
Courier and Delivery Services						18	19	20
Deeds						28	30	31
Dumping Fees (District Council)						1 800	1 908	2 022
Entertainment_Councillors						81	86	91
Entertainment_Senior Management						22	23	25
External Computer Service						5 448	5 775	6 122
Full Time Union Representative						200	212	225
Indigent Relief						2 300	2 438	2 584
Insurance						1 664	1 763	1 869
Licences (Radio and Television)						147	156	165
Management Fee						945	1 002	1 062
Membership Fees						9	10	10
Municipal Services						6 250	6 625	7 023
Operating Leases						2 230	2 361	2 499
Other						50	53	56
Personnel Recruitment Costs						90	95	101
Post Box Rental						5	6	6
Postage						184	195	207
Printing, Publications and Books						263	279	296
Professional Bodies						1 900	2 014	2 135
Registration Fees_Seminars, Conferences, Workshops and Events						660	700	742
Remuneration to Ward Committees						388	411	436
Resettlement Cost						55	58	62
Servitudes and Land Surveys						142	151	160
Signage						246	261	276
Skills Development Fund Levy						1 188	1 259	1 334
Sundry Hire Charges						54	57	60
System Access and Information Fees						120	127	135
Telemetric Systems						150	159	169
Telephone						605	641	680
Travel and Subsistence						1 104	1 170	1 240
Uniform and Protective Clothing						1 466	1 554	1 647
Workmen's Compensation Fund						1 000	1 060	1 124
<b>Total 'Other' Expenditure</b>	-	-	-	-	-	<b>41 969</b>	<b>44 483</b>	<b>47 148</b>
<b>Repairs and Maintenance</b>								
Employee related costs						50 916	53 971	57 210
Other materials						12 191	12 697	13 559
Contracted Services						17 789	18 710	19 833
Other Expenditure						11 814	12 522	13 274
<b>Total Repairs and Maintenance Expenditure</b>	-	-	-	-	-	<b>92 710</b>	<b>97 901</b>	<b>103 875</b>

# Supporting detail to Statement of Financial Position (Table SA3)

WC031 Theewaterskloof - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

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	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>								
<b>ASSETS</b>								
<b>Call investment deposits</b>								
Call deposits						40 000	40 000	40 000
Other current investments						-	-	-
<b>Total Call investment deposits</b>	-	-	-	-	-	40 000	40 000	40 000
<b>Consumer debtors</b>								
Consumer debtors						270 810	331 080	394 967
Less: Provision for debt impairment						(220 073)	(273 354)	(329 831)
<b>Total Consumer debtors</b>	-	-	-	-	-	50 737	57 727	65 135
<b>Debt impairment provision</b>								
Balance at the beginning of the year						169 808	220 073	273 354
Contributions to the provision						50 265	53 281	56 478
Bad debts written off						-	-	-
<b>Balance at end of year</b>	-	-	-	-	-	220 073	273 354	329 831
<b>Property, plant and equipment (PPE)</b>								
PPE at cost/valuation (excl. finance leases)						996 958	1 044 185	1 099 123
Leases recognised as PPE						581	581	581
Less: Accumulated depreciation						184 956	206 732	228 508
<b>Total Property, plant and equipment (PPE)</b>	-	-	-	-	-	812 583	838 033	871 195
<b>LIABILITIES</b>								
<b>Current liabilities - Borrowing</b>								
Short term loans (other than bank overdraft)						-	-	-
Current portion of long-term liabilities						9 813	9 099	8 189
<b>Total Current liabilities - Borrowing</b>	-	-	-	-	-	9 813	9 099	8 189
<b>Trade and other payables</b>								
Trade and other creditors						54 593	64 219	70 607
Unspent conditional transfers						2 946	2 946	2 946
VAT						-	-	-
<b>Total Trade and other payables</b>	-	-	-	-	-	57 538	67 164	73 553
<b>Non current liabilities - Borrowing</b>								
Borrowing						122 558	114 045	105 646
Finance leases (including PPP asset element)						-	-	-
<b>Total Non current liabilities - Borrowing</b>	-	-	-	-	-	122 558	114 045	105 646
<b>Provisions - non-current</b>								
Retirement benefits						52 245	60 192	68 617
List other major provision items								
Refuse landfill site rehabilitation						41 194	45 619	50 333
Other						6 290	6 668	7 068
<b>Total Provisions - non-current</b>	-	-	-	-	-	99 728	112 480	126 018
<b>CHANGES IN NET ASSETS</b>								
<b>Accumulated Surplus/(Deficit)</b>								
Accumulated Surplus/(Deficit) - opening balance						594 707	637 062	660 132
GRAP adjustments						-	-	-
Restated balance	-	-	-	-	-	594 707	637 062	660 132
Surplus/(Deficit)	-	-	-	-	-	42 355	23 070	32 505
Appropriations to Reserves						(14 887)	(17 054)	(20 144)
Transfers from Reserves						14 887	17 054	20 144
Depreciation offsets						-	-	-
Other adjustments						-	-	-
<b>Accumulated Surplus/(Deficit)</b>	-	-	-	-	-	637 062	660 132	692 637
<b>Reserves</b>								
Housing Development Fund						-	-	-
Capital replacement						4 868	4 868	4 868
Self-insurance						-	-	-
Other reserves						-	-	-
Revaluation						-	-	-
<b>Total Reserves</b>	-	-	-	-	-	4 868	4 868	4 868
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	-	-	-	-	-	641 930	665 001	697 506

## Total Municipal Account

The effect of the proposed tariff and rate increases on households is illustrated below:

### Benchmarking Households based on 2017-18 tariffs

<b>Monthly Account For Household- "Indigent"</b> <b>Property Value: R122 000, Water: 6kl, Electricity 70kwh</b>				
Rates and Services Charges	Current 2016-17	New Tariff 2017-18	Rand Difference	% Increase
Property Rates	16.20	18.39	2.19	13%
Elec: Basic Levy				
Elec: Consumption				
Water: Basic Levy				
Water: Consumption				
Sanitation				
Refuse Removal				
Other				
<b>Sub-Total</b>	16.20	18.39	2.19	13%
VAT on Services	-	-		
<b>Total Bill:</b>	<b>16.20</b>	<b>18.39</b>	<b>2.19</b>	<b>13%</b>
<b>Disposable Income</b>	3 200	3 200		
<b>% of Disposable Income</b>	0.51%	0.57%		

<b>Monthly Account For Household- "Affordable Range"</b> <b>Property Value: R719 000, Water: 15kl, Electricity 489kwh</b>				
Rates and Services Charges	Current 2016-17	New Tariff 2017-18	Rand Difference	Percentage Increase
Property Rates	518.50	588.44	69.95	13.49%
Elec: Basic Levy	49.82	50.76	0.94	1.88%
Elec: Consumption	720.74	734.29	13.55	1.88%
Water: Basic Levy	87.02	94.84	7.82	8.99%
Water: Consumption	79.74	86.91	7.17	8.99%
Sanitation	118.60	129.40	10.80	9.11%
Refuse Removal	133.68	143.08	9.40	7.03%
Other				
<b>Sub-Total</b>	1 708.10	1 827.72	119.63	7.00%
VAT on Services	166.54	173.50	6.96	4.18%
<b>Total Bill:</b>	<b>1 874.64</b>	<b>2 001.22</b>	<b>126.58</b>	<b>6.33%</b>
<b>Disposable Income</b>	16 180.85	16 180.85		
<b>% of Disposable Income</b>	11.59%	12.37%		

<b>Monthly Account For Household- "Middle Income"</b> <b>Property Value: R1 364 000, Water: 30kl, Electricity 1000kwh</b>				
Rates and Services Charges	Current 2016-17	New Tariff 2017-18	Rand Difference	Percentage Increase
Property Rates	993.54	1 127.57	134.03	13.49%
Elec: Basic Levy	49.82	50.76	0.94	1.88%
Elec: Consumption	1 473.90	1 501.61	27.71	1.88%
Water: Basic Levy	87.02	94.84	7.82	8.99%
Water: Consumption	257.34	280.47	23.13	8.99%
Sanitation	118.60	129.40	10.80	9.11%
Refuse Removal	133.68	143.08	9.40	7.03%
Other				
<b>Sub-Total</b>	3 113.90	3 327.73	213.83	6.87%
VAT on Services	296.85	308.02	11.17	3.76%
<b>Total Bill:</b>	<b>3 410.75</b>	<b>3 635.76</b>	<b>225.01</b>	<b>6.60%</b>
<b>Disposable Income</b>	36 822.25	36 822.25		
<b>% of Disposable Income</b>	9.26%	9.87%		

## 18. Municipal manager's quality certificate

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I, J Barnard, Acting Municipal Manager of Theewaterskloof Municipality (WC031), hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: J Barnard

Acting Municipal Manager of: **Theewaterskloof Municipality (WC031)**

Signature: \_\_\_\_\_

Date: **29 May 2017**

Print Name: D Louw

Chief Financial Officer of: **Theewaterskloof Municipality (WC031)**

Signature: \_\_\_\_\_

Date: **29 May 2017**