

**TSWELOPELE LOCAL MUNICIPALITY (FS 183)**  
**CIVIC CENTRE, BOSMAN STREET**  
**BULTFONTEIN, 9670**  
**051 853 1111**  
**[www.tswelopele.gov.za](http://www.tswelopele.gov.za)**



# **MTREF**

## **2018/2019—2020/2021**

PREPARED IN ACCORDANCE WITH BUDGET REGULATIONS, MFMA  
CIRCULARS

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## **PART 1: ANNUAL BUDGET**

### **1. MAYOR'S REPORT**

Madam Speaker

Honourable Councillors

Municipal Manager and Directors

Stakeholders and community at large, acknowledge my warm and heartfelt greetings to you all. Madam Speaker, before I proceed, allow me to acknowledge the presence of the Pastors who have graced this occasion.

### **INTRODUCTION AND OPENING REMARKS**

Madam Speaker, our mandate as local government is informed by the Constitution, which places an obligation on local government institutions to strive, within their financial and administration capacity, to achieve the objects of local government and developmental objectives set in Section 152 and 153 respectively.

Therefore, as we proceed to approve the 2018/2019 budget we are called upon not to lose sight of the developmental agenda of local government and the responsibility we carry on our shoulders to make our contribution in an effort to bring about a better life for all our people.

### **OUR CHALLENGES**

Madam Speaker and Councillors at large we need to acknowledge the challenges we are facing as the municipality. In so doing, we will speedily realise the need to develop strategies that will respond to such challenges.

Our immediate challenges in service delivery include electricity and water losses. This losses translate to a very significant amount when they are converted to rands and cents.

On electricity, we are currently upgrading the switching stations in Bultfontein and cable networks in Hoopstad. We have applied for 10% electricity increase. The additional

revenue to be generated, will be used towards upgrading of the existing infrastructure to ensure that the electricity service is provided in a sustainable manner.

We are also going to implement a project aimed at curbing water losses in both Tikwana and Phahameng. Furthermore, we are going to implement a consumption based billing in both townships. This is process that was supposed to start in the 2017/18. However, due to challenges experienced by the municipality on implementation of the mSCOA, such could not be achieved and it was necessary to only start with this process during the 2018/19 financial year.

Honourable Speaker, the implementation of mSCOA came with challenges to which the impact thereon was also felt by consumers. Consumer accounts were sent late which led to some consumers not paying for the services. I am pleased to say most of these challenges have been resolved and consumers are getting their accounts. We will also not charge interest on consumer accounts in all cases where we submitted consumer accounts late.

The culture of non-payment of services by the community has become one of the foremost challenges facing the municipality today. Increase in consumer debtors because of non-payment this on the other hand translate to increase in outstanding creditors. This has led to the municipality unable to service its bulk electricity and bulk water accounts. We have engaged with Eskom and they have put the PAJA process on hold till we have further discussions in December 2018. There is a preliminary agreement in this regard.

We will also be engaging with SandVet regarding our bulk water account during the course of the budget year (2018/19).

Therefore, the ability of the municipality to operate as a going concern becomes oblique if community is not paying their services. It further results in the none-payment of suppliers within 30 days. None payment of suppliers have detrimental effects to SMME and may also work against progressive policies such as the policy on Radical Economic Transformation.

## **BUDGET PROCESS FOR 2018/2019**

The reviewed IDP and Annual Budget I am tabling here today for approval, are the tools that will guide us in becoming responsive to the needs of the communities we serve as well as addressing the challenges we face as the municipality. The IDP and Annual Budget review process started with the approval of timelines in August 2017. The process unfolded accordingly as per the requirements of the Municipal Systems Act and Municipal Finance Management Act, till this Council approved the Adjustment Budget and Draft Budget in February and March respectively this year.

## **ALIGNMENT BETWEEN NATIONAL AND PROVINCIAL PRIORITIES**

The Municipality cannot change the lives of our people and pursue the developmental agenda in isolation from the other spheres of government. In this regard, our plans and strategies must take cue from the State of the nation Address by the President as well as the State of the Province by the Premier of the Free State.

In this regard, we are committed as the municipality to.

- Improving access to sustainable basic services,
- Fighting poverty amongst our communities
- Creating employment opportunities through government programmes
- Creating a conducive environment for our people to participate
- Providing land (both business and residential purposes) to our people.

Madam Speaker the municipality has a programmes that talks directly to these objectives. The following are some of the key projects (which have been budgeted for). This will impact positively in the lives of the residents of Tswelopele local Municipality).

- Poverty alleviation programmes
- Pauper Burials
- HIV/AIDS campaigns
- Provision of free basic services to registered indigent households
- Creating employment opportunities in our infrastructure roll out plan

Honourable Councillors and the community at large, the 2018/19 medium term budget I am presenting here today attempts to strike a balance between financial sustainability of the municipality (in light of the prevailing economic conditions within the municipality) as well as maintain the service delivery imperatives to ensure that basic services are provided in a sustainable manner.

In this regard, I would like to extend my sincere gratitude to all the residents and businesses who continue to sustain this municipality by paying for their services. It is my ardent wish that you continue with this practice as responsible residents of Tswelopele Municipality.

Madam Speaker, the underlying principles of this budget are as follows:

- Strengthening financial management and accountability within the municipality;
- Striving for financial sustainability by ensuring that the expenditure is aligned to the revenue;
- Observe the cost containment measures and eliminate spending on non-core services;
- Ensuring that the municipality generates enough revenue to ensure positive working capital.

## **OPERATING REVENUE BUDGET**

Honourable Speaker, full details on allocations for each of the departments are contained in the budget book (agenda) circulated to Councillors. At a high level, the operating revenue budget of the Municipality is R150.2 million. This revenue is generated from the following major revenue sources:

- |                                   |               |
|-----------------------------------|---------------|
| ▪ Property rates                  | R18.1 million |
| ▪ Service charges for electricity | R36.4 million |
| ▪ Service charges for water       | R8.7 million  |

- Service charges for sanitation R7.1 million
- Service charges for refuse R4.5 million

The municipality is also receiving about R69.9 million in terms of the operating grants and subsidies. Included in this amount is Equitable Share which is also used to subsidise the registered Indigent Households and Financial Management Grant which is used to build capacity within the Budget and Treasury Office including employment of the Financial Management Interns. Honourable Speaker, the district municipality is also assisting the municipality in terms of loan redemption which was raised by the municipality at DBSA to eradicate the bucket system. The District Municipality in fulfilling its mandate, is further assisting the Municipality with R1 million to address water loss challenges in Phahameng and Tikwana. Other revenue sources are indicated in the budget document which is before Councillors.

## **TARIFF STRUCTURING**

Madam Speaker, the Municipality annually reviews its tariffs in line with the Municipality's Tariff Policy. The policy provides a broad framework within which Municipal Council can determine fair, transparent and affordable service charges that also promote the sustainability of service provision, taking into account the social, economic and financial imperatives of the Municipality.

We have learnt of the deficiencies on tariff structuring within the municipality. This has led to the municipality's tariffs not being cost reflective. The need has aroused for the municipality to gradually address this deficiency and we agree that it cannot be a once off endeavour.

Accordingly, tariff increase of 6.84% is proposed for water service; refuse service; sanitation and property rates. Honourable Councillors, the National Electricity Regulator of South Africa has approved a tariff guideline of 6.84% for municipalities on electricity. In order to ensure that the electricity service is provided in a sustainable manner, there is a



need for upgrading of the network and tariffs that are cost reflective. In this regard, the municipality has applied for a tariff increase of 10%.

The Municipality was invited to the Public Hearings on the 15 June 2018 by the Regulator (NERSA) and this invitation was honoured. We have not yet received an outcome on our application at this stage. However, we want to ensure Councillors and the community at large, that the municipality will implement the tariff approved by the Regulator and there will be no deviation in this regard.

A detailed tariff list is attached to the budget document and I urge both Councillors and Communities to familiarise themselves with the contents therein.

## **OPERATING EXPENDITURE BUDGET**

Honourable Speaker, the economic turmoil within in the country and specific to our municipality forces us to do more with less resources. Accordingly, I submit to this Council, an operating expenditure budget of R175.7 million. The major components of the expenditure are as follows:

Employee related costs	R60.8 million
Remuneration of Councillors	R6.6 million
Bulk purchases (water and electricity)	R33.9 million
Finance charges	R2.9 million

Included in the total operating expenditure budget is R32.1 million of non-cash items (Debt impairment and depreciation at R6.1 million and R26 million respectively). After accounting for other expenditure, the annual budget of the municipality is funded in line with the

requirements of the Municipal Finance Management Act. The municipality has budgeted for a cash surplus.

## **CAPITAL EXPENDITURE AND FUNDING**

Madam Speaker, there is no service delivery without a capital budget. It through our capital budget that we strive to provide basic services to the community. The municipality has budgeted R23.9 million towards capital expenditure. The following projects will be implemented in the 2018/19 financial year:

Construction of a paved road and stormwater in Phahameng	R2.1 million
Upgrading of sports facilities	R1.1 million
Construction of Cricket Sport Facility in Phahameng	R7.3 million
Construction of Toilet Structure in Tikwana	R12.2 million

The budget is funded mainly from Municipal Infrastructure Grant at R23.8 million and a small portion from internally generated funds. Honourable Speaker, we have noted with a concern that the municipality is unable to fund capital expenditure from its on internally generated funds. In this regard, we request the communities to improve their payment rate so that we can raise enough capital to pursue infrastructure development.

## **ACHIEVEMENTS**

Madam Speaker we managed to assist 182 Students with registration fees from both towns, Hoopstad and Bultfontein including farms. To register at the institutions of higher learning the doors of education shall be opened to all.

Madame Speaker the government of the governing party in its endeavour to build economy understands that road infrastructure plays a critical role. It is important to highlight that the 2 kilometre paving road project is currently under construction in Phahameng.

The Provincial road between Hoopstad and Wesselsbron is also under construction. Madam Speaker the Hoopstad to Bultfontein road is already finished this will improve the lives of our people. Honourable councillors the projects of Piggery and poultry in hoopstad and bultfontein have already started beneficiaries have been identified, and they have undergone the first circle of training.

Madame Speaker, let me reiterate to this gathering that Tswelopele Local Municipality in striving to improve the life of its people together with Rural Development is assisting the beneficiaries of chicken project in Phahameng.

As the Municipality we understand the plight of our people who are evicted in the farms, and those who need residential sites, to date we have allocated residential sites as follows,

Tikwana	493 allocated
Phahameng	474 allocated

Honourable Speaker our people have been residing at houses to which they don't have title deeds. There are 490 title deeds which will be issued to our people to prove property ownership for Tikwana residents, and 114 for Phahameng residents.

## **CONCLUSION**

Madam Speaker to prepare a budget that will stand up for scrutiny requires an ability to take advises from many quarters to analyse them and test them.

Amongst the sources of ideas, is the broader public consultation and engagement in the process and taking ownership of the budget. This year all stakeholders have shared their ideas with us and can assure you their inputs have been taken into consideration.

I am grateful for the written inputs received from the Hoopstad Community. I want to assure you that, the municipality will respond to your concerns. In the same breath, we condemn with the strongest terms, people who want to micro-manage the municipality by dictating to the municipality. We further, want to warn stakeholders not to use the budget consultation process as platform to settle political scores.

After having considered all the proposals, I am privileged to present this annual budget as a statement of collective responsibility for Tswelopele Local Municipality.

In this regard Madam Speaker allow me to extend my sincere appreciation to the entire council of Tswelopele for their undivided support. Let me also acknowledge the Support provided by the Municipal Manager all Directors. The support provided by the Office of the Mayor and the Speaker (Led by the Manager that offices) and officials from Budget and Treasury (Led by the CFO) who have been with me throughout the IDP and Budget Consultations your efforts are highly appreciated.

Honourable Speaker and Councillors at large, I hereby table reviewed 2018/2019 IDP and Annual Budget of Tswelopele Local Municipality for the fiscal year ending 30 June 2019 for your consideration and approval.

## **2. RESOLUTIONS**

1. Council hereby resolve that the annual budget of the municipality for the financial year 2018/19 and indicative budget for the two outer years 2019/20 and 2020/21 roved as set-out in:

- a) Table A1: Budgeted Summary;
  - b) Table A2: Budget Financial Performance (revenue & expenditure by standard classification);
  - c) Table A3: Budget Financial Performance (revenue & expenditure by municipal vote);
  - d) Table A4: Budget Financial Performance (revenue & expenditure);
  - e) Table A5: Budgeted Capital Expenditure by vote, standard classification and funding;
  - f) Table A6: Budget Financial Position;
  - g) Table A7: Budget Cash Flow;
  - h) Table A8: Cash backed reserves / accumulated surplus reconciliation;
  - i) Table A9: Asset Management;
  - j) Table A10: Basic Service Delivery Measurement
2. Council hereby resolve that Operating Budget as set out in Table A1 – A4 and Capital Budget (and its finding sources) as set out in Table A5 be implemented with effect from 01 July 2018;
  3. Council hereby resolve that property rates tariff and tariffs for other services charges as reflected in the formal Tariff List be approved and implemented with effect from 01 July 2018;
  4. Council hereby resolve that the municipality should implement the electricity tariff as approved by the National Electricity Regulator of South Africa (given that the municipality has applied for 10% increase instead of the recommended 6.84% and no response received as yet);
  5. Council hereby resolve that the following budget related policies be approved and be implemented with effect from the 01 July 2018:
    - a) Budget policy
    - b) Virement policy
    - c) Funding and reserves policy
    - d) Banking / cash and investment policy
    - e) Credit control and debt collection policy

- f) Indigent support policy
- g) Bad debt write-off policy
- h) Customer care policy
- i) Deposit policy
- j) Asset management policy
- k) Property rates policy
- l) Tariffs policy
- m) Supply chain management policy
- n) SCM Policy on infrastructure assets
- o) Petty cash management policy

6. That billing for water services be on a consumption-based for all households within the municipal area (i.e. do away of the flat-rate). Flat rate should be charged only in households that do not have water meters.

### **3. EXECUTIVE SUMMARY**

Tswelopele Local Municipality budget process started in August 2017, when the council of the municipality approved budget timelines. The budget timelines were tabled by the Mayor as per the requirements of the Municipal Finance Management Act (MFMA). Tswelopele Local Municipality vastly depends on grants from national government as majority of its revenue is made up of Equitable Shares and some other grants (i.e. Financial Management Grant, Lejweleputswa District Municipality Grant and Expanded Public Works Programme Grant).

Table SA19 on the municipality's annual budget tables clearly distinguishes between all this different allocations. Total operating grants allocated to Tswelopele Local Municipality amount to R70 039 000. The municipality has 11 992 households (*Census 2011*) of which over 70% are poor. This contribute negatively towards the payment rate for services. Currently the outstanding debtors of the municipality are standing at R69.9 million as at the end of May 2018.

National Treasury MFMA Budget Circulars were used to guide in the compilation of the 2018/2019 Medium Term Revenue and Expenditure Framework. The following budget

principles and guidelines informed the compilation of the 2018/2019 Medium Term Revenue and Expenditure Framework:

- 2017/2018 MFMA Section 72 report (mid-term assessment report);
- 2017/2018 Adjustment Budget;
- Average CPI from 1 March 2017 to 28 February 2018;
- Annual Division of Revenue Act
- MFMA Budget Circulars

Total revenue is anticipated to grow in the mid-term and this growth as a result of the tariff increases. The municipality aligned its budget to the national and provincial priorities. Mentioned below are some of the National and Provincial priorities:

- National Priorities: Increase access to basic services; sustainable employment growth through increased public investment spending;
- Provincial priorities: Fighting Poverty and Reduce Crime.

Tswelopele Local Municipality prepared its budget taking into cognisance the above priorities [e.g. sustainable employment through job creation through MIG and EPWP, provincial priority and fighting poverty]. Currently the municipality has eradicated all the buckets in its jurisdiction except in new extension and all formalised households have access to water. Mentioned below is the progress made to address any backlogs in the municipality: all formalised households have access to water and sanitation; all formalised households are connected to public sewerage network and 2018/2019 capital budget of the Municipality reflect the budgeted projects of construction of toilets in the new extensions.

The municipality does not have any municipal entities and it renders all services (i.e. no services are outsourced or provided through the external mechanism). The municipality uses Eskom (i.e. Eskom is the License Holder) to provide electricity in the townships (Phahameng and Tikwana). The services are provided on a pre-paid system and payment is direct to Eskom or its agents. However, the municipality pays for the Free Basic Electricity for the registered Indigent Households. The cost / financial implications this regard are clearly illustrated in the budget tables.

### **3.1. Operating revenue overview**

Tswelopele Local Municipality has developed a Revenue Enhancement Strategy. Furthermore, the municipality has appointed a Debt Collector to assist with collection of long outstanding debtors. Other revenue protection initiatives will be developed during the course of the 2018/19 financial year.

The following key components were used in terms of budgeted revenue of the municipality: National Treasury MFMA Circulars; Electricity Tariff increases as applied to National Electricity Regulator of South Africa; Latest Valuation roll in terms of Municipal Property Rates Act, Act 6 of 2004 as amended; Municipality's Indigent Policy; Tariff Policy of the Municipality; Tariff Increases for Water, Refuse and Sewerage and targeted revenue collection rate of 90% of the billed revenue.

The table in the next page summarises the 2018/2019 revenue by source:



As it can be seen from the table below, the revenue of the Municipality will increase in the Medium term, the main contributor is revenue from National Transfers (Grants):

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	13 502	15 085	15 854	17 000	17 000	17 000	17 000	18 085	19 893	21 882
Service charges - electricity revenue	2	16 851	20 326	24 801	30 536	30 536	30 536	34 241	36 415	40 427	44 841
Service charges - water revenue	2	2 015	3 183	3 037	5 069	4 761	4 421	8 155	8 677	9 918	11 283
Service charges - sanitation revenue	2	4 393	4 732	4 569	3 587	3 587	3 587	6 631	7 055	8 065	9 176
Service charges - refuse revenue	2	2 938	3 157	3 022	2 084	2 084	2 084	4 200	4 467	5 125	5 850
Service charges - other		491	748	758	512	512	512	512	–	–	–
Rental of facilities and equipment		734	1 133	620	500	500	500	500	647	712	783
Interest earned - external investments		1 244	1 604	702	1 000	1 000	1 000	1 000	600	660	726
Interest earned - outstanding debtors		41	49	20	50	50	50	50	1 000	1 100	1 210
Dividends received		374	301	274	40	40	40	40	50	55	61
Fines, penalties and forfeits		10	66	28	60	60	60	60	40	44	48
Licences and permits		–	–	–	–	–	–	–	80	88	97
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		68 903	67 994	62 528	62 602	62 602	62 602	62 602	69 989	75 300	80 757
Other revenue	2	1 055	1 051	1 135	2 156	2 156	2 156	2 156	3 114	3 425	3 768
Gains on disposal of PPE		–	–	–	4 250	4 250	4 250	4 250	–	–	–
Total Revenue (excluding capital transfers and contributions)		112 551	119 430	117 348	129 447	129 138	128 799	141 397	150 220	164 814	180 482

**Table 2: Grants**

**FS183 Tswelopele - Supporting Table SA18 Transfers and grant receipts**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		65 094	61 819	60 553	62 527	62 527	62 527	69 989	75 300	80 757
Local Government Equitable Share		62 071	58 946	57 728	59 702	59 702	59 702	67 019	73 330	78 787
Finance Management		1 800	1 800	1 825	1 825	1 825	1 825	1 970	1 970	1 970
EPWP Incentive		1 223	1 073	1 000	1 000	1 000	1 000	1 000	–	–
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]										
<b>District Municipality:</b>		50	50	50	50	50	50	50	50	50
Lejweleputswa		50	50	50	50	50	50	50	50	50
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	65 144	61 869	60 603	62 577	62 577	62 577	70 039	75 350	80 807

Total Operating grants received will increase in 2018/2019 due to the increase in equitable share allocation and they will also increase in 2019/2020.

Different components of revenue will be discussed below:

### **3.1.1. Electricity**

Tswelopele Local Municipality comprises of 2 townships (Phahameng and Tikwana) and 2 towns (Bultfontein and Hoopstad). According to the latest census 2011 result, the municipality has 11 992 households. Out of this 11992 households the municipality only sells electricity to about 1 350 households and the rest of the households are serviced by Eskom. The Municipality buys bulk electricity from Eskom to sell to these households and businesses in Bultfontein and Hoopstad respectively.

National Energy regulator of South Africa (NERSA) approved an average increase of 6.84% for the municipality for the year 2018/19. Tswelopele Municipality applied for electricity tariff increase 10% to cater for upgrading of the electricity network and to strive for tariffs that are cost reflective. The Municipality is still awaiting the approval from NERSA on the application made.

### **3.1.2. Water**

The project of installing water meters in Tikwana was initiated during 2016/2017 financial year. The intention is that the Townships should be billed based on consumption and not flat rate as is currently the case. Municipality conducted the meter audit to determine whether the municipality will be able to bill on consumption base. The process was completed and the faulty meters were identified and the faulty meter will be fixed and the meter readers will be appointed. The municipality is intending to start taking reading per household from the beginning of 2018/2019 financial year.

The Municipality is proposing tariff increase of 6.84% for water services. There is currently no Inclining Block Tariff structure implemented for water services. In the near future, the Municipality would like to have this tariff structure in place. In terms of the Free Basic Services Policy of the Municipality, all households receive the free 6 KL per month of water.

### **3.1.3. Sanitation (Sewerage)**

A tariff increase of 6.84% for sanitation from 01 July 2018 is proposed. The following factors contributed to the proposed tariff: Sanitation charges are charged at a flat rate, irrespective of the quantity of water used / consumed; Free Sanitation is only provided to indigent households as per the council approved Indigent register and there is no Inclining Block Tariff structure for sanitation consumption.

### **3.1.4. Waste Removal**

The proposed tariff increase for waste removal is 6.84%. The reason for this increase is due to the fact that this will only be the third financial year that these tariffs are increased. The following factors were considered for the proposed tariff increase: waste removal charges are charged at a flat rate, irrespective of litres of waste removed; the increment will also cover the wear and tear off all the trucks and vehicles used to provide this service; waste removal is provided for free to all the households who are indigent and all households waste are removed once a week.

### **3.1.5. Property rates**

Property Rates is a statutory tax charged on all property owners within the jurisdiction of the Municipality, it is imposed in accordance to section 229 of the Constitution of South Africa and Municipal Property Rates Act, Act 6 of 2004 (MPRA). In terms of MPRA the municipality must prepare a Valuation Roll after every 4 financial year. Tswelopele Local Municipality first implemented the Valuation Roll in accordance with MPRA prescripts on the 1<sup>st</sup> July 2009. The municipality is proposing an increase of the tariffs on Property rates by 6.84% for all the properties.

### **3.2. Operating Expenditure Framework**

The municipality budgeted for an expenditure budget of R175 762 000 (this expenditure includes non-cash items: R32 100 000 (R26 000 000 for Depreciation and R6 100 000 for Debt Impairment)) and it was informed by the following:

- Balance budget constraints – the municipality must not budget for a deficit;
- Funding of the budget as based on section 18 and section 19 of Municipal Finance Management act, act 54 of 2003;
- National Treasury MFMA Budget Circulars;
- South African Local Government Bargaining Council collective agreement on salaries;
- Average CPI.

The table below show the total budgeted expenditure:

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Expenditure By Type</b>											
Employee related costs	2	52 326	57 697	58 385	59 122	59 122	59 122	59 122	60 835	69 953	76 949
Remuneration of councillors		4 441	4 663	4 783	6 135	6 135	6 135	6 135	6 563	7 219	7 941
Debt impairment	3	2 755	7 531	13 115	5 641	5 641	5 641	5 641	6 100	6 100	6 710
Depreciation & asset impairment	2	22 971	26 179	26 783	19 669	19 669	19 669	19 669	26 000	26 000	26 000
Finance charges		3 546	2 562	3 932	2 178	2 178	2 178	2 178	2 958	3 254	3 579
Bulk purchases	2	32 024	32 282	34 144	31 916	31 916	31 916	31 916	33 895	37 285	41 013
Other materials	8	7 065	6 460	7 782	8 324	8 324	8 324	8 324	6 890	7 579	8 337
Contracted services		23	27	38	1 000	1 000	1 000	1 000	–	–	–
Other expenditure	4, 5	29 816	28 587	33 070	32 640	32 640	32 640	32 640	32 522	35 774	39 351
<b>Total Expenditure</b>		<b>154 967</b>	<b>165 988</b>	<b>182 032</b>	<b>166 624</b>	<b>166 624</b>	<b>166 624</b>	<b>166 624</b>	<b>175 762</b>	<b>193 163</b>	<b>209 880</b>

### **3.3. Analysis of Capital Budget**

Tswelopele Local Municipality capital budget will be funded through Municipal Infrastructure Grant. The following are the capital projects budgeted for:

- a) Construction of Toilet Structures & Sewer Reticulation and Connections;
- b) Upgrading of Sports Fields/Facilities;
- c) Construction of cricket pitch;
- d) Upgrading of Roads.

## **4. ANNUAL BUDGET TABLES**

The following tables will show all ten (10) main annual budget tables and the analysis thereof:

**FS183 Tswelopele - Table A1 Budget Summary**

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	13 502	15 085	15 854	17 000	17 000	17 000	17 000	18 085	19 893	21 882
Service charges	36 536	43 198	48 518	53 228	40 968	41 141	53 739	56 615	63 536	71 150
Investment revenue	734	1 133	620	500	500	1 000	1 000	600	660	726
Transfers recognised - operational	68 903	67 994	62 528	62 602	62 602	62 602	62 602	69 989	75 300	80 757
Other own revenue	3 215	3 754	2 396	8 068	8 093	7 056	7 056	4 931	5 424	5 967
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>122 890</b>	<b>131 165</b>	<b>129 916</b>	<b>141 398</b>	<b>129 163</b>	<b>128 799</b>	<b>141 397</b>	<b>150 220</b>	<b>164 814</b>	<b>180 482</b>
Employee costs	52 326	57 697	58 385	59 122	59 122	59 122	59 122	60 835	69 953	76 949
Remuneration of councillors	4 441	4 663	4 783	6 135	6 135	6 135	6 135	6 563	7 219	7 941
Depreciation & asset impairment	22 971	26 179	26 783	19 669	19 669	19 669	19 669	26 000	26 000	26 000
Finance charges	3 546	2 562	3 932	2 178	2 178	2 178	2 178	2 958	3 254	3 579
Materials and bulk purchases	39 089	38 742	41 926	40 240	40 240	40 240	40 240	40 785	44 864	49 350
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	32 594	36 145	46 223	39 280	39 280	39 280	39 280	38 624	35 091	40 825
<b>Total Expenditure</b>	<b>154 967</b>	<b>165 988</b>	<b>182 032</b>	<b>166 624</b>	<b>166 624</b>	<b>166 624</b>	<b>166 624</b>	<b>175 765</b>	<b>186 381</b>	<b>204 644</b>
<b>Surplus/(Deficit)</b>	<b>(32 077)</b>	<b>(34 823)</b>	<b>(52 116)</b>	<b>(25 226)</b>	<b>(37 461)</b>	<b>(37 825)</b>	<b>(25 227)</b>	<b>(25 545)</b>	<b>(21 567)</b>	<b>(24 162)</b>
Transfers and subsidies - capital (monetary alloc	24 378	33 794	33 835	51 704	51 704	51 704	51 704	23 837	19 688	22 095
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(7 699)</b>	<b>(1 029)</b>	<b>(18 281)</b>	<b>26 478</b>	<b>14 243</b>	<b>13 879</b>	<b>26 477</b>	<b>(1 708)</b>	<b>(1 879)</b>	<b>(2 067)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(7 699)</b>	<b>(1 029)</b>	<b>(18 281)</b>	<b>26 478</b>	<b>14 243</b>	<b>13 879</b>	<b>26 477</b>	<b>(1 708)</b>	<b>(1 879)</b>	<b>(2 067)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>27 584</b>	<b>32 306</b>	<b>33 331</b>	<b>51 964</b>	<b>51 964</b>	<b>51 964</b>	<b>51 964</b>	<b>23 864</b>	<b>20 884</b>	<b>21 416</b>
Transfers recognised - capital	25 417	30 405	30 771	51 704	51 874	51 704	51 704	23 837	18 864	21 236
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2 167	1 901	2 560	260	90	260	260	27	2 020	180
<b>Total sources of capital funds</b>	<b>27 584</b>	<b>32 306</b>	<b>33 331</b>	<b>51 964</b>	<b>51 964</b>	<b>51 964</b>	<b>51 964</b>	<b>23 864</b>	<b>20 884</b>	<b>21 416</b>
<b>Financial position</b>										
Total current assets	22 251	22 467	28 447	7 550	7 550	7 550	31 728	38 550	43 580	47 463
Total non current assets	472 900	581 522	585 114	526 294	526 294	526 294	585 114	594 800	651 880	714 668
Total current liabilities	37 544	37 108	68 126	24 862	24 862	24 862	67 873	31 000	6 000	5 200
Total non current liabilities	31 568	27 052	25 820	20 280	20 280	20 280	25 820	25 560	24 565	23 995
Community wealth/Equity	426 039	539 829	519 635	488 702	488 702	488 702	521 398	576 790	664 895	732 936
<b>Cash flows</b>										
Net cash from (used) operating	21 746	24 435	32 354	44 152	47 622	44 152	48 037	20 755	10 779	12 295
Net cash from (used) investing	(28 723)	(26 719)	(32 789)	(47 714)	(47 714)	(47 714)	(47 714)	(23 837)	(19 688)	(22 095)
Net cash from (used) financing	484	149	(487)	(830)	(830)	(830)	(357)	(830)	(830)	(830)
<b>Cash/cash equivalents at the year end</b>	<b>6 355</b>	<b>4 221</b>	<b>3 300</b>	<b>3 558</b>	<b>2 378</b>	<b>3 558</b>	<b>7 916</b>	<b>4 004</b>	<b>(5 735)</b>	<b>(16 364)</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	7 327	5 170	4 253	4 350	4 350	4 350	185	3 250	4 750	4 750
Application of cash and investments	22 577	18 531	45 690	434	(497)	(333)	36 946	(300)	(27 857)	(31 682)
<b>Balance - surplus (shortfall)</b>	<b>(15 250)</b>	<b>(13 360)</b>	<b>(41 436)</b>	<b>3 916</b>	<b>4 847</b>	<b>4 683</b>	<b>(36 761)</b>	<b>3 550</b>	<b>32 607</b>	<b>36 432</b>
<b>Asset management</b>										
Asset register summary (WDV)	396 974	509 915	514 964	460 177	568 362	567 491		582 057	569 788	567 491
Depreciation	-	(26 179)	(26 783)	(17 169)	(17 169)	(17 169)		26 000	26 000	26 000
Renewal of Existing Assets	-	-	-	35 712	35 712	35 712		8 079	750	637
Repairs and Maintenance	7 065	6 460	7 782	8 324	8 324	8 324		5 620	6 182	6 800
<b>Free services</b>										
Cost of Free Basic Services provided	10 339	11 801	13 088	11 950	12 259	12 598	12 598	12 598	12 598	12 598
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	1	1	1	1	1	1	1	1	1	1
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-



**FS183 Tswelopele - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	Current Year 2017/18						2018/19 Medium Term Revenue & Expenditure Framework		
		2014/15	2015/16	2016/17	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Budget	Budget		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
Governance and administration		83 828	88 187	89 567	27 341	27 341	27 341	36 854	40 539	44 593
Executive and council		8 055	1 079	6	5 880	5 880	5 880	4 828	5 310	5 841
Finance and administration		75 774	87 108	89 561	21 461	21 461	21 461	32 026	35 229	38 752
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 688	406	133	5 053	5 053	5 053	12 190	13 409	14 750
Community and social services		92	402	128	2 666	2 666	2 666	2 272	2 499	2 749
Sport and recreation		5 596	3	5	562	562	562	8 094	8 903	9 794
Public safety		-	1	-	1 825	1 825	1 825	1 825	2 007	2 208
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		2 421	16 433	576	7 388	7 388	7 388	4 920	5 412	5 953
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		2 421	16 433	576	7 388	7 388	7 388	4 920	5 412	5 953
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		55 330	59 999	73 995	153 320	153 320	153 320	120 092	125 140	137 280
Energy sources		22 681	26 779	34 092	65 320	65 320	65 320	54 664	53 170	58 112
Water management		4 792	22 508	28 546	46 754	46 754	46 754	22 241	24 465	26 912
Waste water management		23 994	6 427	6 831	28 788	28 788	28 788	30 463	33 510	36 861
Waste management		3 862	4 284	4 526	12 458	12 458	12 458	12 723	13 996	15 395
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	147 267	165 025	164 271	193 102	193 102	193 102	174 057	184 502	202 577
Expenditure - Functional										
Governance and administration		47 185	50 804	40 702	46 328	46 328	46 328	80 271	87 777	93 955
Executive and council		11 772	13 481	14 300	14 955	14 955	14 955	17 847	19 848	21 832
Finance and administration		35 413	37 323	26 402	31 373	31 373	31 373	62 424	67 929	72 122
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		14 523	17 410	19 942	15 888	15 888	15 888	12 038	13 588	14 946
Community and social services		11 821	13 170	14 017	13 837	13 837	13 837	9 553	10 854	11 940
Sport and recreation		706	2 281	4 325	127	127	127	107	118	129
Public safety		1 996	1 959	1 600	1 924	1 924	1 924	2 378	2 616	2 877
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		25 411	20 257	24 127	20 682	20 682	20 682	13 145	14 460	15 906
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		25 411	20 257	24 127	20 682	20 682	20 682	13 145	14 460	15 906
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		67 848	77 517	97 261	83 726	83 726	83 726	70 308	77 339	85 073
Energy sources		31 836	31 265	41 130	36 103	36 103	36 103	35 180	38 698	42 568
Water management		12 376	19 323	19 892	18 878	18 878	18 878	13 715	15 087	16 595
Waste water management		14 177	17 562	22 394	17 206	17 206	17 206	12 299	13 529	14 882
Waste management		9 458	9 368	13 855	11 540	11 540	11 540	9 114	10 025	11 028
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	154 967	165 988	182 032	166 824	166 824	166 824	175 762	193 163	209 880
Surplus/(Deficit) for the year		(7 699)	(964)	(17 761)	26 478	26 478	26 478	(1 706)	(8 662)	(7 303)

**FS183 Tswelopele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Revenue and Expenditure Framework (Revenue and Expenditure by Municipal Vote)										
Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		8 055	1 079	6	5 880	5 880	5 880	4 828	5 310	5 841
Vote 2 - Budget and Treasury Office		75 103	86 283	88 914	19 945	19 945	19 945	31 414	34 555	38 011
Vote 3 - Community and Social Services		92	402	128	2 666	2 666	2 666	2 272	2 499	2 749
Vote 4 - Public Safety		–	1	–	1 825	1 825	1 825	1 825	2 007	2 208
Vote 5 - Sport and Recreation		5 596	3	5	562	562	562	8 094	8 903	9 794
Vote 6 - Waste Management		3 862	4 284	4 526	12 458	12 458	12 458	12 723	13 996	15 395
Vote 7 - Waste Water Management		23 994	6 427	6 831	28 788	28 788	28 788	30 463	33 510	36 861
Vote 8 - Road Transport		2 421	16 433	576	7 388	7 388	7 388	4 920	5 412	5 953
Vote 9 - Water		4 792	22 508	28 546	46 754	46 754	46 754	22 241	24 465	26 912
Vote 10 - Electricity		22 681	26 779	34 092	65 320	65 320	65 320	54 664	60 131	66 144
Vote 11 - Corporate Services		671	826	647	1 516	1 516	1 516	612	673	741
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	147 267	165 025	164 271	193 102	193 102	193 102	174 056	191 462	210 608
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		11 772	13 481	14 300	14 955	14 955	14 955	17 847	19 632	21 595
Vote 2 - Budget and Treasury Office		22 656	25 713	16 513	20 971	20 971	20 971	54 071	59 478	65 426
Vote 3 - Community and Social Services		12 757	11 610	9 890	10 402	10 402	10 402	9 553	10 508	11 559
Vote 4 - Public Safety		1 996	1 959	1 600	1 924	1 924	1 924	2 378	2 616	2 877
Vote 5 - Sport and Recreation		706	2 281	4 325	127	127	127	107	118	129
Vote 6 - Waste Management		9 458	9 368	13 855	11 540	11 540	11 540	9 114	10 025	11 028
Vote 7 - Waste Water Management		14 177	17 562	22 384	17 206	17 206	17 206	12 299	13 529	14 882
Vote 8 - Road Transport		25 411	20 257	24 127	20 682	20 682	20 682	13 145	14 460	15 906
Vote 9 - Water		12 376	19 323	19 892	18 878	18 878	18 878	13 715	15 087	16 595
Vote 10 - Electricity		31 836	31 265	41 130	36 103	36 103	36 103	35 180	38 698	42 568
Vote 11 - Corporate Services		11 821	13 170	14 017	13 837	13 837	13 837	8 354	9 190	10 109
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	154 967	165 988	182 032	166 624	166 624	166 624	175 764	193 341	212 675
Surplus/(Deficit) for the year	2	(7 699)	(964)	(17 761)	26 478	26 478	26 478	(1 708)	(1 879)	(2 067)

FS183 Tswelopele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates	2	13 502	15 085	15 854	17 000	17 000	17 000	17 000	18 085	19 893	21 882
Service charges - electricity revenue	2	16 851	20 326	24 801	30 536	30 536	30 536	34 241	36 415	40 427	44 841
Service charges - water revenue	2	2 015	3 183	3 037	5 069	4 761	4 421	8 155	8 677	9 918	11 283
Service charges - sanitation revenue	2	4 393	4 732	4 569	3 587	3 587	3 587	6 631	7 055	8 065	9 176
Service charges - refuse revenue	2	2 938	3 157	3 022	2 084	2 084	2 084	4 200	4 467	5 125	5 850
Service charges - other		491	748	758	512	512	512	512	—	—	—
Rental of facilities and equipment		734	1 133	620	500	500	500	500	647	712	783
Interest earned - external investments		1 244	1 604	702	1 000	1 000	1 000	1 000	600	660	726
Interest earned - outstanding debtors		41	49	20	50	50	50	50	1 000	1 100	1 210
Dividends received		374	301	274	40	40	40	40	50	55	61
Fines, penalties and forfeits		10	66	28	60	60	60	60	40	44	48
Licences and permits		—	—	—	—	—	—	—	80	88	97
Agency services		—	—	—	—	—	—	—	—	—	—
Transfers and subsidies		68 903	67 994	62 528	62 602	62 602	62 602	62 602	69 989	75 300	80 757
Other revenue	2	1 055	1 051	1 135	2 156	2 156	2 156	2 156	3 114	3 425	3 768
Gains on disposal of PPE		—	—	—	4 250	4 250	4 250	4 250	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>112 551</b>	<b>119 430</b>	<b>117 348</b>	<b>129 447</b>	<b>129 138</b>	<b>128 799</b>	<b>141 397</b>	<b>150 220</b>	<b>164 814</b>	<b>180 482</b>
<b>Expenditure By Type</b>											
Employee related costs	2	52 326	57 697	58 385	59 122	59 122	59 122	59 122	60 835	69 953	76 949
Remuneration of councillors		4 441	4 663	4 783	6 135	6 135	6 135	6 135	6 563	7 219	7 941
Debt impairment	3	2 755	7 531	13 115	5 641	5 641	5 641	5 641	6 100	6 100	6 710
Depreciation & asset impairment	2	22 971	26 179	26 783	19 669	19 669	19 669	19 669	26 000	26 000	26 000
Finance charges		3 546	2 562	3 932	2 178	2 178	2 178	2 178	2 958	3 254	3 579
Bulk purchases	2	32 024	32 282	34 144	31 916	31 916	31 916	31 916	33 895	37 285	41 013
Other materials	8	7 065	6 460	7 782	8 324	8 324	8 324	8 324	6 890	7 579	8 337
Contracted services		23	27	38	1 000	1 000	1 000	1 000	—	—	—
Transfers and subsidies		—	—	—	—	—	—	—	—	—	—
Other expenditure	4, 5	29 816	28 587	33 070	32 640	32 640	32 640	32 640	32 522	35 774	39 351
Loss on disposal of PPE		—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>154 967</b>	<b>165 988</b>	<b>182 032</b>	<b>166 624</b>	<b>166 624</b>	<b>166 624</b>	<b>166 624</b>	<b>175 762</b>	<b>193 163</b>	<b>209 880</b>

FS183 Tswelopele - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>	<b>1</b>										
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		2 091	20 120	2 389	140	140	140	140	5	2 020	180
Executive and council		1 749	20 120	1 794	90	90	90	90	5	2 020	180
Finance and administration		132		387	50	50	50	50			
Internal audit		210		207							
<b>Community and public safety</b>		76	–	7 643	552	552	552	552	8 079	3 739	2 346
Community and social services		76		171						2 989	1 709
Sport and recreation				7 472	552	552	552	552	8 079	750	637
Public safety											
Housing											
Health											
<b>Economic and environmental services</b>		3 668	948	5 665	6 430	6 430	6 430	6 430	4 785	2 970	13 386
Planning and development											
Road transport		3 668	948	5 665	6 430	6 430	6 430	6 430	4 785	2 970	13 386
Environmental protection											
<b>Trading services</b>		21 749	11 238	17 634	44 842	44 842	44 842	44 842	10 995	12 154	5 504
Energy sources		436	1 434	1 918	10 000	10 000	10 000	10 000		3 200	4 914
Water management			9 804	4 472	25 020	25 020	25 020	25 020	22		
Waste water management		21 313		11 244	9 822	9 822	9 822	9 822	10 973	8 954	590
Waste management											
<b>Other</b>											
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>27 584</b>	<b>32 306</b>	<b>33 331</b>	<b>51 964</b>	<b>51 964</b>	<b>51 964</b>	<b>51 964</b>	<b>23 864</b>	<b>20 884</b>	<b>21 416</b>
<b>Funded by:</b>											
National Government		21 749	12 186	30 771	51 704	51 704	51 704	51 704	23 837	18 864	21 236
Provincial Government		3 668									
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	<b>4</b>	<b>25 417</b>	<b>12 186</b>	<b>30 771</b>	<b>51 704</b>	<b>51 704</b>	<b>51 704</b>	<b>51 704</b>	<b>23 837</b>	<b>18 864</b>	<b>21 236</b>
<b>Public contributions &amp; donations</b>	<b>5</b>										
<b>Borrowing</b>	<b>6</b>										
<b>Internally generated funds</b>		2 167	1 901	2 560	260	260	260	260	27	2 020	180
<b>Total Capital Funding</b>	<b>7</b>	<b>27 584</b>	<b>14 087</b>	<b>33 331</b>	<b>51 964</b>	<b>51 964</b>	<b>51 964</b>	<b>51 964</b>	<b>23 864</b>	<b>20 884</b>	<b>21 416</b>

**FS183 Tswelopele - Table A6 Budgeted Financial Position**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash	1	4 650	2 544	1 215	1 500	1 500	1 500	1 641	1 500	3 000	3 000
Call investment deposits		1 706	1 678	2 085	1 750	1 750	1 750	1 750	1 750	1 750	1 750
Consumer debtors		9 438	14 928	18 758	4 000	4 000	4 000	23 336	35 000	38 500	42 350
Other debtors		5 917	2 637	5 759				4 369			
Current portion of long-term receivables											
Inventory	2	540	680	631	300	300	300	631	300	330	363
Total current assets		22 251	22 467	28 447	7 550	7 550	7 550	31 728	38 550	43 580	47 463
Non current assets											
Long-term receivables	3										
Investments		972	948	953	1 100	1 100	1 100				
Investment property		23 197	22 858	22 518	24 000	24 000	24 000	22 518	24 000	24 000	24 000
Investment in Associate											
Property, plant and equipment		446 476	554 542	560 771	499 394	499 394	499 394	560 771	570 000	627 000	689 700
Agricultural											
Biological		2 254	3 174	871	1 800	1 800	1 800	871	800	880	968
Intangible											
Other non-current assets								953			
Total non current assets		472 900	581 522	585 114	526 294	526 294	526 294	585 114	594 800	651 880	714 668
TOTAL ASSETS		495 151	603 989	613 561	533 844	533 844	533 844	616 841	633 350	695 460	762 131
LIABILITIES											
Current liabilities											
Bank overdraft	1	687	1 390	2 446	830	830	830	3 206			
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits		783	933	1 051				1 051	1 000	1 000	1 200
Trade and other payables	4	34 064	33 972	63 849	4 000	4 000	4 000	63 615	30 000	5 000	4 000
Provisions		2 010	814	760	20 032	20 032	20 032				
Total current liabilities		37 544	37 108	68 106	24 862	24 862	24 862	67 873	31 000	6 000	5 200
Non current liabilities											
Borrowing		10 622	10 344	8 914	9 480	9 480	9 480	16 160	15 060	13 960	12 860
Provisions		20 946	16 708	16 906	10 800	10 800	10 800	9 661	10 500	10 605	11 135
Total non current liabilities		31 568	27 052	25 820	20 280	20 280	20 280	25 820	25 560	24 565	23 995
TOTAL LIABILITIES		69 112	64 161	93 926	45 142	45 142	45 142	93 693	56 560	30 565	29 195
NET ASSETS	5	426 039	539 829	519 635	488 702	488 702	488 702	523 148	576 790	664 895	732 936
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	4	426 039	539 829	519 635	488 702	488 702	488 702	521 398	576 790	664 895	732 936
Reserves		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	426 039	539 829	519 635	488 702	488 702	488 702	521 398	576 790	664 895	732 936

**FS183 Tswelopele - Table A7 Budgeted Cash Flows**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates			12 085	11 235	15 300	15 300	15 300	15 300	15 372	16 909	18 600
Service charges		38 560	40 344	35 974	47 905	47 905	47 905	47 905	49 641	54 605	60 065
Other revenue		1 247	2 063	2 231	2 767	2 767	2 767	7 551	3 881	4 269	4 696
Government - operating	1	101 508	71 291	73 024	62 602	62 602	62 602	62 602	70 039	77 043	84 747
Government - capital	1		28 425	22 704	51 704	51 704	51 704	51 704	23 837	19 688	22 095
Interest		1 979	2 736	1 322	1 500	1 500	1 500	57	1 600	1 760	1 936
Dividends		41	49	20	50	50	50	202	50	55	61
Payments											
Suppliers and employees		(118 045)	(130 103)	(110 133)	(136 636)	(136 636)	(136 636)	(136 636)	(140 704)	(163 550)	(179 905)
Finance charges		(3 544)	(2 456)	(4 023)	(1 040)	(1 040)	(1 040)	(647)	(2 958)	–	–
Transfers and Grants	1							–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		21 746	24 435	32 354	44 152	44 152	44 152	48 037	20 757	10 779	12 295
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(1 139)	1 092	569	4 250	4 250	4 250	4 250	–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receiv ables									–	–	–
Decrease (increase) in non-current inv estments			4 495	(26)					–	–	–
Payments											
Capital assets		(27 584)	(32 306)	(33 331)	(51 964)	(51 964)	(51 964)	(51 964)	(23 837)	(19 688)	(22 095)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(28 723)	(26 719)	(32 789)	(47 714)	(47 714)	(47 714)	(47 714)	(23 837)	(19 688)	(22 095)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrow ing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repay ment of borrow ing		484	149	(487)	(830)	(830)	(830)	(357)	(830)	(830)	(830)
NET CASH FROM/(USED) FINANCING ACTIVITIES		484	149	(487)	(830)	(830)	(830)	(357)	(830)	(830)	(830)
NET INCREASE/ (DECREASE) IN CASH HELD		(6 493)	(2 134)	(922)	(4 392)	(4 392)	(4 392)	(34)	(3 910)	(9 739)	(10 630)
Cash/cash equiv alents at the year begin:	2	12 848	6 355	4 222	7 950	7 950	7 950	7 950	7 916	4 007	(5 732)
Cash/cash equiv alents at the year end:	2	6 355	4 221	3 300	3 558	3 558	3 558	7 916	4 007	(5 732)	(16 362)

**FS183 Tswelopele - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	6 355	4 221	3 300	3 558	3 558	3 558	7 916	4 007	(5 732)	(16 362)
Other current investments > 90 days		(687)	(1 389)	(2 446)	(1 138)	(1 138)	(1 138)	(7 731)	(757)	10 482	21 112
Non current assets - Investments	1	972	948	953	1 100	1 100	1 100	–	–	–	–
<b>Cash and investments available:</b>		<b>6 640</b>	<b>3 780</b>	<b>1 807</b>	<b>3 520</b>	<b>3 520</b>	<b>3 520</b>	<b>185</b>	<b>3 250</b>	<b>4 750</b>	<b>4 750</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	19 520	14 648	41 338	(287)	(309)	(333)	36 946	(300)	(27 857)	(31 682)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>19 520</b>	<b>14 648</b>	<b>41 338</b>	<b>(287)</b>	<b>(309)</b>	<b>(333)</b>	<b>36 946</b>	<b>(300)</b>	<b>(27 857)</b>	<b>(31 682)</b>
<b>Surplus(shortfall)</b>		<b>(12 879)</b>	<b>(10 867)</b>	<b>(39 530)</b>	<b>3 807</b>	<b>3 829</b>	<b>3 853</b>	<b>(36 761)</b>	<b>3 550</b>	<b>32 607</b>	<b>36 432</b>

FS183 Tswelopele - Table A9 Asset Management											
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
CAPITAL EXPENDITURE											
Total New 1											
Roads Infrastructure		27 584	32 306	33 331	16 252	16 252	16 252	22 166	2 297	-	-
Storm water Infrastructure		3 668	948	5 665	6 430	6 430	6 430	3 593	950	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		436	1 434	1 918	-	-	-	-	-	-	-
Sanitation Infrastructure		-	9 804	4 472	-	-	-	-	-	-	-
Solid Waste Infrastructure		21 313	-	11 244	9 822	9 822	9 822	10 973	1 347	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-
Infrastructure		25 417	12 186	23 299	16 252	16 252	16 252	14 566	2 297	-	-
Community Facilities		-	-	169	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	7 472	-	-	-	7 600	-	-	-
Community Assets		-	-	7 641	-	-	-	7 600	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-
Revenue Generating Investment properties		-	-	-	-	-	-	-	-	-	-
Operational Buildings		371	19 720	1 629	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Other Assets		371	19 720	1 629	-	-	-	-	-	-	-
Biological or Cultivated		-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		652	399	597	-	-	-	-	-	-	-
Machinery and Equipment		-	-	165	-	-	-	-	-	-	-
Transport Assets		1 144	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-Marine		-	-	-	-	-	-	-	-	-	-
Total Renew 2											
Roads Infrastructure		-	-	-	35 712	35 712	35 712	8 079	750	637	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	10 000	10 000	10 000	-	-	-	-
Water Supply Infrastructure		-	-	-	25 020	25 020	25 020	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	35 020	35 020	35 020	-	-	-	-
Community Facilities		-	-	-	552	552	552	8 079	750	637	-
Sport and Recreation Facilities		-	-	-	552	552	552	8 079	750	637	-
Community Assets		-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-
Revenue Generating Investment properties		-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-
Biological or Cultivated		-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	140	140	140	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-Marine		-	-	-	-	-	-	-	-	-	-
Total Capital 4											
Roads Infrastructure		3 668	948	5 665	6 430	6 430	6 430	3 593	950	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		436	1 434	1 918	10 000	10 000	10 000	-	-	-	-
Water Supply Infrastructure		-	9 804	4 472	25 020	25 020	25 020	-	-	-	-
Sanitation Infrastructure		21 313	-	11 244	9 822	9 822	9 822	10 973	1 347	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-
Infrastructure		25 417	12 186	23 299	51 272	51 272	51 272	14 566	2 297	-	-
Community Facilities		-	-	169	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	7 472	552	552	552	15 679	750	637	-
Community Assets		-	-	7 641	552	552	552	15 679	750	637	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-
Revenue Generating Investment properties		-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-
Housing		371	19 720	1 629	-	-	-	-	-	-	-
Other Assets		371	19 720	1 629	-	-	-	-	-	-	-
Biological or Cultivated		-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		652	399	597	140	140	140	-	-	-	-
Machinery and Equipment		-	-	165	-	-	-	-	-	-	-
Transport Assets		1 144	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-Marine		-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE		27 584	32 306	33 331	51 964	51 964	51 964	30 245	3 047	637	-



## 5. EXPLANATORY NOTES TO BUDGET

Table A1 is a summary of the budget of Tswelopele Local Municipality that gives an overview of the annual budget. It includes, the following key aspects:

- **Financial Performance:** This is a summary of income statement of the Municipality;
- **Capital Expenditure and funding sources:** This gives a brief overview of the capital expenditure and its funding sources;
- **Financial Position:** This is the balance sheet of Tswelopele Local Municipality;
- **Cash Flow:** This gives a brief overview of the Cash flow of the Municipality;
- **Asset Management:** This is the overview of the total assets of the Municipality and
- **Free Services:** This section gives the total amount of free basic services as provided by the municipality.

This is the most important as it gives users of the budget a “snapshot” of what is going to follow in the next nine (9) main table

### Explanatory Notes to Table A2

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per functional classification;
- Total Revenue on this table includes capital revenues (transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4 as Table A4 exclude capital transfers.

### Explanatory Note to Table A3

1. Table A3 is an overview of the budgeted financial performance in relation to the revenue and expenditure per municipal vote.

2. From the above it can be seen that all trading services are making surpluses, and this is attributable to the following
  - a. Council proposes a 10% on electricity tariffs
  - b. An increase of 6.84% on refuse, sewerage and water.
  - c. Property rates will also increase with 6.84%
  - d. Cut on non-priority spending
3. Profits made on this services are used to subsidise non-trading services

#### **Explanatory note on Table A4**

1. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the budgeted revenue of Tswelopele Local Municipality;
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government;
3. Major component of expenditure relates to employee costs, which accounts for 38.3% of the total expenditure.

#### **Explanatory note on Table A5**

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. The

MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

2. Transfers recognised – capital Tswelopele Municipality will receive MIG only for 2018/2019 financial year and table A5 gives an overview of how this Grant will be spent.

### **Explanatory Notes to Table A6**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first. 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.

### **Explanation to Table A7**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

### **Explanatory note to Table A8**

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

2. Considering the requirements of section 18 of the MFMA, it can be concluded that the Final budget for 2018/19 MTREF is funded because Municipality anticipates making a profit over the MTREF.

### **Explanatory Note for Table A9**

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.

### **Explanatory notes to Table A10**

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

## **PART 2: SUPPORTING DOCUMENTATION**

### **1. Municipal budget process**

Municipal Financial Management Act (MFMA) mentions six (6) steps (i.e. Planning, Strategizing, Preparing, Tabling, Consulting and Finalising/Adopting) that the municipality must follow in order to prepare the annual budget that is credible. The planning and strategizing processes started with the preparation of budget timelines as required by MFMA and IDP review process plan.

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

Due to the size of the municipality, the functions of the Budget Steering Committee are performed by the Finance Committee and much still needs to be done to ensure that the committee is effective throughout the financial year and exercises oversight not only on the budget but the overall financial management at the municipality and advice / recommend to Council accordingly. Furthermore, there is a need for resuscitation of the MSA section 79 committee to assist Council in playing its oversight role on the administration matters of the municipality.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to revise the IDP and prepare the annual budget. The Mayor tabled the required IDP process plan and budget timeline schedule in line with the applicable legislation. The IDP process plan and budget timeline schedule were tabled to Council during August 2017.

As per the budget timelines all the department heads were asked to give their inputs on the annual budget. They were given until the end of November 2017, in order to allow the Budget & Treasury Office to undertake the technical compilation of the annual budget. The Budget & Treasury Office of the municipality under the leadership of the Chief Financial Officer prepared the draft budget, which was tabled to Council at the end of March 2018 as stipulated in the MFMA. The budget related policies were also considered in developing the annual budget of the municipality.

Council having took note of the draft budget, the municipality embarked on the public participation process headed by the Mayor. Annual budget and IDP of the municipality was placed at municipal offices and communities as well as relevant stakeholders were requested to provide inputs on the tabled budget.

The municipality received written inputs from the residents of Hoopstad and as well as Provincial Treasury. In order to analyse such inputs, Council did not approve the budget that was tabled before it on the 31 May 2018. This was to afford the all stakeholders, further opportunity to engage on the annual budget and for Administration to consider such inputs where necessary. Their inputs (as far as they relate to the annual budget) were

considered. The annual budget was amended and this led to a reduction of the expenditure budget with approximately R5 million (from the budget that was tabled in March 2018).

The public participation processes is used as an arena for co-management in which the community and the municipality decide together where and how the resources will be allocated. Furthermore, it is the objective of the municipality to move away from informing the community about what it plans to do, but rather to allow the community to influence development and resource allocation.

## **2. Overview of the alignment of annual budget with integrated development plan**

The annual review of the Integrated Development Plan is a legislative requirement in terms of section 34 of the Municipal Systems Act. It stipulates that a Municipal Council must review its integrated plan annually in accordance with an assessment of its performance measurements in terms of section 41; and to the extent that changing circumstances so demand; and may amend its integrated development plan in accordance with a prescribed process. The Annual Budget and the IDP are inextricably linked to one another, something that has been formalised through the promulgation of the Municipal Finance Management Act in 2004.

In compliance with the Municipal Structures Act and Municipal Finance Management Act the municipality's budget must be informed by and aligned to the IDP objectives. The budgetary allocations for both capital and operating expenditure need to be undertaken in a manner that will not only ensure that the IDP outcomes are achieved but also leads to the municipality's vision being realized. This ensures that the IDP directs the development and implementation of projects.

Over the years, Auditor General has been raising exceptions that the Integrated Development Plan and Annual Budget are not aligned to each other. Furthermore, the Key Performance Indicators were not measurable and with no target dates. The performance management system is also not effective at the municipality as there is no dedicated unit or official entrusted with performance management. This in essence affected the audit

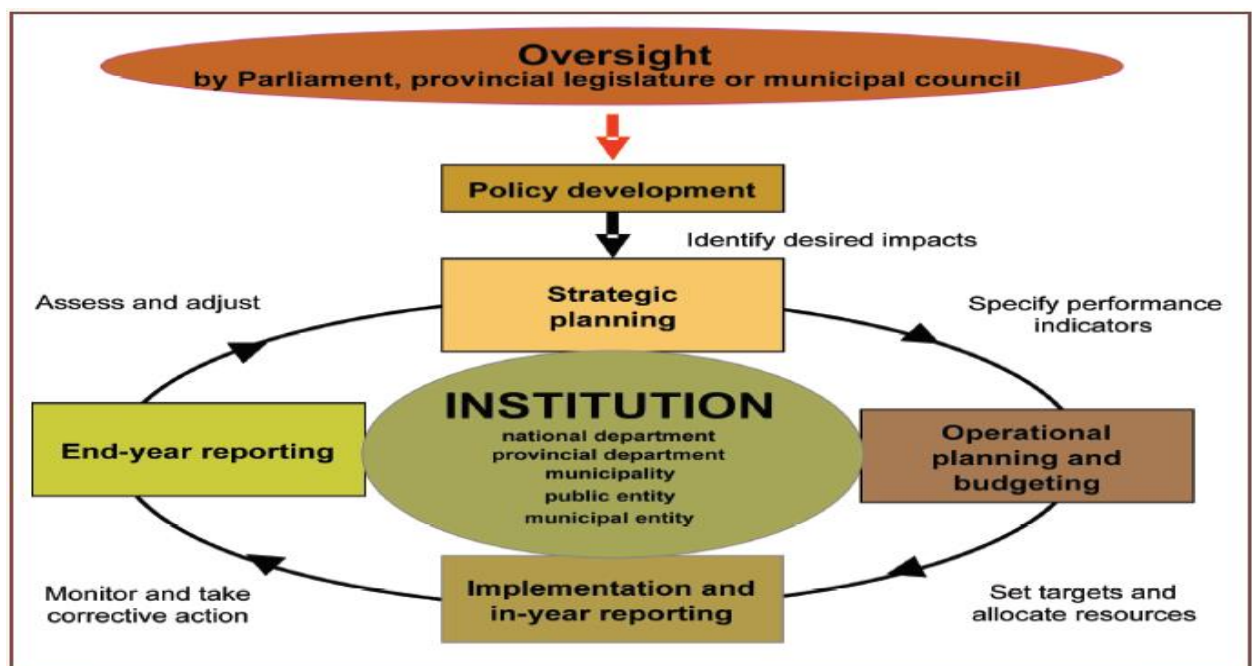
opinion of the Auditor General on the predetermined objectives (although this was not necessarily expressed / reported in the audit report).

For the 2018/19 financial year, quite substantial effort has been devoted towards ensuring that the Integrated Development Plan and Annual Budget are aligned as required by the MFMA. The process of reconciling financial plan to its Integrated Development Plan created a whole new method of budgeting at the municipality. Council will in the future ensure that priorities within the budget are focused towards its strategies and objectives.

### 3. Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the predetermined strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has reviewed and will operationalize its performance management framework. The following diagram further explains the process of planning, budgeting and reporting in Municipal environment:

**Graph - Planning and Reporting Cycle**



A concentrated effort was made during the IDP review to ensure that it contains measurable performance objectives. From the measurable performance objectives, key performance indicators will be deduced to be included in the service delivery and budget implementation plan when it is submitted to the Mayor for approval (subsequent to the approval of the IDP and MTREF by Council).

In line with section 69(3) (a) of the Municipal Finance Management Act, which requires the Accounting Officer to submit a Service Delivery and Budget Implementation Plan (SDBIP) to the Mayor no later than 14 days after the approval of the budget and drafts of the performance agreement as required in terms of section 57 (1) (b) of the Municipal Systems Act, plans are in place to ensure compliance with this prescript.

The Service Delivery and Budget Implementation Plan will provide a vital link between the Mayor, Council (executive) and the Administration, and facilitates the process for holding management accountable for its performance. It is the intention of Management to properly formulate the SDBIP to ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. The table below shows the performance indicators of the Municipality.

### **3.1. Performance indicators and Benchmarking**

The following ratios are the analysis of performance of the Municipality for 2018/2019:

**Current Ratio:** The current ratio measures the ability of the municipality to pay off its short term liability, the ratio should be 2:1, to assets, however, the ratio of Tswelopele Local Municipality is almost 1.4, and this is not a good sign because the municipality is currently struggling to settle its liabilities.

**Gearing:** Gearing measures to what extend are the operation of the Municipality financed form Borrowings, and the gearing of the Municipality is zero (o), and this is a good sign, because it shows that the Municipality is not relying on borrowings.



**Creditors Management:** The municipality anticipates that it will be in a position to pay off its creditors by the due date, and also be able to honour the agreement made with Eskom to pay the overdue account. This is in terms of section 65 of the Municipal Finance Management Act. The anticipated performance of the municipality is on an acceptable level.

#### **4. Overview of budget related policies**

Tswelopele Budget process is guided and governed by relevant legislation and budget related policies. The main purpose of budget related policies is to govern and guide process and inform the projections of the medium term. The following budget related policies:

##### **4.1. Review of credit control and debt collection policies**

The Municipality aims to increase the collection rate to 90% by the end of 2019/2020 Financial Year. Despite a credible policy that has been adopted by Municipal Council for the 2017/18 financial year, there has been a great challenge in terms of its effective implementation. Failure to adhere to the policy and ineffective procedures has led increase in debtors.

Robust credit control will come handy for the municipality to collect the budgeted revenue and the current outstanding debtors. One of the deliverables for the Accounting is the development of a revenue enhancement strategy with view of increasing revenue collection. However, the culture of non-payment for services has inculcated into the community. As such political will, support and buy-in will be essential to change the mind-set of the communities.

##### **4.2. Asset Management Policy**

The Municipality fully implemented generally recognised accounting principle (GRAP 17) and a policy on asset management was approved by council during 2016/2017 financial year. The Asset Management policy is considered as a strategic guide in ensuring a

sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

#### **4.3. Supply Chain Management Policy**

The Supply Chain Management Policy was adopted by Council during 2007 and has been reviewed on an annual basis since then. The policy was further supplemented by the adoption of the Procurement Policy. SCM Policy was reviewed for 2016/2017 financial year.

#### **4.4. Budget and Virement Policy**

These policies are aimed at guiding the municipality in terms of compiling a credible and funded budget as required by the MFMA and also to guide the municipality in terms of shifting of funds during the financial year. In addition to these policies, the mid-year budget assessment is used to guide and inform the mid-year performance review and adjustment budget process.

The Municipality doesn't have an adjustment budget policy as the adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities.

#### **4.5. Investment Policy**

The cash management and investment policy was amended by Council for implementation during 2016/17 financial year. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves and conditional grants that needs to be cash-backed. There are no significant changes effected to the policy.

#### **4.6. Tariff Policies**

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration that all proposed tariffs reflect the cost of providing such services. Over the years, the increase in tariffs was not always commensurate with the inflation rate.

There were financial years where certain tariffs were not increased at all. This is currently having negative impact on the budget as the current tariffs are not cost-reflective. The need has arisen to increase the tariff with rate higher than the inflation to catch up with the years where increases were not implemented.

#### **4.7. Property Rates Policy**

Tswelopele Local Municipality's property rates policy provides a framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery, the policy is directly informed by section 229 of the Constitution of the Republic of South Africa and the Municipal Property Rates Act, act 6 of 2004.

#### **4.8. Indigent Policy**

The aim of the policy is to guide the municipality on the process of how to identify and register the indigent households in the Municipality. The indigent support policy was last reviewed during 2016/17 financial year and this policy prescribes the threshold for indigent consumers as well as the free basic service component. The municipality has been experiencing problems where indigent consumers have been utilising services above the threshold thereby being unable to pay for the services, especially on water.

There are no major changes to the policy other than the move to say, that only indigent household be provided with free basic electricity. There is a need for the development of free basic services policy and possible promulgation of the by-law. The policy is currently being reviewed.

#### **4.9. Bad debt write off policy**

The policy guides how and when the municipality should write off its debtors, the current debtor's book is over R 60 million, and it is in the light of the above that the policy was reviewed.

#### **4.10. Other Related Policies**

Municipality has also reviewed the following policies which have direct impact on the Annual Budget of the Municipality: Customer Care Policy; Deposit Policy; Petty Cash Policy and MFMA delegations Policy. Soft copies of the policies may be downloaded from Tswelopele local Municipality website: [www.tswelopele.gov.za](http://www.tswelopele.gov.za)

### **5. Overview of budget assumptions**

The budget was prepared on the incremental budgeting process with the assumption that goods and services as previously budgeted will increase by a certain percentage which is more than the current CPI and zero based budgeting mainly on Petrol. The following tariffs were increased; Sewerage 6.84%, Refuse 6.84%, water 6.84%, Electricity 6.84% (awaiting NERSA on approval for application of 10% increase) and property rates 6.84%. Salaries are budgeted for an increase of 8%, this is informed by South African Local Bargaining Council collective agreement on salaries, the agreement was concluded in 2016, and it is effective until 2019. National Treasury MFMA circulars were used for other assumptions of the budget and the following are some of the assumptions made:

1. Economic climate and poverty levels within the municipality will remain the same / constant for major part of the financial year given the limited economic activities with the vicinity;
2. Cash flow projections will be strictly maintained to ensure the municipality's ability to meet its financial obligations;
3. No allocations as per the 2018 annual Division of Revenue Act will be withheld / offset by the National Treasury or paid back to the National Revenue Fund due to non-spending/non-compliance to conditions of the grants;
4. Operational costs will be maintained at current levels or reduced as cost containment measures and where there is material decrease in revenue collection rate, expenditure will have to be reduced at the same proportion;
5. Filling of vacant posts will be prioritised taking into account the cash flow projections of the municipality.

## **6. Overview of the funding of the budget**

MFMA section 18 states that the expenditure of the budget may only be funded from: realistically anticipated revenue to be collected; cash-backed accumulated funds from previous years' surpluses not committed for other purposes and borrowed funds [but only for capital budget referred to in section 17 (2)]. Tswelopele Local Municipality operating budget is funded from: Grants; Service Charges and Other revenue. The capital budget of the municipal is funded from: Municipal Infrastructure Grant and internal generated funds.

The municipality has increased its tariffs with approximately 6.84%. The estimated collection rates for the budget year is at 90%. Furthermore, the municipality has appointed a Debt Collector to assist with long outstanding debts. The municipality will be implementing the costs containment measures to ensure that spending is only on essential services and service delivery initiatives.

## 7. Expenditure on Allocations and Grant Programmes

Total Grants Allocated to Tswelopele Local Municipality are disclosed on table SA18. The following are the details of the grants:

- **Financial Management Grant:** Total allocation to Tswelopele Local Municipality is R1 970 000, the condition of the grant is that the municipality must appoint five (5) financial interns, the municipality has appointed Six (6) interns and the stipends will be R720 000. The grant is used for training of the municipal Budget and Treasury Office officials and the grant will also be used to fund Standard Chart of Account (SCOA) Project.
- **Municipal Infrastructure Grant:** The total allocation is R 23 837 000 and this amount will be spent on the following projects: Construction of a 2km paved road and stormwater; Upgrading of Sportsfields; Construction of Toilet Structures & Sewer Reticulation and Connections in Tikwana and Construction of cricket pitch.
- **Expanded Public Works Grant:** As per the division of Revenue Act, the Municipality will receive R 1 000 000 for EPWP projects.

## 8. Allocations made by the municipality

The municipality will not be making any allocations to other organs of the state or other municipalities. The municipality will be using Eskom to render the Free Basic Electricity for the Indigent Households in the Phahameng and Tikwana. This expenditure is funded from Equitable Share grant. Below is the information pertaining to free basic services provided by the municipality:

FS183 Tswelopele - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		3 825	3 825	3 825	3 825	3 825	3 825	3 825	3 825	3 825
Piped water inside yard (but not in dwelling)		7 022	7 022	7 022	7 022	7 022	7 022	7 022	7 022	7 022
Using public tap (at least min.service level)	2	632	632	632	632	632	632	632	632	632
Other water supply (at least min.service level)	4	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		11 479	11 479	11 479	11 479	11 479	11 479	11 479	11 479	11 479
Using public tap (< min.service level)	3	514	514	514	514	514	514	514	514	514
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		514	514	514	514	514	514	514	514	514
<b>Total number of households</b>	5	<b>11 993</b>	<b>11 993</b>	<b>11 993</b>	<b>11 993</b>	<b>11 993</b>	<b>11 993</b>	<b>11 993</b>	<b>11 993</b>	<b>11 993</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		9 213	9 213	11 992	11 992	11 992	11 992	11 992	11 992	11 992
Flush toilet (with septic tank)		—	—	—	—	—	—	—	—	—
Chemical toilet		—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)		—	—	—	—	—	—	—	—	—
Other toilet provisions (> min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		9 213	9 213	11 992	11 992	11 992	11 992	11 992	11 992	11 992
Bucket toilet		—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	<b>9 213</b>	<b>9 213</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>
<b>Energy:</b>										
Electricity (at least min.service level)		11 021	11 021	11 021	11 021	11 021	11 021	11 021	11 021	11 021
Electricity - prepaid (min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		11 021	11 021	11 021	11 021	11 021	11 021	11 021	11 021	11 021
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	<b>11 021</b>	<b>11 021</b>	<b>11 021</b>	<b>11 021</b>	<b>11 021</b>	<b>11 021</b>	<b>11 021</b>	<b>11 021</b>	<b>11 021</b>
<b>Refuse:</b>										
Removed at least once a week		8 911	8 911	8 911	8 911	8 911	8 911	8 911	8 911	8 911
<i>Minimum Service Level and Above sub-total</i>		8 911	8 911	8 911	8 911	8 911	8 911	8 911	8 911	8 911
Removed less frequently than once a week		43	43	43	43	43	43	43	43	43
Using communal refuse dump		85	85	85	85	85	85	85	85	85
Using own refuse dump		1 635	1 635	1 635	1 635	1 635	1 635	1 635	1 635	1 635
Other rubbish disposal		1 039	1 039	1 039	1 039	1 039	1 039	1 039	1 039	1 039
No rubbish disposal		279	279	279	279	279	279	279	279	279
<i>Below Minimum Service Level sub-total</i>		3 081	3 081	3 081	3 081	3 081	3 081	3 081	3 081	3 081
<b>Total number of households</b>	5	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>	<b>11 992</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		11 021	11 500	11 500	11 992	11 992	11 992	11 992	11 992	11 992
Sanitation (free minimum level service)		2 900	3 215	3 900	4 980	4 980	4 980	4 980	4 980	4 980
Electricity/other energy (50kwh per household per month)		11 021	11 500	11 500	4 980	4 980	4 980	4 980	4 980	4 980
Refuse (removed at least once a week)		2 900	3 215	3 900	4 980	4 980	4 980	4 980	4 980	4 980
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		2 777	2 944	2 805	3 086	3 394	3 734	3 734	3 734	3 734
Sanitation (free sanitation service to indigent households)		1 390	1 695	2 261	3 044	3 044	3 044	3 044	3 044	3 044
Electricity/other energy (50kwh per indigent household per month)		5 248	6 035	6 518	3 705	3 705	3 705	3 705	3 705	3 705
Refuse (removed once a week for indigent households)		925	1 128	1 505	2 116	2 116	2 116	2 116	2 116	2 116
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		—	—	—	—	—	—	—	—	—
<b>Total cost of FBS provided</b>		<b>10 339</b>	<b>11 801</b>	<b>13 088</b>	<b>11 950</b>	<b>12 259</b>	<b>12 598</b>	<b>12 598</b>	<b>12 598</b>	<b>12 598</b>

Every household is receives 6 kl of water and indigent households receive 50 kwh of electricity, and the households that are 100% indigent also receive free sanitation and free removal of refuse. It is the intension of Municipality to implement Consumption based charge on water service during the 2018/19 financial year in order to stabilise revenue and reduce water losses.

## **9. Councillor and board members allowance and employee benefits**

The actual increase in terms of the remuneration and allowances of Councillors will be determined when the Government Gazette on the Upper Limits of Councillors is issued and the necessary processes as per the gazette will be followed prior to implementation. The Municipal System Act requires the Municipal Manager to develop a staff establishment for the municipality within a policy framework determined by the municipal council and subject to any applicable legislation.

The Municipal Manager must submit the staff establishment to Council for consideration and approval. The Municipal System Act further requires the Municipal Manager to provide a job description for each post on the staff establishment and to attach to those posts the remuneration and other conditions of service as may be determined in accordance with any applicable labour legislation. The increase on employee benefit was according to the South African Local Bargaining Council collective agreement. In terms of the collective agreement, the municipality must fill all critical positions.

## **10. Monthly targets of revenue, expenditure and cash flow**

Presented in this budget documents are 10 main budget tables which summarises municipal budget for the Medium Term Revenue and Expenditure (2018/2019 to 2020/2021) as required by National treasury. Monthly targets for revenue, expenditure and cash flow are also available in the supporting tables that were used to prepare municipal budget. These tables are presented in the A-schedule tables as follows:

- Table SA25 to SA27 - Budgeted Monthly Revenue and Expenditure
- Table SA28 to SA29 - Budgeted Monthly Capital Expenditure
- Table SA30 – Budgeted Monthly cash flow



### **11. Annual budget and service delivery and budget implementation plans: internal departments**

The Municipal Service Delivery and Budget Implementation Plan will be tabled to council within 28 day after approval of this budget.

### **12. Annual budget and service delivery and budget implementation plans: entities and other external mechanism**

Tswelopele Local Municipality does not have external mechanisms other than Eskom providing electricity to the Phahameng and Tikwana households.

### **13. Contracts having future budgetary implications**

In terms of regulation to the Municipal Finance Management Act, long term contracts are contracts that are more than 3 years and as such, the municipality do not have such contracts and further does not intend to enter into contracts that have future budgetary implications. In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Budget and Treasury Office.

### **14. Capital Expenditure Details**

The total allocation for the 2018/19 financial year is R23 837 000 and this amount will be spent on the following major projects:

- Construction of paved road and storm water: Phahameng
- Upgrading of Sportsfields
- Construction of Cricket Sport facility: Phahameng
- Construction of Toilet Structures: Phahameng

### **15. Legislation Compliance**

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

- **In year reporting:** Reporting to National Treasury in electronic format was fully complied with on a monthly basis. MSCOA data strings was submitted to National Treasury portal as requested.
- **Internship programme:** Tswelopele Local Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
- **Budget and Treasury Office:** The Budget and Treasury Office has been established in accordance with the MFMA. Budget Manager has resigned and the position will be filled in due course.
- **Audit Committee:** An Audit Committee has been established and is fully functional.
- **Service Delivery and Implementation Plan:** The detail SDBIP document is on a draft stage.
- **Annual Report:** Annual report is compiled in terms of the MFMA and National Treasury requirements.
- **Integrated Development Plan:** The IDP of the Municipality were tabled to council together with the Budget of the municipality.
- **Approval of the annual budget:** The Annual budget of the Municipality was tabled to council.
- **Policies and bylaws:** The municipality has compiled the various policies as required by various legislations as well as the Municipal Budget and Reporting regulations. The challenge has been on implementation and adherence to such policies subsequent to their approval by Council. Bylaws are yet to be promulgated, currently at draft / compilation stage.

## 16. Other supporting documents

Below are the other supporting documentation to the annual budget.

## 16.1. Tariffs

PROPOSED TARIFFS 2018/2019			
VOTE NUMBER	DETAILS	2017/2018 TARIFFS	2018/2019 TARIFFS
<u>ELECTRICITY</u>			
		Weighted average increase of	
0550 / 0413 / 0000	<b><u>DOMESTIC</u></b>	Increase of 1.88%	
	Levy		
	Metered Consumption		
	Inclining Block Tariff		
	0 -50	R 0-8558 / kwh + vat	R 0-9143 / kwh + vat
	51 - 350	R 1.1003 / Kwh + vat	R 1.1756 / Kwh + vat
	351 -600	R 1.5486 / kwh + vat	R1.6545 / kwh + vat
	600 and above	R 1.8237 /kwh + vat	R 1.9484 / kwh + vat
	<b><u>BUSINESSES</u></b>		
0550 / 0413 / 0000	<u>Businesses / Government / Schools [Consumption under 60 kVA]</u>		Summer Tariffs Winter tariffs

	Levy	R 312.75 + Vat	R 344.06 + Vat	R 344.06 + Vat
	kWh Consumption	R 1.3619 / Kwh +Vat	R 1.49809 / Kwh +Vat	R 1.6479 / Kwh +Vat
	<b><u>BULK CONSUMERS / INDUSTRIAL</u></b>		Summer Tariffs	Winter tariffs
0550 / 0413 / 0000	<u>Bulk Consumption</u>			
	Levy	R 1 200 + Vat/ Month	R 4 137.00 + Vat/ Month	R 4 137.00 + Vat/ Month
	kWh Consumption	R 0-7314 / kwh + vat	R 0-8045 / kwh + vat	R 0.88495 + Vat/ Month
	kVA Levy	R 184.38/ KVA + VAT	R 202.82 / KVA + VAT	R 202.82 / KVA + VAT
	<b><u>BULK CONSUMERS / INDUSTRIAL (60 KVA)</u></b>		Summer Tariffs	Winter tariffs
0550 / 0413 / 0000	<u>Bulk Consumption</u>			
	Levy	R 1 200 + Vat/ Month	R 14 839.00 + Vat/ Month	R 14 839.00 + Vat/ Month

	kWh Consumption	R 0-7314 / kwh + vat	R 0-8045 / kwh + vat	R 0.88495 + Vat/ Month
	kVA Levy	R 184.38/ KVA + VAT	R 202.82 / KVA + VAT	R 202.82 / KVA + VAT
	<b><u>BULK CONSUMERS / INDUSTRIAL: SILOS (294 KVA) AND GRAINCO</u></b>		Summe r Tariffs	Winter tariffs
	<u>Bulk Consumption</u>			
	Levy (per silo)	R 1 200 + Vat/ Month	R 57 252.79 + Vat/ Month	R 57 252.79 + Vat/ Month
	kWh Consumption	R 0-7314 / kwh + vat	R 0-8045 / kwh + vat	R 0.88495 + Vat/ Month
	kVA Levy	R 184.38/ KVA + VAT	R 202.82 / KVA + VAT	R 202.82 / KVA + VAT
	<b><u>VACANT SITES - AVAILABILITY CHARGES</u></b>		Summe r Tariffs	Winter tariffs

0550 / 0413 / 0000	<u>Levy: Vacant Erven</u>	R 61.13 + VAT / Month	R 67.24 + VAT / Month	R 67.24 + VAT / Month
0550 / 0413 / 0000	<u>Departmental Levy</u>	R 94.36 + Vat / month	R 103.80 + VAT / month	R 103.80 + VAT / month
	<b><u>SPORT BODIES</u></b>			
0550 / 0413 / 0000	<u>Sport Bodies</u>			
	Levy	R 160.30 + VAT/Month	R 176.33 + VAT/Mo nth	R 176.33 + VAT/Month
	kWh Consumption	R 0.9653 / Kwh + Vat	R 1.0618 / Kwh + Vat	R 1.168 / Kwh + Vat
	<b><u>CONSUMER DEPOSITS</u></b>			
	<u>Consumer's Deposits</u>			
7201 / 7201 / 7201	Domestic (Normal Meter)	R 1 503.55	R 1 653.91	R 1 653.91

7201 / 7201 / 7202	Flats	R 1 503.55	R 1 653.91	R 1 653.91
	Commercial	R 3 359.20	R 3 695.12	R 3 695.12
	Old Age Home - Hoopstad	R 600.00	R 660.00	R 660.00
	<b><u>CALL OUT FEES</u></b>			
0550 / 1741 / 0000	<u>Call-Out Fee</u>	R 121.85 + Vat	R 134.03 + Vat	R 134.03+ Vat
	<b><u>LATE PAYMENT FEES</u></b>			
0550 / 1729 / 0000	<u>Non / Late-Payment Penalty</u>	R 276.10	R 303.71	R 303.71
	<b><u>CONNECTION + METER TESTING FEES</u></b>			
0550 / 1729 / 0000	<u>Reconnection (new residents)</u>	R 276.09 + VAT	R 303.70 + VAT	R 303.70 + VAT
0550 / 1739 / 0000	<u>Final Readings</u>	R 122.25 +VAT	R 134.48 +VAT	R 134.48 +VAT

0550 / 1739 / 0000	<u>Testing of Meters</u>	R 423.36 + vat/meter/test	R 465.70 + vat/meter/test	R 465.70 + vat/meter/test
	<u>Connection Fee</u>	Actual cost of material + VAT + labour + 20% admin fee + VAT	Actual cost of material + VAT + labour + 20% admin fee + VAT	Actual cost of material + VAT + labour + 20% admin fee + VAT
	-			
	<b><u>METER TAMPERING FEES</u></b>			
	<u>Meter Tampering Fees</u>	R 7 000 + Vat + Cost of a new Meter	R 7 700 + Vat + Cost of a new Meter	R 7 700 + Vat + Cost of a new Meter
<b>Vote Number</b>	<b>Details</b>	<b>2017/2018 (6,36%)</b>	<b>2018/2019 (6.84%)</b>	
<b><u>ASSESSMENT RATES</u></b>	<b>Residential Properties</b>	0.007220193	0.007714055	
<b>[VAT at zero rate]</b>	<b>Business/ Industrial/ Commercial</b>	0.009416025	0.010060081	
	<b>State Owned</b>	0.018832051	0.020120163	
	<b>Public Service Infrastructure</b>	0.001805048	0.001928514	



	<b>Newly rateable State Owned</b>	0.018832051	0.020120163
Vote Number	Details	<b>2017/2018 (0,00%)</b>	<b>2018/2019 (6.84%)</b>
	<b>Agriculture</b>	0.000734787	0.000785046
The last instalment to be paid on the last day of June every year.			
<b><u>GENERAL EXPENSES OF COUNCIL</u></b>		<b>2017/2018 (6,36%)</b>	<b>2018/2019 (6.84%)</b>
0200 / 1727 / 0000	<u>Assessment Certificate</u>	<b>R 32-00</b> / certificate VAT at zero rate	<b>R 34-20</b> / certificate VAT at zero rate
0200 / 1727 / 0000	<u>Clearance Certificate</u>	<b>R 72-01</b> / certificate VAT at zero rate	<b>R 76-95</b> / certificate VAT at zero rate
0400 / 1705 / 0000	<u>Building Clause</u> <u>[Certificate]</u>	<b>R 106.40</b> / certificate plus VAT	<b>R 113-70</b> / certificate plus VAT
0400 / 1705 / 0000	<u>Zoning Certificate</u>	<b>R 73-81</b> / certificate plus VAT	<b>R 78-86</b> / certificate plus VAT

0220 / 1721 / 0000	Objection Fees [Valuation]	<b>R 106-40</b> / objection VAT at zero rate	<b>R 113-70</b> / objection VAT at zero rate
0400 / 1705 / 0000	<u>Building Plans</u> -		
	New Buildings (Residential)	<b>R 212-72</b> / plan plus VAT	<b>R 227-27</b> / plan plus VAT
	Extensions	<b>R 159- 54</b> / plan plus VAT	<b>R 170- 45</b> / plan plus VAT
	New Buildings (Business)	<b>R 319-08</b> / plan plus VAT	<b>R 340-90</b> / plan plus VAT
0200 / 4511 / 0000	<u>Faxes</u>		
	Sending [National]	<b>R 5-32</b> / page plus VAT	<b>R 5-68</b> / page plus VAT
	Receiving	<b>R 3-20</b> / page plus VAT	<b>R 3-42</b> / page plus VAT
	Sending [International]	<b>R 15-95</b> / page plus VAT	<b>R 17-04</b> / page plus VAT
0410 / 1725 / 0000	<u>Photocopies (Colour at double tariff)</u>		
	A 3	<b>R 2-00</b> / page plus VAT	<b>R 2-16</b> / page plus VAT
	A 4	<b>R 1-00</b> / page plus VAT	<b>R 1-07</b> / page plus VAT
	ID Documents	<b>R 1-00</b> / page plus VAT	<b>R 1-07</b> / page plus VAT
	B 4	<b>R 2-00</b> / page plus VAT	<b>R 2-16</b> / page plus VAT
	Proof of Residence		<b>R 2-16</b> / page plus VAT
0101 / 1741 / 0000	<u>Poster Deposit</u>		

	Poster deposit	<b>R 210.60</b> / event (maximum 100) [Deposit will be forfeited if poster/s is/are not removed within 7 days after date of advertised event.]	<b>R 225-00</b> / event (maximum 100) [Deposit will be forfeited if poster/s is/are not removed within 7 days after date of advertised event.]
	2.9.2 Poster Fee	<b>R 446-71</b> plus VAT per 100 / event	<b>R 477- 30</b> plus VAT per 100 / event
	2.9.3 Billboards	<b>R 660-00</b> plus VAT (maximum 3)	<b>R 705-10</b> plus VAT (maximum 3)
	2.9.4 Temporary Advertising Boards	<b>R 21-30</b> plus VAT /board / month (maximum 20)	<b>R 22-76</b> plus VAT /board / month (maximum 20)
0400 / 1737 / 0000	<u>Town Maps</u>		
	A <sub>0</sub> [Large]	<b>R 319-08</b> plus VAT	<b>R 344-60</b> plus VAT
	A <sub>1</sub> [Small]	<b>R 191-45</b> plus VAT	<b>R 204-50</b> plus VAT
6101 / 6101 /6101	<u>Business Erven</u>		
	Hoopstad & Bultfontein	<b>Auction Price</b> plus VAT/ Council Resolution	<b>Auction Price</b> plus VAT/ Council Resolution
	Tikwana & Phahameng	<b>R 4-00 / m<sup>2</sup> + VAT</b> / erf	<b>R 4-27/ m<sup>2</sup> + VAT</b> / erf

6101 / 6101 / 6101	Church Erven Phahameng & Tikwana	<b>R 3-00 - m<sup>2</sup> + VAT</b>	<b>R 3-20 - m<sup>2</sup> + VAT</b>
	<b>NB: Once-off payment (ECM25-16/02/05)</b>	[max R 1 800-00 + VAT]	<b>[max R 1 800-00 + VAT]</b>
6100 / 6101 / 6101	<u>Residential Erven</u>		
	Bultfontein	<b>Tender Price or Auction</b>	<b>Tender Price or Auction</b>
	Hoopstad	<b>Tender Price or Auction</b>	<b>Tender Price or Auction</b>
	Phahameng & Tikwana	<b>R 1 064-00 VAT inclusive /site</b>	<b>R 1 136.78 + VAT Inclusive/site</b>
0420 / 1741 / 0000	Transfer fee (Informal)	<b>R 53-18 + VAT / site</b>	<b>R 53-18 + VAT / site</b>
	RDP Houses – Prov. Government	<b>R 1 595-40 VAT inclusive / site</b>	<b>R 1 495 + VAT / site</b>
0101 / 1741 / 0000	<u>Rent of Loud Hailer</u>	<b>R 319-08 + VAT / hour or part thereof</b>	<b>R 340-90 + VAT / hour or part thereof</b>
	-		
0200 / 4409 / 0000	<u>Administration [Cheques]</u>		
	As per Bank statement with minimum R 80-00	<b>R 85-00 / cheque</b>	<b>R 90-80 / cheque</b>
0101 / 1741 / 0000	<u>Levy of containers [+ 10% escalation price]</u>	<b>R 404-17 + VAT / container</b>	<b>R 431-80 + VAT / container</b>

0101 / 1741 / 0000	<u>*Request Fees</u>		
	As meant in section 22(1) of the Information Act)		
		<b>R 35-00 + VAT</b>	<b>R 37-39 + VAT</b>
0101 / 1741 / 0000	<u>*Reproduction Fees</u>		
	<b><u>For records meant is section 15 of the Information Act</u></b>		
	A4 photocopy or part thereof	<b>R 0-60 + VAT</b>	<b>R 0-65 + VAT</b>
	Printed copy A4 or part thereof held on computer or in electronic or machine readable form	<b>R 0-40 + VAT</b>	<b>R 0-45 + VAT</b>
	<b><u>A copy on a computer-readable form on :</u></b>		
	Stiffy Disc	<b>R 5-00 + VAT</b>	<b>R 5-35 + VAT</b>
	Compact Disc	<b>R 40-00 + VAT</b>	<b>R 42-75 + VAT</b>
	<b><u>A transcription of visual images on:</u></b>		
	A4 page or part thereof	<b>R 22-00 + VAT</b>	<b>R 23-50 + VAT</b>
	A copy of visual images	<b>R 60-00 + VAT</b>	<b>R 64-10 + VAT</b>
	<b><u>For a transcription of an audio record:</u></b>		
	A4 page or part thereof	<b>R 12-00 + VAT</b>	<b>R 12-82 + VAT</b>
	for a copy of an audio record	<b>R 17-00 + VAT</b>	<b>R 18-16 + VAT</b>
0101 / 1741 / 0000	<u>*Access Fees</u>		

	<b><u>For records meant in section 22 of the Information Act</u></b>		
	Photocopy of A4 page or part thereof	<b>R 0-60 + VAT</b>	<b>R 0-65 + VAT</b>
	Printed copy A4 or part thereof held on computer or in electronic or machine readable form	<b>R 0-40 + VAT</b>	<b>R 0-45 + VAT</b>
	<b><u>A copy in a computer readable form on:</u></b>		
	Stiffy Disc	<b>R 5-00 + VAT</b>	<b>R 5-34 + VAT</b>
	Compact Disc	<b>R 40-00 + VAT</b>	<b>R 42.75 + VAT</b>
	<b><u>A transcription of visual images for an:</u></b>		
	A4 page or part thereof	<b>R 22-00 + VAT</b>	<b>R 23.50 + VAT</b>
	A copy of visual images	<b>R 60-00 + VAT</b>	<b>R 64-10 +VAT</b>
	<b><u>A transcription of an audio record:</u></b>		
	A4 page or part thereof	<b>R 12-00 + VAT</b>	<b>R 12-82 + VAT</b>
	A copy of an audio record	<b>R 17-00 + VAT</b>	<b>R 18-16 + VAT</b>
0101 / 1741 / 0000	<b><u>*Search Fees</u></b>		
	As meant in section 22(2) of the Information Act		
	To search for the record, for each hour or part of an hour	<b>R 15-00 + VAT</b>	<b>R 16-03 + VAT</b>

<b><u>BUSINESS LICENCES</u></b>			
0400 / 1401 / 0000	<u>Hawkers' Licences</u>		
	Residents	<b>R 106-40 / annum</b>	<b>R 113-70 / annum</b>
	Non-Residents	<b>R 212-80 / day</b>	<b>R 227-40 / day</b>
0400 / 1401 / 0000	Certificate of acceptability	First Certificate free of charge thereafter <b>R 106-40 / certificate</b>	<b>First Certificate free of charge thereafter R 113-70 / certificate</b>
0400 / 1401 / 0000	Business Licences	<b>R 531-80</b>	<b>R 568-20</b>
0400 / 1401 / 0000	Duplicate Licences [Business / Hawkers / Tuck / Spas a shops ]	<b>R 159-54</b>	<b>R 170-50</b>
<b><u>PUBLIC WORKS</u></b>			
0540 / 1741 / 0000	<u>Entrance Ways</u>		
	Repair of Entrance Ways	<b>Cost of material + VAT &amp; labour + 20% admin + VAT</b>	<b>Cost of material + VAT &amp; labour + 20% admin + VAT</b>
	New Entrance Ways	<b>Cost of material + VAT &amp; labour + 20% admin + VAT</b>	<b>Cost of material + VAT &amp; labour + 20% admin + VAT</b>
0540 / 1733 / 0000	<u>Provision of Gravel</u> [ If available]		
	<u>Residents</u>		

	Delivered by Municipality with a minimum of 6 m <sup>3</sup>	<b>R 74-45 + VAT / m<sup>3</sup></b>	<b>R 79-54 + VAT / m<sup>3</sup></b>
	Loaded by Buyer	<b>R 63-810 + VAT / m<sup>3</sup></b>	<b>R 68-17 + VAT / m<sup>3</sup></b>
	<u>Contractors</u>		
	Delivered by Municipality	<b>R 85-08 + VAT / m<sup>3</sup></b>	<b>R 90-89 + VAT / m<sup>3</sup></b>
	Loaded by Buyer	<b>R 74-45 + VAT / m<sup>3</sup></b>	<b>R 79-54 + VAT / m<sup>3</sup></b>
0540 / 1733 / 0000	<u>Provisioning of Garden Soil [If available]</u>		
	<u>Residents</u>		
	Delivered by Municipality	<b>R 74-45 + VAT / m<sup>3</sup></b>	<b>R 79-54 + VAT / m<sup>3</sup></b>
	Loaded by Buyer	<b>R 63-810 + VAT / m<sup>3</sup></b>	<b>R 68-17 + VAT / m<sup>3</sup></b>
	<u>Contractors</u>		
	Delivered by Municipality	<b>R 85-08 + VAT / m<sup>3</sup></b>	<b>R 90-89 + VAT / m<sup>3</sup></b>
	Loaded by Buyer	<b>R 74-45 + VAT / m<sup>3</sup></b>	<b>R 79-54 + VAT / m<sup>3</sup></b>
0540 / 0717 / 0000	<u>Renting Out: Implements &amp; Equipment</u>		
	Tractor & Trailer	<b>R 212-80 + VAT / hour</b>	<b>R 227-35 + VAT / hour</b>
	Tractor	<b>R 159-54 + VAT / hour</b>	<b>R 170-45 + VAT / hour</b>
	Grader	<b>R 531-80 + VAT / hour</b>	<b>R 568-18 + VAT / hour</b>



	Front-End Loader	<b>R 531-80 + VAT / hour</b>	<b>R 568-18 + VAT / hour</b>
	Concrete Mixer	<b>R 106-36 + VAT / hour</b> [or part thereof]	<b>R 113-64 + VAT / hour</b> [or part thereof]
	Tractor & Slasher [Bossiekapper]	<b>R 319-08 + VAT / hour</b>	<b>R 340-82 + VAT / hour</b>
	Truck	<b>R 319-08 + VAT / hour</b>	<b>R 340-82 + VAT / hour</b>
	Back-Actor	<b>R 531-80 + VAT / hour</b>	<b>R 568-18 + VAT / hour</b>
	Water Tanker	<b>R 106-36 + VAT / hour</b> [or part thereof]	<b>R 113-64 + VAT / hour</b> [or part thereof]
	Bo-Mac [Roller]	<b>R 106-36 + VAT / hour</b> [or part thereof]	<b>R 113-64 + VAT / hour</b> [or part thereof]
	Kudu	<b>R 106-36 + VAT / hour</b> [or part thereof]	<b>R 113-64 + VAT / hour</b> [or part thereof]
	Bush cutter [Lyn snyer]	<b>R 106-36 + VAT / hour</b> [or part thereof]	<b>R 113-64 + VAT / hour</b> [or part thereof]
	<b><u>CEMETERIES</u></b>		
0430 / 1713 / 0000	<u>Grave Plots: Bultfontein &amp; Hoopstad</u>		
	Not Masoned [Residents]	<b>R 957-24 + VAT / plot</b>	<b>R 1 022-70 + VAT / plot</b>
	Not Masoned [Non-Residents]	<b>R 1170-00 + VAT / plot</b>	<b>R 1 250-00 + VAT / plot</b>

0430 / 1713 / 0000	Grave <u>Plots:</u> <u>Phahameng &amp; Tikwana</u>		
	Not Masoned [Residents]	<b>R 531-80 + VAT / plot</b>	<b>R 568-17 + VAT / plot</b>
	Not Masoned [Non-Residents]	<b>R 744-52+ VAT / plot</b>	<b>R 795-44+ VAT / plot</b>
	Not Masoned [Residents]	<b>R 531-80 + VAT / plot</b> [Grave to be dug by family themselves]	<b>R 568-17 + VAT / plot</b> [Grave to be dug by family themselves]
0430 / 1713 / 0000	<u>Grave Plots: Children / Still Born Babies</u>		
	6.3.1 [Grave dug by family themselves]	<b>R 159-54 + VAT / plot</b>	<b>R 170-45 + VAT / plot</b>
	6.3.2 [Grave dug by municipality]	<b>R 425-44 + VAT / plot</b>	<b>R 454-54 + VAT / plot</b>
0430 / 1713 / 0000	<u>Pauper Graves</u>	<b>Grave FREE OF CHARGE</b>	<b>Grave FREE OF CHARGE</b>
0430 / 1713 / 0000	<u>Double Burials in Single Grave</u>		
	<u>Bultfontein &amp; Hoopstad</u>		
	Residents	<b>R 2233-56 + VAT</b>	<b>R 2386.33 + VAT</b>
	Non-Residents	<b>R 3297-16 + VAT</b>	<b>R 3522-68 + VAT</b>
	<u>Phahameng &amp; Tikwana</u>		
	Residents	<b>R 638-16 + VAT</b>	<b>R 638-16 + VAT</b>
	Non-Residents	<b>R 957-24 + VAT</b>	<b>R 1 022.71 + VAT</b>

<b><u>WATER 6.84% increase</u></b>			
0560 / 0433 / 0000	<u>Domestic &amp; Churches</u>		
	Metered Tariff	<b>R 5-16/ kℓ + VAT</b>	<b>R 5-51/ kℓ + VAT</b>
	Levy		
	Unmetered Minimum	<b>R 31-25 + VAT / month</b>	<b>R 33-39 + VAT / month</b>
0560 / 0433 / 0000	<u>Businesses / Hotels / Hospitals / Prison / Schools / Government Bodies / Hostels</u>		
	Metered Tariff	<b>R 5-16/ kℓ + VAT</b>	<b>R 5-51/ kℓ + VAT</b>
	Levy	<b>R 109-39 + VAT / month</b>	<b>R 116-87 + VAT / month</b>
0560 / 0433 / 0000	<u>Levy: Schools Without Water Meters</u>		
	<u>[Phahameng / Tikwana]</u>	<b>R 3275-63 + VAT</b>	<b>R 3500-00 + VAT</b>
0560 / 0433 / 0000	<u>Departmental Levy</u>	<b>R 1-81 / kℓ</b>	<b>R 1-94 / kℓ</b>
0560 / 0433 / 0000	<u>Sport Bodies / Old Age Homes</u>	<b>R4-02 / kℓ + VAT</b>	<b>R4-30/ kℓ + VAT</b>
0560 / 0433 / 0000	<u>Vacant Erven Levy (Sec. 145(3)(ii) Ord. 8/62)</u>	<b>R 22-72 + VAT</b>	<b>R 24-27 + VAT</b>
0560 / 0433 / 0000	<u>Old Luzern Camp [Bultfontein]</u>	<b>R4-02 / kℓ + VAT</b>	<b>R4-30 / kℓ + VAT</b>
	-		

0560 / 1729 / 0000	<u>Reconnection fees</u>	<b>R 165-73 + VAT</b>	<b>R 177-10 + VAT</b>
	-		
	<u>Consumers' Deposits</u>		
7201 / 7202 / 7201	Domestic	<b>R 568-79</b>	<b>R 607-70</b>
7201 / 7202 / 7202	Businesses	<b>R 758.38</b>	<b>810.3</b>
	<u>Water Connections</u>	<b>Cost of material + VAT and labour + 20% + VAT Admin fee</b>	<b>Cost of material + VAT and labour + 20% + VAT Admin fee</b>
7330 / 7334 / 7301	-		
7330 / 7334 / 7301			
0560 / 1741 / 0000	<u>Testing of Water Meters</u>	<b>R 379.20 + VAT / meter / test</b>	<b>R 405-13 + VAT / meter / test</b>
	-		
<b><u>SEWERAGE 6.84%</u></b>			
0570 / 0453 / 0000	<u>Septic Tanks 1 suction max: B =7000 lt</u>		
	10.1.1 Urban area <b>H = 4500 lt</b>	<b>R 110-71 + VAT / suction</b>	<b>R 118-28 + VAT / suction</b>
	10.1.2 Rural area:	<b>R 26-87 + VAT / km + Suction</b>	<b>R 28-70 + VAT / km + Suction</b>
0570 / 0453 / 0000	<u>Domestic / Churches / Church Hall / Sport Clubs - Levy</u>		

	-	<b>R 57-43 + VAT</b> / month	<b>R 61-35 + VAT</b> / month
0570 / 0453 / 0000	<u>Business</u> - <u>Levy</u>	<b>R 106-14 +</b> <b>VAT</b> / month	<b>R 113-39 + VAT</b> / month
0570 / 0453 / 0000	<u>Garage</u> – <u>Levy</u>	<b>R 153-13 +</b> <b>VAT</b> / month	<b>R 163-60 + VAT</b> / month
0570 / 0453 / 0000	<u>Hotel</u> – <u>Levy</u>	<b>R 574.11 +</b> <b>VAT</b> / month	<b>R 613.38 + VAT</b> / month
0570 / 0453 / 0000	<u>Flats</u> - <u>Levy</u> [Per Block]	<b>R 382.73 +</b> <b>VAT</b> / month	<b>R 408.90 + VAT</b> / month
0570 / 0453 / 0000	<u>Suidwes</u> - [ <u>Hoopstad</u> ]		
		<b>R 153-12 +</b> <b>VAT</b> / month	<b>R 163-59 + VAT</b> / month
	Grain silo	<b>R 259-30 +</b> <b>VAT</b> / month	<b>R 277-04 + VAT</b> / month
	Workshop		
0570 / 0453 / 0000			
	<u>Senwes</u> - [ <u>Bultfontein</u> ]	<b>R 153-12 +</b> <b>VAT</b> / month	<b>R 163-59 + VAT</b> / month
	Grain silo	<b>R 259-30 +</b> <b>VAT</b> / month	<b>R 277-03 + VAT</b> / month
	Dealer Workshop		
0570 / 0453 / 0000			
	<u>Old Age Home</u>	<b>R 593-27 +</b> <b>VAT</b> / month	<b>R 533-84 + VAT</b> / month
	[ <u>Bultfontein</u> / <u>Hoopstad</u> ]		

0570 / 0453 / 0000	<u>Vacant Erven (Sec. 138(2) Ord.8/62)</u>	<b>R 19-17 + VAT</b> / month	<b>R 20-48 + VAT</b> / month
0570 / 0453 / 0000			
	<u>Other State / Provincial Buildings</u>	<b>R 287-10 + VAT</b> / month	<b>R 311-22 + VAT</b> / month
	Testing Grounds Levy		
0570 / 0453 / 0000	<u>Magistrate's Office / Police Station</u> - Levy	<b>R 478-42 + VAT</b> / month	<b>R 511-14 + VAT</b> / month
0570 / 0453 / 0000	<u>Telkom / Post Office</u> - Levy	<b>R 287-10 + VAT</b> / month	<b>R 311-22+ VAT</b> / month
0570 / 0453 / 0000			
	<u>Schools without Waterborne Sewerage</u>		
	<u>[Phahameng / Tikwana]</u> - Levy	<b>R 3 827.53 + VAT</b> / month	<b>R 3 512-39 + VAT</b> / month
0570 / 0453 / 0000			
	<u>Schools with Waterborne Sewerage</u>	<b>R 1 148-23 + VAT</b> / month	<b>R 1 226-77 + VAT</b> / month
0570 / 0453 / 0000	<u>New Connection</u>	<b>Cost of material + VAT &amp; labour + 20% admin + VAT</b>	<b>Cost of material + VAT &amp; labour + 20% admin + VAT</b>
	<b><u>REFUSE REMOVAL 6.84%</u></b>		
0580 / 0473 / 0000	<u>Domestic / Churches</u>	<b>R 39.56+ VAT</b> / month	<b>R 42.27+ VAT</b> / month

0580 / 0473 / 0000	<u>Business</u>	<b>R 79-73 + VAT</b> / month	<b>R 85-18 + VAT</b> / month
0580 / 0473 / 0000	<u>Schools / Prisons / Hospitals / Other Provincial &amp; Government Buildings</u>	<b>R 198-10 +</b> <b>VAT</b> / month	<b>R 211-65 + VAT</b> / month
	-		
0580 / 0473 / 0000	<u>Departmental</u>	<b>R 58-92 + VAT</b> / month	<b>R 62-95 + VAT</b> / month
0580 / 1741 / 0000	<u>Refuse Removal</u>		
	Cleaning of Erven	<b>Actual costs +</b> <b>20% + VAT</b> / site	<b>Actual costs +</b> <b>20% + VAT</b> / site
	Building Rubble	<b>R 488.43 +</b> <b>VAT</b> / load	<b>R 521.84 + VAT</b> / load
<b><u>POUND FEES 6.84%</u></b>			
0420 / 1741 / 0000	<u>Cattle</u>		
	Pound Fees	<b>R 17-55 + VAT</b> / head / day	<b>R 18-75 + VAT</b> / head / day
	Herding Fees	<b>R 23-40 + VAT</b> / head / day	<b>R 25-00 + VAT</b> / head / day
0420 / 1741 / 0000	<u>Horses / Donkeys</u>		
	Pound Fees	<b>R 23-40 + VAT</b> / head / day	<b>R 25-00 + VAT</b> / head / day
	Herding Fees	<b>R 52-65 + VAT</b> / head / day	<b>R 56-25 + VAT</b> / head / day
0420 / 1741 / 0000	<u>Sheep / Goats</u>		

	Pound Fees	<b>R 11-70 + VAT</b> / head / day	<b>R 12-50 + VAT</b> / head / day
	Herding Fees		
0420 / 1741 / 0000	<u>Pigs</u>		
	Pound Fees	<b>R 23-40 + VAT</b> / head / day	<b>R 25-00 + VAT</b> / head / day
	Herding Fees	<b>R 11-70 + VAT</b> / head / day	<b>R 12-50 + VAT</b> / head / day
<b><u>RENTAL OF HALLS</u></b>			
	<u>Municipal Related ( All Council Halls)</u>	<b>Free of Charge</b>	<b>Free of Charge</b>
	<u>Bultfontein - Louis Botha Hall</u>		
	<u>Conferences, Meetings, Courses</u>		
7300 / 7303 / 7301	Deposit	<b>R 1 063-60</b>	<b>R 1 155-49</b>
0423 / 0735 / 0000	Rental	<b>R 1 276-32 + VAT</b>	<b>R 1 363-62 + VAT</b>
	<u>Dinners, Parties, Receptions, Wedding</u>		
7300 / 7303 / 7301	Deposit	<b>R 1 063-60</b>	<b>R 1 136-35</b>
0423 / 0735 / 0000	Rental	<b>R 3 403-52 + VAT</b>	<b>R 3 636-32 + VAT</b>
0423 / 0735 / 0000	<u>Pre Occupation Fee per Day</u>	<b>R 159-64 + VAT / day</b>	<b>R 170-56 + VAT</b> / day
	-		
	<u>Table Cloths</u>		



7300 / 7303 / 7301	Deposit	<b>R 117-00</b>	<b>R 125-00</b>
0423 / 0735 / 0000	Rental	<b>R 10-64 + VAT / cloth</b>	<b>R 11-36 + VAT / cloth</b>
	<u>Phahameng Community Hall</u>		
7300 / 7315 / 7301	Deposit	<b>R 638-16</b>	<b>R 681-81</b>
0423 / 0737 / 0000	Rental	<b>R 1063-60 + VAT</b>	<b>R 1136-35 + VAT</b>
	<u>Bultfontein Town Hall: Non-Profitable Organisations</u>	-	
	<u>VLU, Ecclesiastical gatherings and Services Management Meetings, Agricultural Study, Groups, Political Parties, District Agricultural Union, All Educational Lectures - [Crocery Included]</u>	-	
0423 / 0737 / 0000	Rental	<b>R 1 063-60</b>	<b>R 1 136-35</b>
7300 / 7301 / 7301	Deposit	<b>R 1 063-60</b>	<b>R 1 136-35</b>
0423 / 0737 / 0000	Pre Occupation Fee per Day	<b>R 132-95 + VAT / day</b>	<b>R 142-04 + VAT / day</b>
	<u>Dances, Concerts, Bioscope, Parties, Weddings, Dinners, Auctions, (Church Bazaars must be part of 13.7) - [Crocery Included]</u>		

0423 / 0737 / 0000	Rental	<b>R 1 276-32 + VAT</b>	<b>R 1 363-62 + VAT</b>
7300 / 7301 / 7301	Deposit	<b>R 1 063-60</b>	<b>R 1 136-35</b>
0423 / 0737 / 0000	Pre Occupation Fee per Day	<b>R 132-95 + VAT / day</b>	<b>R 142-04 + VAT / day</b>
	<u>Table Cloths</u>	-	
7300 / 7301 / 7301	Deposit	<b>R 117-00</b>	<b>R 125-00</b>
0423 / 0737 / 0000	Rental	<b>R 10-64 + VAT / cloth</b>	<b>R 11-36 + VAT / cloth</b>
	Chair Covers	<b>R 5-32 +VAT/ Chair cover</b>	<b>R 5-68 +VAT/ Chair cover</b>
	Chair Tie	<b>R 2-65 +Vat / Chair Tie</b>	<b>R 2-83 +Vat / Chair Tie</b>
	<u>Hoopstad Civic Centre</u>	-	
	<u>School functions, Local Concerts, Public meetings [none Political], Displays, Kitchen/Stork tea, Lectures/Conference, Folk-dances - [Crockery included] (only in cases of non-professional actors)</u>	-	
0423 / 0737 / 0000	Rental: Main hall	<b>R 1063-60 + VAT</b>	<b>R 1136-35 + VAT</b>
0423 / 0737 / 0000	Rental: Side hall	<b>R 585-00 + VAT / day</b>	<b>R 625-01 + VAT / day</b>
0423 / 0737 / 0000	Rental: Kitchen & bar	<b>R 446-71 + VAT / day</b>	<b>R 477-26 + VAT / day</b>

	<u>Professional Concerts, Political Meetings, Social functions, Bazaars, Bioscope [mobile], Tea party - [Crocery included]</u>	-	
0423 / 0737 / 0000	Rental: Main hall	<b>R 1063-60 + VAT</b>	<b>R 1136-35 + VAT</b>
0423 / 0737 / 0000	Rental: Side hall	<b>R 585-00 + VAT / day</b>	<b>R 625-01 + VAT / day</b>
0423 / 0737 / 0000	Rental: Kitchen & bar	<b>R 446-71 + VAT / day</b>	<b>R 477-26 + VAT / day</b>
	<u>Weddings, Receptions, Dinner party [without dancing] - [Crocery included]</u>	-	
0423 / 0737 / 0000	Rental: Main hall	<b>R 1063-60 + VAT</b>	<b>R 1136-35 + VAT</b>
0423 / 0737 / 0000	Rental: Side hall	<b>R 585-00 + VAT / day</b>	<b>R 625-01 + VAT / day</b>
0423 / 0737 / 0000	Rental: Kitchen & bar	<b>R 446-71 + VAT / day</b>	<b>R 477-26 + VAT / day</b>
	<u>Pre occupation fee -</u>	-	
0423 / 0737 / 0000	Rental: Main hall	<b>R 132-95 + VAT / day</b>	<b>R 142-04 + VAT / day</b>
0723 / 0737 / 0000	Rental: Side hall	<b>R 106-40 + VAT / day</b>	<b>R 113-67 + VAT / day</b>
0723 / 0737 / 0000	Rental: Kitchen & bar	<b>R 106-40 + VAT / day</b>	<b>R 113-67 + VAT / day</b>
<i>50% of the above mentioned tariffs will be applicable in cases were the property are used before 17:00</i>			

0723 / 0737 / 0000	<u>Use of grand piano</u>	<b>R 106-40 + VAT / occasion</b>	<b>R 113-67 + VAT / occasion</b>
	<u>Piano</u>		
0723 / 0737 / 0000	During the day	<b>R 21-27 + VAT / occasion</b>	<b>R 22-72 + VAT / occasion</b>
0723 / 0737 / 0000	During the evening	<b>R 53-18 + VAT / occasion</b>	<b>R 56-81 + VAT / occasion</b>
	<u>Cleaning of crockery –</u> [ <i>Cleaning remains the duty of the user</i> ]	-	
0723 / 0737 / 0000	Done by Council	<b>R 319-08 + VAT</b>	<b>R 340-90 + VAT</b>
	<u>Cleaning of kitchen –</u> [ <i>Cleaning remains the duty of the user.</i> ]	-	
0723 / 0737 / 0000	Done by Council	<b>R 425-44+ VAT</b>	<b>R 454-54+ VAT</b>
	<u>Rental of table cloths:</u>		
0723 / 0737 / 0000	Crimpelene	<b>R 10-64 + VAT / cloth</b>	<b>R 11-36 + VAT / cloth</b>
0723 / 0737 / 0000	Damask	<b>R 10-64 + VAT / cloth</b>	<b>R 11-36 + VAT / cloth</b>
7300 / 7302 / 7301	Deposit	<b>R 117-00</b>	<b>R 125-00</b>

	<u>Booking of Main hall and Side hall on the same date by two different lessees</u> – <i>In a case where the second application cannot be accommodated, one of the applicants will be entitled to rent the Main hall at the same tariff that as applicable on the Side hall</i>	-	
	<u>Ballet &amp; Modern dancing</u>	<b>R 26-59 + VAT</b> /occasion	<b>R 28-40 + VAT</b> /occasion
	-		
	<u>Use of Court yard by displayers</u> – <i>An undertaking will be signed by the lessee that all damages (if any) will be for the account of the lessee</i>	-	
	<u>Braai in Court yard/any other place on the property</u> – <i>This will not be allowed without pre permission of the Manager. In the case of any damage all cost will be for the account of the lessee.</i>	-	
	<u>Tikwana Community Hall</u> – <i>Will be payable by all lessees</i>	-	
7300 / 7316 / 7301	Deposit	<b>R 638-16</b>	<b>R 681-81</b>
0423 / 0707 / 0000	Rent	<b>R 1063-60 + VAT</b>	<b>R 1136.35 + VAT</b>

	<u>Amanda Coetzer Lapa</u> <u>[Game Reserve]</u>		
0423 / 0735 / 0000	Rental: Local Meetings & Training Courses	<b>R 1063-60 + VAT</b>	<b>R 1136-35 + VAT</b>
0423 / 0735 / 0000	Rental: Parties / Weddings	<b>R 3403-52 + VAT</b>	<b>R 3636-32 + VAT</b>
7300 / 7305 / 7301	Deposit	<b>R 1063-60</b>	<b>R 1 136.35</b>
<b><u>RENTAL OF SPORTING FACILITIES</u></b>			
	<u>Phahameng and</u> <u>Tikwana Stadiums</u> <u>(Tournaments)</u>		
7300 / 7306 / 0000		<b>R 531-80</b>	<b>R 568-17</b>
0520 / 0741 / 0000		<b>R 372,26/ day + VAT</b>	<b>R 397,72/ day + VAT</b>
	<u>Bultfontein and</u> <u>Hoopstad Stadiums</u> <u>(Tournaments)</u>		
7300 / 7306 / 0000		<b>R 531-80</b>	<b>R 568-17</b>
0520 / 0741 / 0000	:	<b>R 404,16/ day + VAT</b>	<b>R 431,80/ day + VAT</b>
	<u>Phahameng and</u> <u>Tikwana Stadiums</u> <u>(Concerts and Social</u>		
<u>Events)</u>			
7300 / 7306 / 0000		<b>R 531-80</b>	<b>R 568-17</b>

0520 / 0741 / 0000		<b>R 585/ day + VAT</b>	<b>R 625.01/ day + VAT</b>
	<u>Bultfontein and Hoopstad Stadiums (Concerts and social events)</u>		
7300 / 7306 / 0000		<b>R 585-00</b>	<b>R 625-01</b>
0520 / 0741 / 0000		<b>R 585/ day + VAT</b>	<b>R 625.01/ day + VAT</b>