

# **Kannaland Municipality**

## **Draft Budget**

**2018/2019 to 2020/2021**



## **Medium Term Revenue and Expenditure Framework (MTREF)**

**19 April 2018**

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## GLOSSARY

<b>Adjustments budget</b> - Prescribed in section 28 of the MFMA - the formal means by which a municipality may revise its annual budget during the year.
<b>Allocations</b> – Money received from provincial or national government or other municipalities.
<b>Budget</b> – The financial plan of municipality.
<b>Budget-related policy</b> – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debts collection policy.
<b>Capital expenditure</b> – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the municipality's statement of financial position (balance sheet).
<b>Cash flow statement</b> – A statement showing when actual cash will be received and spent by the municipality. Cash payments do not always coincide with the timing of budgeted expenditure. For example, when an invoice is received by the municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
<b>DORA</b> – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
<b>Equitable share</b> – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
<b>Fruitless and wasteful expenditure</b> – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
<b>GFS</b> – Government finance statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
<b>GRAP</b> – Generally Recognised Accounting Practice. The new standard for municipal accounting.
<b>IDP</b> – Integrated development plan. The main strategic planning document of the Municipality.
<b>KPIs</b> – Key performance indicators. Measures of services output and/or outcome.
<b>MFMA</b> – The Municipal Finance Management Act, 2003 – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.



<b>MTREF</b> – Medium-term revenue and expenditure framework. A medium-term financial plan, usually three years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.
<b>Rates</b> – Local government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
<b>SDBIP</b> – Service delivery and budget implementation plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
<b>Strategic Objectives</b> – The main priorities of the municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
<b>Unauthorised expenditure</b> – Generally, spending without, or in excess of, an approved budget.
<b>Virement</b> – A transfer of budget
<b>Virement policy</b> – The policy that sets out the rules for the budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by council through an adjustments budget.
<b>Vote</b> – One of the main segments into which a budget is divided, usually directorate/department level.

## **1. PART 1 – ANNUAL BUDGET**

### **1.1 MAYORAL SPEECH**

The mayoral budget speech will be made available on the day of approval of the budget.

### **1.2 COUNCIL RESOLUTIONS**

The council of Kannaland Municipality at a meeting that will take place on 19 April 2018 will take note of the draft annual budget for 2018/19 – 2020/21.

The following resolutions are contained in the agenda of the special council meeting:

#### **RECOMMENDATION**

That council take note of the draft budget for 2018/19 budget in terms of section 17(2) of the Municipal Finance Management Act, (Act 56 of 2003), as well as section 24 of the Municipal Finance Management Act, (Act 56 of 2003) as follows:

- (a) that the following policies has been reviewed and approved by no later than 30 May 2016:
  - 1. Customer care, credit control and debt collection
  - 2. Property rates
  - 3. Tariff
  - 4. Unauthorised, irregular and fruitless and wasteful expenditure
  - 5. Indigent
  - 6. Virement
  - 7. Cash management and investment
  - 8. Supply chain management
  - 9. PPPFA
  - 10. Asset management
  - 11. Funding borrowing and reserve
  - 12. Long-term financial plan
  - 13. Liquidity policy
  - 14. Budget implementation and monitoring policy
  - 15. Bad debt write-off
  - 16. Fleet management
  - 17. Grants-in-aid
  - 18. Travel and subsistence
  - 19. Risk management
  - 20. Capital contributions for new developments
  - 21. Water losses policy
  - 22. Electricity losses policy
  - 23. Public participation policy

- (b) that the annual budget for the financial year 2018/19 and indicative outer years 2019/20 and 2020/21 be noted in terms of section 24 of the MFMA as set-out:
  - (i) Capital expenditure by project as contained in annexure "3" to the agenda
  - (ii) Capital funding by source as contained in annexure "3" to the agenda
  - (iii) Operating revenue by source as contained in Table 1 of the report
  - (iv) Operating expenditure by type as contained in Table 2 of the report
- (c) that property rates as reflected in the report be imposed for the budget year 2018/19
- (d) that tariffs and services charges as reflected in the formal tariff list be noted for approval for the budget year 2018/19
- (e) that the capital funding, both internal and external funding, be secured prior to the commencement of any new capital project
- (f) all comments that were received be considered for correction or inclusion in the budget
- (g) that the draft budget documentation for 2018/19 – 2020/2,1 as outlined in the budget regulations be submitted to National and Provincial Treasury.

### **1.3 NON-COMPLIANCE WITH THE SUBMISSION OF THE DRAFT – ANNUAL BUDGET**

Following the tabling of the draft annual budget in council on 29 March 2018, Provincial Treasury notified the municipality that it had not complied with section 17(1) of the MFMA, 2003 and regulation 9 of the Municipal Budget and Reporting Regulations (MBRRs) (Government Gazette 321414 dated 19 April 2009) and version 6.2 of schedule A1 as per MFMA circular 91, relating to contents of the budget and supporting documentation.

The mayor accordingly was required to submit a notification to the provincial minister of finance of actual non-compliance with the relevant legislation, as required by section 27(3) of the MFMA and regulation 63 of the MBRRs.

Regulation 63(2) of the MBRRs further requires the mayor to table a copy of the notification of actual non-compliance in the first council meeting following the submission of the notification. Refer to annexure 8 for the notification of actual non-compliance.

The reasons for the non-compliance were stated as follows:

- Despite reasonable efforts by the municipality to monitor the budget preparation process, the undertaking by the appointed vendor to resolve the MSCoA errors to enable the timely preparation of the annual budget in the prescribed format did not materialise due to system-related problems on the vendor's side.
- The vendor did not inform the municipality of those challenges to produce the required schedule A1, version 6.2, as per MFMA Circular 91 until it was too late remedy the situation.
- The municipality does not host its own web-based accounting system and was accordingly completely dependent on the vendor to produce the required schedules.
- The schedule A1 produced by the accounting system was inaccurate and incomplete and the chief financial officer (CFO) was then forced to prepare the budget manually and could not submit the annual budget in the prescribed format.

The impact of the non-compliance on the remaining legislated process achievement of the with other MFMA timelines were as follows:

- Delay by 16 days in the publication of the annual budget and invitation to the local community to submit representations in connection with the budget (sections 22(a) and 17(3) of the MFMA)
- Reduction of the public participation period by 16 days (section 22(a)(ii) of the MFMA)
- Delay by 16 days in the submission of both the printed and electronic formats of the annual budget to the National Treasury and Provincial Treasury (sections 22(b) of the MFMA)

The MSCoA challenges and risks have been well documented within the weekly reporting to the provincial department of local government, the monthly progress reporting on the financial recovery plan, the back-to-basics programme, the Provincial Treasury technical engagement of February 2018 and various other public platforms. These challenges include:

- Disrupted flow of information with the income and expenditure (I&E) and general (GL) not functioning as they should.
- The GL had about 106 000 accounts with some 2 000 duplications.
- The I&E duplicate accounts led to multiple misallocations.
- Random billing errors occurred.
- Error batches occurred due to parameter-related problems.
- Budget disappeared and changed without notice.
- mSCOA segmentation problems were not resolved in a timely manner.

During the 11 January 2018 provincial government / Bytes stakeholder meeting, Bytes admitted to problems at Kannaland with the mSCoA implementation and responded with the following: "...unfortunately there is no quick fix...".

What has been done, to date, to address the MSCoA challenges and risks:

- Kannaland requested the running of a parallel system with the MSCoA implementation, which was declined by the vendor during July 2017, apparently on advice from National Treasury. At the time, most transactions were done manually with the issuing of handwritten receipts.
- During August 2017, a meeting was held with Bytes and deadlines were set to resolve the MSCoA issues, but unfortunately it did not realise and all progress made was set back with the theft of the server in October 2017, which contained the MSCoA information.
- Despite availing substantial resources during October and November 2017 efforts to recover and reconstitute the MSCoA data yielded little results.
- Towards the end of January 2018, the way forward to resolve the MSCoA implementation challenges and risks was once again discussed with the vendor (Bytes) and timelines were set to resolve adjustment budget issues and to get a system-generated budget.
- The uploading of data, system errors, duplications, segmentation problems and incomplete information delayed progress and it was not possible to table a system-generated schedule A1 at the council meeting of 29 March 2018.
- The municipality also approached another vendor (Mubesko) for help to resolve the MSCoA challenges, but they could not assist.
- Bytes is onsite and to resolve the mentioned problems, which is being monitored by the CFO.
- A further stakeholder meeting was held with Bytes, provincial treasury, mayor and municipal staff on 10 April 2018 to develop a strategy and action plan to achieve the remaining MSCoA milestones.

### ***Recommendation to council***

*That council take note of the mayor's notification of the actual non-compliance with section 17(1) of the MFMA, 2003 and regulation 9 of the Municipal Budget and Reporting Regulations (Government Gazette 321414 dated 19 April 2009) and*

*version 6.2 of schedule A1 as per MFMA circular 91, relating to contents of the budget and supporting documentation.*

#### 1.4 BUDGET 2017/2018 MID-YEAR REVIEW AND ADJUSTMENTS BUDGET

The following table shows the original and adjustments budget for 2017/18:

Item	Original Budget 2017/2018 R'000	MYR Adjusted Budget 2017/2018 R'000	Difference R'000
Capital expenditure	30 801	21 652	9 149
Operating income	130 337	134 763	4 427
Operating expenditure	126 312	136 478	10 166

The 2017/18 adjustments budget, which reflects a more realistic estimation of revenue and expenditure, was taken into account in the preparation of the 2018/19 MTREF.

#### 1.5 EXECUTIVE SUMMARY

A budget task team was established for the preparation of the 2018/19 budget. The budget task team was confronted with numerous challenges during the budget process. The following matters had an impact on the draft annual budget:

- a) The continued negative effect of the economic downturn, more so now that our national economic health is in a volatile state
- b) The increasing service delivery shortcomings and the inability of the municipality to properly fund service delivery requirements
- c) The inability of the municipality to establish a capital replacement reserve to provide financial leverage for non-cash items in the budget
- d) Insufficient funding for the rehabilitation and/or replacement of components that have reached the end of their design life
- e) inadequate maintenance budgets, which could be attributed to the municipality's limited income base
- f) Inadequate interdepartmental cooperation with the preparation and implementation of the budget
- g) Failure to implement strategic plans developed for the improvement of the financial health of the municipality
- h) Kannaland's outstanding creditor book due to previous financial challenges which the current budget must provide for
- i) Nersa's directive that bulk purchases will increase by 7.32% for municipalities and municipal electricity tariff increase should not exceed 6.84%
- j) The biggest impact on the draft budget preparation was without a doubt the problematic implementation of MSCoA.

The 2017/18 adjustments budget in February 2018 again proved that the ability of council to reduce costs is limited due to the fact that the fixed cost component of the operating budget exceeds the variable costs by far. The adjustments budget defined the basis for the draft 2018/19 budget, but it should be taken in consideration that a lot of historic financial data had to be used to base assumptions on due to the negative impact of MSCoA and the inability to accurately recognise expenditure when incurred.

The successful of the financial recovery plan, as adopted by council during March 2017, is crucial to ensure the municipality is financially stable and is able to provide services on a sustainable basis. Council approved a revenue enhancement plan that was developed in partnership with Municipal Infrastructure Support Agency (MISA). The implementation of this strategy is a work-in-progress.

Key budget considerations:

- The municipality must focus on its core functions. During the adjustments budget of 2017 the budget committee and the portfolio councillors in conjunction with the heads of department scrutinised the budget to affect all possible savings.
- The need to maximise income through efficiencies and the way we do business was investigated before we decided to increase our rates, service charges and other tariffs within reasonable levels.
- An initiative as part of the revenue enhancement project was implemented to ensure, among other, that all consumers are billed correctly and are contributing to the municipality's income as set out in our tariff policy.
- A provision of R22.8 million was made for debtor's impairment in the operating budget. The writing off of irrecoverable debt will continue to be scrutinised through the business processes of the internal credit control unit. An internal credit control committee will be established to ensure that proper credit control measures are performed and to recommend the writing off of debt to council. Specific focus will be applied to the write-off of indigent consumer debt of prior years.
- The municipality was unable in the past to realise a capital replacement reserve (CRR) due to previous financial limitations. The revenue enhancement plan will, however, include the establishment of a CRR to be funded from a vigorous collection process to be applied in respect of prior year's outstanding debt. This process will be phased in over the next five years.
- The capital contributions policy was reviewed to ensure that the municipality receives fair compensation from bulk capacity sold to bulk consumers.



- The municipality adopted a hands-on cash management approach through a planned cash flow management committee. The municipality's updated cash management policy will be in effect as from 1 July 2018.
- No external loans will be sourced to fund capital projects. The capital acquisitions for 2018/2019 will be limited to the availability of cash funds.
- The municipality has implemented a process to ensure that all available national and provincial government grants are accessed in order to service part of our capital programme.
- The municipality is currently undertaking an internal land audit with the aim to identify properties which could be alienated. The process, however, is at the stage that any financial inflows will only be accounted for in the next adjustments budget. These funds will be utilised to build the CRR.
- In spite of the abovementioned challenges, the budget task team managed to build the tariffs around the CPI inflation base on the macro economic performance for 2016/2017 to 2018/2019. They have further applied electricity increases line with Eskom tariffs, as well as NERSA and National Treasury guidelines.

### **MFMA circulars**

National Treasury issued MFMA Circular No. 89 in December 2017 providing guidance to municipalities on their 2018/19 budgets and medium-term revenue and expenditure framework (MTREF). Circular 89 was followed up by Circular no. 91, dated March 2018. Circular Nos. 89 and 91 remind us of the key focus areas for the 2018/19 budget process and that they must be read together with previous MFMA Circular Nos. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72, 74, 75, 79, 80 and 82 to understand the background to this budget.

National Treasury has also set out the requirements for funding the budget and producing a credible budget.

## **Funding the budget**

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected
- Cash-backed accumulated funds from previous years' surpluses not committed for other purposes
- Borrowed funds, but only for the capital budget referred to in section 17

The municipality is committed to achieving the outcomes, as outlined by the above legislation. It is, however, it is not always possible to ensure that budgeted inflows break even with budgeted inflows due to inherent financial and other constraints. Our 2018/2019 proposed budget is an indication that we are closer to achieving this objective.

Under old budget formats, a 'balanced' income-generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, the requirement for GRAP-compliant budgets necessitated that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted statement of financial performance (income statement), the budgeted statement of financial position (balance sheet) and the budgeted statement of cash flows must be considered simultaneously to ensure effective financial management and sustainability and to ensure that the budget is funded.

## **A credible budget**

Amongst other things, a credible budget is a budget that adhere to the following principles:

- Items budgeted for should be restricted to key performance indicators identified in the IDP for that specific period. Care should be taken that provision is only made provided sufficient funding is available.
- The budget should be achievable in terms of agreed service delivery and performance targets.
- It contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions.
- The financial viability of the municipality should at all times be considered in deciding on the inclusion or exclusion of the budget items (affordability confirmed prior to inclusion).
- Managers are provided with appropriate levels of delegation sufficient to meet their financial management responsibilities.

## 1.6 BUDGET OVERVIEW OF THE 2018/2019 MTREF

This section provides an overview of the Kannaland Municipality's 2018/19 to 2020/21 MTREF. It includes an assessment of how the budget links with the national and provincial government contexts along with a review of the fiscal position of the municipality.

The municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and local governments. In essence, the spheres of government are partners in meeting the service delivery challenges faced in Kannaland. Kannaland alone cannot meet these challenges. It requires support from the other spheres of government through the direct allocation of resources, as well as the achievement of their own policies.

According to MFMA Circular No. 91, the following headline inflation forecasts underpin the 2018/19 national budget:

Fiscal year	2017/18	2018/19	2019/20	2020/21
	Estimate	Forecast		
Headline CPI inflation	5.3%	5.3%	5.4%	5.5%

The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macroeconomic policies, unless it can be shown that external factors impact otherwise.

The budget process in Kannaland followed the requirements of the MFMA. A table of key deadlines was tabled in council by the mayor in August 2017. The budget task team was to examine, review and prioritise budget proposals from departments.

For the 2018/19 period, the municipality is planning to spend R44 648 200 on capital projects.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These "key deliverables" link the financial inputs of the budget to service delivery requirements.

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the draft service delivery and budget implementation plan (SDBIP). This must be approved by the mayor within 28 days after the approval of the final budget and forms the basis for the municipality's in year monitoring.

Kannaland budgeted for an operational surplus of R3,624,694. The total expected operational revenue is R154,096,157 and operational expenditure is

R150,471,463. Contributed assets funded by conditional national grants in the amount of R44,648,200 will increase the addition to community wealth to R48,272,894.

The financial position will see an increase in community wealth from R299,210,946 to R326,327. A significant reduction of R9,826,035 in current liabilities is projected due to credit issued in terms of deferred payment arrangements, corrections within provisions, allocation corrections in unspent conditional grants and a reduction in audit expenses through the application of the 1% of total operational expenditure rule.

An increase to R9,26 million in cash flow is projected with a decrease of R720,000 from investing activities and an increase in cash flows from operating activities of R4,457,694.

With reference to asset management, depreciation was budgeted for to the amount of R10.8 million and for repairs and maintenance an amount of R23.57 million, which is 15.6% of the total operational expenditure. It should be noted that employee costs are included in the amount of repairs and maintenance. If employee costs are excluded, the percentage of repairs and maintenance to total operational expenditure will be 3.5%.

The cost for the provision of free basic services amounted to R8,450,000. It should be noted that it is not a full representation of the true extent of indigent households as there is still a significant amount of household not registered, especially in wards where electricity cannot be used for credit control purposes.

In view of the aforementioned, the following table is a consolidated overview of the proposed MTREF:

# Table A1 Budget summary

WC041 Kannaland - 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	13,135	13,998	14,900	15,966	16,003	16,003	16,003	20,113	20,991	21,930
Service charges	58,439	60,503	65,141	69,258	65,390	65,390	65,390	74,994	78,032	82,276
Investment revenue	966	266	845	600	350	350	350	500	500	560
Transfers recognised - operational	28,884	42,697	42,534	32,310	41,067	41,067	41,067	33,146	33,256	35,259
Other own revenue	12,280	18,814	21,026	12,213	11,954	11,954	11,954	25,343	28,261	29,479
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>113,705</b>	<b>136,278</b>	<b>144,446</b>	<b>130,337</b>	<b>134,764</b>	<b>134,764</b>	<b>134,764</b>	<b>154,096</b>	<b>161,039</b>	<b>169,503</b>
Employee costs	43,725	50,741	47,710	45,190	47,485	47,485	47,485	55,215	56,999	59,990
Remuneration of councillors	2,663	2,884	2,613	3,056	2,928	2,928	2,928	3,053	3,207	3,369
Depreciation & asset impairment	13,432	11,839	15,077	10,549	11,581	11,581	11,581	10,661	11,205	11,747
Finance charges	4,114	4,882	4,077	800	800	800	800	422	426	453
Materials and bulk purchases	27,028	32,822	28,704	30,964	29,544	29,544	29,544	35,312	37,283	39,357
Transfers and grants	-	-	-	-	-	-	-	3,126	2,655	2,757
Other expenditure	40,265	61,727	61,368	35,752	44,140	35,752	44,140	42,683	44,117	45,668
<b>Total Expenditure</b>	<b>131,227</b>	<b>164,896</b>	<b>159,548</b>	<b>126,312</b>	<b>136,478</b>	<b>128,090</b>	<b>136,478</b>	<b>150,471</b>	<b>155,892</b>	<b>163,339</b>
<b>Surplus/(Deficit)</b>	<b>(17,522)</b>	<b>(28,618)</b>	<b>(15,102)</b>	<b>4,025</b>	<b>(1,714)</b>	<b>6,674</b>	<b>(1,714)</b>	<b>3,625</b>	<b>5,147</b>	<b>6,164</b>
Transfers and subsidies - capital (monetary allocations)	32,449	34,842	22,963	30,801	21,652	21,652	21,652	44,648	59,828	58,260
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>14,927</b>	<b>6,224</b>	<b>7,862</b>	<b>34,825</b>	<b>19,938</b>	<b>28,325</b>	<b>19,938</b>	<b>48,273</b>	<b>64,975</b>	<b>64,424</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>14,927</b>	<b>6,224</b>	<b>7,862</b>	<b>34,825</b>	<b>19,938</b>	<b>28,325</b>	<b>19,938</b>	<b>48,273</b>	<b>64,975</b>	<b>64,424</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	22,282	34,791	34,791	-	44,648	59,828	58,260
Transfers recognised - capital	-	-	-	22,282	34,791	34,791	-	44,648	59,828	58,260
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	-	-	-	22,282	34,791	34,791	-	44,648	59,828	58,260
<b>Financial position</b>										
Total current assets	40,537	33,072	10,488	61,592	72,572	72,150	72,150	60,391	62,595	66,023
Total non current assets	293,454	305,705	317,205	324,009	313,949	313,828	313,828	347,815	407,100	464,817
Total current liabilities	69,330	87,804	61,409	60,386	55,930	47,581	47,581	44,028	38,215	31,358
Total non current liabilities	46,417	30,114	37,709	30,103	39,186	39,186	39,186	37,851	38,012	37,513
Community wealth/Equity	218,244	220,859	228,575	295,112	291,405	299,211	299,211	326,327	393,468	461,969
<b>Cash flows</b>										
Net cash from (used) operating	30,886	38,837	25,565	34,825	27,174	27,174	27,174	4,458	6,253	7,446
Net cash from (used) investing	(27,994)	(33,269)	(26,152)	(30,801)	(21,652)	(21,652)	(21,652)	-	-	-
Net cash from (used) financing	(575)	(5,994)	(1,408)	-	-	-	-	(720)	(720)	(720)
<b>Cash/cash equivalents at the year end</b>	<b>3,747</b>	<b>3,321</b>	<b>277</b>	<b>4,025</b>	<b>5,522</b>	<b>5,522</b>	<b>5,522</b>	<b>9,260</b>	<b>14,794</b>	<b>21,520</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	8,958	3,338	295	2,000	2,000	2,000	2,000	-	-	-
Application of cash and investments	41,435	61,092	48,501	2,053	139	(8,955)	(9,021)	(3,027)	(9,438)	(18,837)
<b>Balance - surplus (shortfall)</b>	<b>(32,477)</b>	<b>(57,754)</b>	<b>(48,206)</b>	<b>(53)</b>	<b>1,861</b>	<b>10,955</b>	<b>11,021</b>	<b>3,027</b>	<b>9,438</b>	<b>18,837</b>
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	21,025	35,023	35,023	35,023	21,166	39,341	42,757
Depreciation	-	-	-	10,812	10,459	10,459	10,459	10,781	11,355	11,947
Renewal of Existing Assets	-	-	-	5,000	5,000	5,000	5,000	-	-	-
Repairs and Maintenance	-	-	-	19,700	19,359	19,359	19,359	23,571	24,950	26,408
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	10,312	7,950	7,950	8,450	8,450	10,017	10,568
Revenue cost of free services provided	2,837	3,280	3,772	4,087	4,087	4,087	5,555	5,555	5,901	6,270
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

## 1.7 BUDGETED FINANCIAL PERFORMANCE

**Table A4 Budgeted financial performance (revenue and expenditure)**

**WC041 Kannaland - 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
R thousand	1										
Revenue By Source											
Property rates	2	13,135	13,998	14,900	15,956	16,003	16,003	16,003	20,113	20,991	21,930
Service charges - electricity revenue	2	34,658	38,800	41,953	44,425	41,101	41,101	41,101	46,578	49,169	51,841
Service charges - water revenue	2	13,775	11,143	12,003	11,329	11,971	11,971	11,971	13,824	13,364	14,099
Service charges - sanitation revenue	2	5,161	5,733	5,832	7,744	6,366	6,366	6,366	8,401	8,848	9,319
Service charges - refuse revenue	2	4,846	4,826	5,353	5,760	5,952	5,952	5,952	6,190	6,651	7,016
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		271	253	484	308	488	488	488	909	1,013	1,108
Interest earned - external investments		966	266	845	600	350	350	350	500	500	560
Interest earned - outstanding debtors		4,649	5,125	5,423	3,856	3,856	3,856	3,856	5,327	5,627	5,943
Dividends received			3	3	3	3	3	3	3	3	3
Fines, penalties and forfeits		696	5,354	6,107	6,053	6,053	6,053	6,053	8,486	8,931	9,432
Licences and permits		267	320	280	295	295	295	295	152	160	169
Agency services		734	763	780	905	905	905	905	–	–	–
Transfers and subsidies		28,884	42,697	42,534	32,310	41,067	41,067	41,067	33,146	33,256	35,259
Other revenue	2	4,853	6,569	7,949	793	354	354	354	10,466	12,526	12,822
Gains on disposal of PPE		811	427	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		113,705	136,278	144,446	130,337	134,764	134,764	134,764	154,096	161,039	169,503
Expenditure By Type											
Employee related costs	2	43,725	50,741	47,710	45,190	47,485	47,485	47,485	55,215	56,999	59,990
Remuneration of councillors		2,663	2,884	2,613	3,056	2,928	2,928	2,928	3,053	3,207	3,369
Debt impairment	3	7,123	18,224	27,409	14,475	14,475	14,475	14,475	22,791	24,045	25,365
Depreciation & asset impairment	2	13,432	11,839	15,077	10,549	11,581	11,581	11,581	10,661	11,205	11,747
Finance charges		4,114	4,882	4,077	800	800	800	800	422	426	453
Bulk purchases	2	25,596	28,165	26,558	30,964	29,544	29,544	29,544	32,259	34,033	35,905
Other materials	8	1,432	4,657	2,146	–	–	–	–	3,054	3,250	3,452
Contracted services		10,202	18,951	16,012	–	–	–	–	8,280	7,767	7,167
Transfers and subsidies		–	–	–	–	–	–	–	3,126	2,655	2,757
Other expenditure	4, 5	22,941	24,552	17,946	21,277	29,665	21,277	29,665	11,611	12,306	13,136
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		131,227	164,896	159,548	126,312	136,478	128,090	136,478	150,471	155,892	163,339
Surplus/(Deficit)											
		(17,522)	(28,618)	(15,102)	4,025	(1,714)	6,674	(1,714)	3,625	5,147	6,164
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		32,449	34,842	22,963	30,801	21,652	21,652	21,652	44,648	59,828	58,260
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		14,927	6,224	7,862	34,825	19,938	28,325	19,938	48,273	64,975	64,424
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		14,927	6,224	7,862	34,825	19,938	28,325	19,938	48,273	64,975	64,424
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		14,927	6,224	7,862	34,825	19,938	28,325	19,938	48,273	64,975	64,424
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		14,927	6,224	7,862	34,825	19,938	28,325	19,938	48,273	64,975	64,424

## 1.8 OPERATING REVENUE FRAMEWORK

The increase in revenue is mainly due to an increase in tariffs that have been in line and capped by the headline (CPI) inflation forecast. It should be noted that even though Kannaland Municipality had tariff increases that exceeded inflation the progress made to achieving a self-sustainable municipality has been offset by the increased inability to collect revenue. The cost of compliance, low productivity, the high cost of rural procurement and the inability to attract scarce skills at an affordable cost all contribute to an expense account that cannot be funded by our current revenue base and strategies need to be developed to expand the current revenue base with taking into account the limited water storage capacity at the same time. The drought is having an adverse effect on not only the ability to collect revenue, as a result of the downturn in the economy, but also on the selling of economic services (water and electricity) that are the main contributors to the profit margin of the municipality.

The increase in revenue is mainly due to:

- an increase in tariffs
- an increase in grant funding
- an increase in equitable share allocation (R24 023 000 – 2017/18 to R25 957 000 – 2018/19);
- the prevention of water losses due to by-passed and faulty water meters

### **SERVICE CHARGES AND MISCELLANEOUS TARIFFS:**

The following tariff increases are proposed: Please see annexure 2 for detailed tariffs

- Electricity - 6.84 % (Awaiting NERSA approval)
- Water - 6%
- Rates - 6%
- Refuse - 6%
- Sewerage - 6%
- Other - 6%

Please refer to annexure 2 for a detailed proposed tariff list.

Below is a summary of proposed tariff increases.

## **TARIFF CHANGES SUGGESTED FOR 2018/19**

### **Rate tariffs**

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

An increase of 6 % in rates income will be raised for 2018/19.

Property rates in terms of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), will be levied as follows:

### **Property rates**

**Property tax on all residential properties described in section 17(1)(h)(ii) of act no. 6 of 2004 are as follows:**

- The tariff applied to the total valuation: R0,01388

**Property tax on all business / industrial zoned sites is as follows:**

- The tariff applied to the total valuation: R0,02533

**Property tax on all agriculture and public service infrastructure is as follows:**

- The tariff applied to the total valuation: R0.00347

**Property tax on all guesthouses is as follows:**

- The tariff applied to the total valuation: R0,01735

**Property tax on all spaza shops is as follows:**

- The tariff applied to the total valuation: R0,01458

**Property tax on all public benefit organisation properties is as follows:**

- The tariff applied to the total valuation: R0.01388

**The following exclusions / exemptions / rebates on property rates will be granted:**

- **Exclusion of impermissible rates**

In terms of section 17 of the Municipal Property Rates Act, 2004 (Act No. 6 of 2004) a municipality may not levy a rate

- on those parts of a nature reserve, national park or nature reserve within the meaning of the Protected Areas Act



- on the first R15 000.00 of the market value of a property assigned in the valuation or supplementary roll to a category determined by the municipality for (i) improved residential properties and (ii) for properties used for multiple purposes
- on a property registered in the name of and used primarily as a place of public worship, including an official residence which is occupied by an office-bearer.
- **Rebate in respect of zoning**
  - Sites zoned for residential purposes and used for residential purposes only and of which the total valuation is R70 000.00 or less, will automatically be exempt from property rates;
  - Regarding sites zoned for improved residential purposes and used for improved residential purposes only and of which the valuation is R70 001.00 or more, no exemption will apply. It will apply in circumstances where an impermissible exclusion will be awarded on the first R15 000.00 of the valuation of the property.
- **Rebate in respect of pensioners**
  - A 30% additional rebate will be granted to persons at the age of 60 years and older.
  - A ratepayer will be defined as follows: “A registered owner of rateable property who inhabits and controls the property and is responsible for the payment of rates on the property”
- **Rebate in respect of agricultural and public service infrastructure properties**
  - A rebate of 75% on rates will be granted in respect of properties which are zoned and used for agricultural purposes.
  - A rebate of 75% on rates will be granted in respect of properties which are zoned for public service infrastructure
  - No rebate on rates will be granted to businesses operating on agricultural properties.
  - The rebate granted to agricultural properties will be equal to seventy five percent (75%) of the rate payable by other rate payers. The differential rate will be calculated as follows:
    - (a) a 5% differential since the municipality does not provide municipal roads
    - (b) a 5% differential since the municipality does not provide sewerage services

- (c) a 5% differential since the municipality does not provide electricity services
- (d) a 10% differential since the municipality does not provide water services
- (e) a 10% differential since the municipality does not provide refuse removal services
- (f) a 10% differential since the farm owner supplies 1 to 10 houses to farm workers
- (g) a 20% differential since the farm owner supplies more than 10 houses to farm workers.
- (h) a 10% differential since the owner supplies work opportunities for less than 10 permanent workers.
- (i) a 20% differential since the farm owner supplies work opportunities for more than 10 permanent farm workers.

Please note the following:

- Only one of (f) & (g) can be applicable.
- Only one of (h) & (i) can be applicable.
- **Rebate for property to social-economic organisations**
  - A rebate of 80% on rates will be granted to social-economic organisations based on the tariff applicable in the Kannaland area, but only when a tax certificate is provided.

#### **Effective date**

The above-mentioned property rates will become payable as from 1 July 2018, i.e. for the municipality's financial year ending on 30 June 2019.

#### **Comparison of proposed rates to be levied for the 2018/19 financial year**

<b>Category</b>	<b>CURRENT TARRIFF (1 July 2017) cent</b>	<b>PROPOSED TARRIFF (from July 2018) cent</b>
Residential	0.0130983	0.01388
Old age homes	0.0026211	0.01388
Guesthouses	0.0163697	0.01735
Spaza shops (residential + 5%)	0.0137523	0.01735
Agricultural	0.0032764	0.00347
Business	0.0238993	0.02533

## **Water tariffs**

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. The situation is further influenced by the droughts experienced in the surrounding areas. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure that water tariffs are:

- fully cost-reflective, including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion
- structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent)
- designed to encourage efficient and sustainable consumption.

In addition, National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective.

During the tariff modelling exercise, it was acknowledged that the basic charge for water does not cover the basic cost for the water service and that the structure needs to be changed and remodelled in future budgets.

A tariff increase of 6% from 1 July 2018 for water is proposed. In addition, 6kl water per 30-day period will be granted free of charge to indigent households. The tariff structure is designed to charge higher levels of consumption at a higher rate per kilolitre with certain consumers paying an average fixed rate for water. These consumers include:

- industries
- large businesses and B&Bs
- social and services institutions
- old age home and frail care centres
- churches, schools, hostels and clubs
- stand pipe consumers

A summary of the proposed tariffs for households (residential) and non-residential in Kannaland are as follows:

**Table 5 – Proposed water tariffs**

<b>CATEGORY</b>	<b>CURRENT TARIFF (2017/2018)</b>	<b>PROPOSED TARIFF (2018/2019)</b>
	<b>Rand per kl</b>	<b>Rand per kl</b>
<b>Residential</b>		
(i) 0 to 6 kl per 30 -day period	4.72	5.00
(ii) 7 to 15 kl per 30 -day period	5.39	5.71
(iii) 16 to 20 kl per 30 -day period	8.49	9.00
(iv) 21 to 30 kl per 30 -day period	10.11	10.71
(iv) above 30 kl per 30 -day period	11.86	12.57
<b>Industries</b>		
Large business and guesthouses	10.11	10.71
Social and services institutions	8.76	9.28
Old age home and frail care centres	7.01	7.43
Churches, schools, hostels and clubs	7.01	7.43
Stand pipe consumers	7.01	100.00

### **Electricity tariffs**

The proposed municipal electrical tariff increase is 6.84%, which is in line with the prescribed NERSA tariffs. The medium bulk “time of use” tariff does indicate a very low profit margin and will need to be revisited. The municipality applies a seasonal tariff to the electricity usage thus an increased tariff is applied for the winter periods.

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

## Comparison between current electricity charges and increases domestic – Single phase consumer: one part pre-paid (VAT exclusive)

[Including Churches, Halls, Social and Frail Care Centres]

				2016/2017	
LIFELINE TARIFF: 0-20 AMPERE				SUMMER: Sept-May	WINTER: June-Aug
USAGE BLOCKS:					
	Block 1	0-350kWh		1.0500	1.2600
	Block 2	350-600kWh		1.1400	1.3900
	Block 3	>600kWh		1.6400	1.8000

\* TARIFF AIM: 0-20 AMPS, Low income groups, less than 450 kwh per month.

\* If consumer use more than 450kWh the prepaid option must be used

				2016/2017	
CONVENTIONAL TARIFF: 0-59 AMPERE				SUMMER: Sept-May	WINTER: June-Aug
Block 1					
	Block 1	0-350kWh		1.3000	1.4600
	Block 2	>350kWh		1.4000	1.5700
Basic - Fixed charge Rand per month				R	50.00

\* TARIFF AIM: 0-59 AMPS, Low and Medium income groups, less than 850kwh per month.

				2016/2017	
CONVENTIONAL TARIFF: 60 - 100 AMPERE				SUMMER: Sept-May	WINTER: June-Aug
Block 1					
	Block 1	0-600kWh		1.3500	1.7500
	Block 2	>600kWh		1.6500	1.8100
Basic - Fixed charge Rand per month				R	330.00

\* TARIFF AIM: 60-100 AMPS, Medium and Higher income groups. Structured to encourage Energy saving methods and rather to transfer to Prepaid.

				2016/2017	
PREPAID TARIFF: 0 - 100 AMPERE				SUMMER: Sept-May	WINTER: June-Aug
Block 1					
	Block 1	0-600kWh		1.2900	1.5300
	Block 2	350-600kWh		0.0000	0.0000
	Block 3	>600kWh		1.4800	1.6900
Basic - Fixed charge Rand per month				DISCONTINUE	
Environmental Levy (cent per kwh)				-	-

Excluding VAT 2017/2018		Excluding VAT 2018/2019	
SUMMER: Sept-May	WINTER: June-Aug	SUMMER: Sept-May	WINTER: June-Aug
1.0600	1.2850	R 1.13	R 1.37
1.1600	1.4175	R 1.24	R 1.51
1.6730	1.8350	R 1.79	R 1.96

2017/2018		2018/2019	
SUMMER: Sept-May	WINTER: June-Aug	SUMMER: Sept-May	WINTER: June-Aug
1.3100	1.4900	R 1.40	R 1.59
1.4400	1.5900	R 1.54	R 1.70
R	50.75	R	54.22

2017/2018		2018/2019	
SUMMER: Sept-May	WINTER: June-Aug	SUMMER: Sept-May	WINTER: June-Aug
1.3400	1.7000	R 1.43	R 1.82
1.6400	1.8100	R 1.75	R 1.93
R	336.50	R	359.52

2017/2018		2018/2019	
SUMMER: Sept-May	WINTER: June-Aug	SUMMER: Sept-May	WINTER: June-Aug
1.3140	1.5600	R 1.3907	R 1.6511
0.0000	0.0000	R 1.4302	R 1.6979
1.5075	1.7250	R 1.6106	R 1.8430

## Commercial proposed tariffs

COMMERCIAL PRICING TARIFFS FOR KANNALAND 2017-18 (SUMMER & WINTER PRICES)						
COMMERCIAL	<b>2.2.1 Commercial - Small to Medium Consumers [30A - 60A] Conventional meters</b>					
		<b>2016/17</b>		<b>2017/18</b>	<b>2018/2019</b>	
	Basic - Fixed charge per month	R 428.60	R / MONTH	R 436.75	R 466.62	
	Demand Cost per Ampère [Circuit breaker]	R 0.00	R / AMP	R 0.00	R -	
	Energy Cost per unit [kWh] - Summer	R 1.4108	C / KWH	R 1.4373	R 1.54	
	Energy Cost per unit [kWh] - Winter	R 1.7714	C / KWH	R 1.8047	R 1.93	
	<b>2.2.2 Commercial - Small to Medium Consumers [30A - 60A] Pre-Paid meters</b>					
		<b>2016/17</b>		<b>2017/18</b>	<b>2018/2019</b>	
	Energy Cost per unit [kWh] - Summer	R 1.7550	C / KWH	R 1.7880	R 1.91	
	Energy Cost per unit [kWh] - Winter	R 1.8023	C / KWH	R 1.8362	R 1.96	
	<b>2.2.3 Commercial - Large Consumers [60A - 150A] Conventional meters</b>					
		<b>2016/17</b>		<b>2017/18</b>	<b>2018/2019</b>	
	Basic - Fixed charge per month	R 481.03	R / MONTH	R 489.69	R 523.18	
	Demand Cost per Ampère [Circuit breaker]	R 0.00	R / AMP	R 0.00	R -	
	Energy Cost per unit [kWh] - Summer	R 1.5762	C / KWH	R 1.5644	R 1.67	
	Energy Cost per unit [kWh] - Winter	R 1.7600	C / KWH	R 1.7453	R 1.86	
	<b>2.2.4 Commercial - Large Consumers [60A - 150A] Pre-Paid meters</b>					
		<b>2016/17</b>		<b>2017/18</b>	<b>2018/2019</b>	
	Basic - Fixed charge per month	R 258.72	R / MONTH	R 263.58	R 281.61	
	Energy Cost per unit [kWh] - Summer	R 1.6634	C / KWH	R 1.6947	R 1.81	
	Energy Cost per unit [kWh] - Winter	R 1.7670	C / KWH	R 1.8000	R 1.92	
BULK	<b>2.2.5 Commercial Bulk Consumers &lt; 500 kVA</b>					
		<b>2016/17</b>		<b>2017/18</b>	<b>2018/2019</b>	
	Basic - Fixed charge per month	R 1,373.25	R / MONTH	R 1,058.75	R 1,130.00	
	Demand - Cost per kVA	R 189.48	R / KVA	R 193.04	R 206.00	
	Energy Cost per unit [kWh] - Summer	R 0.9204	C / KWH	R 0.9377	R 1.020	
	Energy Cost per unit [kWh] - Winter	R 1.4858	C / KWH	R 1.5150	R 1.620	
	<b>2.2.6 Commercial Bulk Consumers &gt; 500 kVA</b>					
		<b>2016/17</b>		<b>2017/18</b>	<b>2017/18</b>	
	Basic - Fixed charge per month	R 3,312.11	R / MONTH	R 3,374.38	R 3,605.00	
	Demand - Cost per kVA	R 183.93	R / KVA	R 187.39	R 200.00	
	Energy Cost per unit [kWh] - Summer	R 0.8784	C / KWH	R 0.8949	R 0.96	
	Energy Cost per unit [kWh] - Winter	R 1.4326	C / KWH	R 1.4600	R 1.56	
	<b>2.2.7 Special Bulk Consumers Time of Use 50- 500 kVA</b>					
	CHARGE:	<b>2016/17</b>		<b>2017/18</b>	<b>2017/18</b>	
	BASIC:	R 43.72	R / DAY	R 40.21	R 42.90	
	DEMAND:	R 82.41	R / KVA (ACT.)	R 83.96	R 89.69	
	ACCESS:	R 38.08	R / KVA (MND)	R 38.80	R 41.52	
	ENERGY:					
	PEAK LOW:	R 1.0534	C / KWH	R 1.0812	R 1.135	
	STD LOW:	R 0.6943	C / KWH	R 0.7123	R 0.762	
	OFF-PEAK LOW:	R 0.5215	C / KWH	R 0.5393	R 0.584	
	PEAK HIGH:	R 3.4583	C / KWH	R 3.5233	R 3.688	
	STD HIGH:	R 0.9884	C / KWH	R 1.0146	R 1.084	
	OFF-PEAK HIGH:	R 0.5897	C / KWH	R 0.6064	R 0.657	
	<b>2.2.8 Special Bulk Consumers Time of Use &gt; 500 kVA</b>					
	CHARGE:	<b>2016/17</b>		<b>2017/18</b>	<b>2018/2019</b>	
	BASIC:	R 215.43	R / DAY	R 208.69	R 222.964	
	DEMAND:	R 80.35	R / KVA (ACT.)	R 81.80	R 87.362	
	ACCESS:	R 36.36	R / KVA (MND)	R 37.01	R 39.560	
	ENERGY:					
	PEAK LOW:	R 1.2759	C / KWH	R 1.2999	R 1.388	
	STD LOW:	R 0.9101	C / KWH	R 0.9272	R 0.991	
	OFF-PEAK LOW:	R 0.6500	C / KWH	R 0.6622	R 0.708	
	PEAK HIGH:	R 3.6332	C / KWH	R 3.7015	R 3.950	
	STD HIGH:	R 1.1726	C / KWH	R 1.1946	R 1.276	
	OFF-PEAK HIGH:	R 0.7661	C / KWH	R 0.7805	R 0.835	

### Sanitation tariffs

A tariff increase of 6 % for sanitation from 1 July 2018 is proposed.

The following table compares the current and proposed tariffs:

#### Comparison between current sanitation charges and increases

Description	CURRENT TARIFF 2017/2018 Rand per year	PROPOSED TARIFF 2018/19 Rand per year	DIFFERENCE R	% INCREASE
Residential unit p/a	173.09	183.48	10.39	6%
Residential old age unit p/a	125.68	133.22	7.54	6%

### Waste removal tariff

A 6 % increase in the waste removal tariff is proposed from 1 July 2018.

#### Comparison between current waste fees and increases for a single dwelling-house

Description	CURRENT TARIFF 2017/2018	PROPOSED TARIFF 2018/19	DIFFERENCE R	% INCREASE
Small businesses	222.80	236.16	13.36	6%
Businesses	222.80	236.16	13.36	6%
Hotels B&B's and self- catering	224.89	238.39	13.50	6%
Old age homes and frail care centres	179.92	190.71	10.79	6%

### Indigent household rebates

Description	2017/18 R	2018/2019 R
Electricity (50 units) - Summer	65.70	70.20
Electricity (50 units) - Winter	78.00	83.34
Water (basic charge)	79.02	83.76
Sanitation (basic charge)	173.09	183.48
Refuse (basic charge)	179.92	190.71
<b>Total</b>	<b>575.73</b>	<b>611.49</b>

### **Overall impact of tariff increases on households**

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

It needs to be noted that the majority of indigent households in Kannaland are situated in the affordable house areas. The valuation of these houses is below R70 000 and due to rebates do not pay property rates.

Indigent households receive a discount on their services equal to the basic charge for water plus 6kl water free, 50kwh electricity units, the monthly levy for refuse and sanitation.



The following table provides a breakdown of the various grants allocated to Kannaland Municipality over the medium term:

<b>Local government allocations 2018/2019 - 2020/2021</b>			
	<b>2018-2019 R</b>	<b>2019-2020 R</b>	<b>2020-2021 R</b>
<b>National grants (DORA)</b>	<b>74 383 000</b>	<b>90 459 000</b>	<b>91 106 000</b>
Equitable share	25 957 000	27 902 000	29 670 000
RBIG - Kannaland Dam re-allocation	15 000 000	20 000 000	15 000 000
Municipal infrastructure grant	10 156 000	10 271 000	10 589 000
Water service infrastructure grant	8 000 000		
RGIB - LDS & CAL WWTW	10 000 000	27 000 000	30 000 000
Financial MANAGEMENT GRANT (FMG)	2 215 000	2 215 000	2 647 000
Expanded public works programme (EPWP)	1 055 000		
Integrated Nat. electrification programme (municipal)	2 000 000	3 071 000	3 200 000
<b>Provincial grants (Gazette)</b>	<b>3 411 000</b>	<b>2 625 000</b>	<b>2 413 000</b>
Library services replacement fund	2 070 000	2 184 000	2 302 000

Human settlement development grant	380 000		
Proclaimed roads	50 000		
Financial management support grant	330 000	330 000	
Financial management capacity building	360 000		
Thusong Centre - operational support grant	110 000		
CDWs	111 000	111 000	111 000
<b>Other</b>	-	-	-
<b>Total Allocations</b>	<b>77 794 000</b>	<b>93 084 000</b>	<b>93 519 000</b>

## CREDIT CONTROL AND DEBT COLLECTION

Credit control has been outsourced with great success, but even if most effective, it will not meet the industry benchmark set at 93%. The population of Kannaland Municipality can be regarded as impoverished and unemployment is at an all-time high due to the impact of the drought. The economy is very much industry- (winery and dairy) and agriculture-dependent that is seasonal in nature. The budget assumptions with regard to debt impairment are as follow:

	2018/19 R	2019/20 R	2020/21 R
Provision for bad debts and doubtful debts - service debt	18,591,000.00	19,613,505.00	20,690,710.60
Assumed collection rate	81.5%	82.5%	83%
Provision for bad and doubtful debts – fines	4,200,000.00	4,431,000.00	4,674,705.00

### 1.9 OPERATING EXPENDITURE FRAMEWORK

The expenditure framework for the 2018/19 budget and MTREF is informed by the guidelines of National Treasury.

Reasons for significant cost variances:

- Debt impairment – The calculation is based on the 2017/18 payment ratios and also the current economic climate in Kannaland and the implementation of GRAP 1 *Presentation of Financial Statements*.
- Bulk purchases – The increase is based on the tariff for bulk purchases as set out by NERSA and the SALGA negotiated wage increase.

In expenditure debt impairment will be the offset of revenue to ensure that that there are only budgeted for realistically realisable revenue. An amount of R22,791 was budgeted to increase the provision.

The following table is a summary of the 2018/19 MTREF (classified by main expenditure types):

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
Expenditure By Type											
Employee related costs	2	43,725	50,741	47,710	45,190	47,485	47,485	47,485	55,215	56,999	59,990
Remuneration of councillors		2,663	2,884	2,613	3,056	2,928	2,928	2,928	3,053	3,207	3,369
Debt impairment	3	7,123	18,224	27,409	14,475	14,475	14,475	14,475	22,791	24,045	25,365
Depreciation & asset impairment	2	13,432	11,839	15,077	10,549	11,581	11,581	11,581	10,661	11,205	11,747
Finance charges		4,114	4,882	4,077	800	800	800	800	422	426	453
Bulk purchases	2	25,596	28,165	26,558	30,964	29,544	29,544	29,544	32,259	34,033	35,905
Other materials	8	1,432	4,657	2,146					3,054	3,250	3,452
Contracted services		10,202	18,951	16,012	-	-	-	-	8,280	7,767	7,167
Transfers and subsidies		-	-	-	-	-	-	-	3,126	2,655	2,757
Other expenditure	4, 5	22,941	24,552	17,946	21,277	29,665	21,277	29,665	11,611	12,306	13,136
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		131,227	164,896	159,548	126,312	136,478	128,090	136,478	150,471	155,892	163,339

The operating expenditure has increased from R136,477,718 in 2017/18 to R150,471,463 in 2018/19. The increase can be attributed to increases and decreases on several expenditure components.

Employee related costs increased from R47,484,741.660 (35% of operating expenditure) to R55,215,411 (37% of operating expenditure). The increase is a result of contract worker positions that will have to be filled and will have an additional expense in the form of 'company' contributions. There technical director position was also provided for, which is a critical position that needs to be filled as soon as possible.

The total cost to company cost for councillors amounted to R3,022,500.

## Supporting Table SA23 Salaries, allowances and benefits (political office bearers/councillors/senior managers)

Summary of Employee and Councillor remuneration	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

### WC041 Kannaland - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		524,000	—	155,000	—	—	679,000
Chief Whip			—	—	—	—	—	—
Executive Mayor			760,000	—	47,000	—	—	807,000
Deputy Executive Mayor			353,000	—	47,000	—	—	400,000
Executive Committee			—	—	—	—	—	—
Total for all other councillors			744,300	48,200	344,000	—	—	1,136,500
<b>Total Councillors</b>	8	—	<b>2,381,300</b>	<b>48,200</b>	<b>593,000</b>			<b>3,022,500</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1,079,000	—	261,800	160,000	—	1,500,800
Chief Finance Officer			864,000	96,000	24,000	120,000	—	1,104,000
Technical Director			864,000	96,000	24,000	120,000	—	1,104,000
Corporate Director			864,000	96,000	24,000	120,000	—	1,104,000
Designation - 03			—	—	—	—	—	—
Designation - 04			—	—	—	—	—	—
<i>List of each official with packages &gt;= senior manager</i>								
Designation - 05			—	—	—	—	—	—
Designation - 06			—	—	—	—	—	—
Designation - 07			—	—	—	—	—	—
Designation - 08			—	—	—	—	—	—
Designation - 09			—	—	—	—	—	—
Designation - 10			—	—	—	—	—	—
Designation - 11			—	—	—	—	—	—
Designation - 12			—	—	—	—	—	—
Designation - 13			—	—	—	—	—	—
Designation - 14			—	—	—	—	—	—
Designation - 15			—	—	—	—	—	—
<b>Total Senior Managers of the Municipality</b>	8,10	—	<b>3,671,000</b>	<b>288,000</b>	<b>333,800</b>	<b>520,000</b>		<b>4,812,800</b>

Summary of Employee and Councillor remuneration	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

<b>Other Municipal Staff</b>										
Basic Salaries and Wages		—	—	—	28,684	29,982	29,982	33,590	34,262	36,091
Pension and UIF Contributions		—	—	—	3,983	4,341	4,341	5,988	6,309	6,646
Medical Aid Contributions		—	—	—	1,745	2,099	2,099	3,683	3,834	4,022
Overtime		—	—	—	1,979	2,399	2,399	2,163	2,287	2,398
Performance Bonus		—	—	—	1,909	1,870	1,870	2,624	2,765	2,913
Motor Vehicle Allowance	3	—	—	—	1,159	1,891	1,891	1,710	1,798	1,891
Cellphone Allowance	3	—	—	—	137	64	64	26	27	28
Housing Allowances	3	—	—	—	345	172	172	364	383	403
Other benefits and allowances	3	—	—	—	526	867	867	363	382	403
Payments in lieu of leave		—	—	—	771	735	735	433	457	482
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
<b>Sub Total - Other Municipal Staff</b>		—	—	—	<b>41,237</b>	<b>44,419</b>	<b>44,419</b>	<b>50,943</b>	<b>52,506</b>	<b>55,278</b>

**Table A2 Budgeted financial performance (revenue and expenditure by functional classification)**

**WC041 Kannaland - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification 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>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		146,154	171,119	167,410	30,947	34,614	-	63,776	68,078	73,785
Executive and council		146,154	171,119	167,410	2,738	2,738	-	26,422	28,402	30,220
Finance and administration		-	-	-	28,208	31,875	-	37,354	39,676	43,565
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	4,125	4,373	-	13,136	12,226	10,374
Community and social services		-	-	-	2,065	2,266	-	13,116	12,204	10,352
Sport and recreation		-	-	-	-	-	-	20	21	22
Public safety		-	-	-	-	47	-	-	-	-
Housing		-	-	-	2,060	2,060	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	18,726	18,726	-	7,851	8,254	8,690
Planning and development		-	-	-	-	-	-	111	111	111
Road transport		-	-	-	18,726	18,726	-	7,740	8,143	8,579
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	107,339	98,703	-	113,982	132,309	134,914
Energy sources		-	-	-	57,608	54,485	-	48,778	52,451	55,264
Water management		-	-	-	14,485	10,159	-	38,584	35,221	31,058
Waste water management		-	-	-	25,426	24,048	-	19,414	36,917	40,446
Waste management		-	-	-	9,820	10,012	-	7,205	7,721	8,146
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>146,154</b>	<b>171,119</b>	<b>167,410</b>	<b>161,137</b>	<b>156,415</b>	<b>-</b>	<b>198,744</b>	<b>220,867</b>	<b>227,763</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		131,227	164,896	159,548	41,164	46,233	-	53,202	55,337	57,664
Executive and council		131,227	164,896	159,548	11,595	12,623	-	14,234	14,526	14,571
Finance and administration		-	-	-	29,569	33,609	-	38,969	40,810	43,094
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	6,148	7,796	-	10,294	9,426	10,037
Community and social services		-	-	-	2,861	3,682	-	7,707	7,086	7,567
Sport and recreation		-	-	-	795	896	-	267	293	310
Public safety		-	-	-	-	159	-	-	-	-
Housing		-	-	-	2,492	3,058	-	2,320	2,047	2,160
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	13,665	14,922	-	15,135	15,470	16,297
Planning and development		-	-	-	-	-	-	111	111	111
Road transport		-	-	-	13,665	14,922	-	15,024	15,359	16,186
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	65,335	67,527	-	71,476	75,266	79,341
Energy sources		-	-	-	37,455	36,690	-	40,698	42,937	45,299
Water management		-	-	-	12,344	15,532	-	14,688	15,494	16,345
Waste water management		-	-	-	8,772	8,681	-	9,427	9,952	10,483
Waste management		-	-	-	6,764	6,624	-	6,663	6,884	7,214
<i>Other</i>	4	-	-	-	-	-	-	364	393	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>131,227</b>	<b>164,896</b>	<b>159,548</b>	<b>126,312</b>	<b>136,478</b>	<b>-</b>	<b>150,471</b>	<b>155,892</b>	<b>163,339</b>
<b>Surplus/(Deficit) for the year</b>		<b>14,927</b>	<b>6,224</b>	<b>7,862</b>	<b>34,825</b>	<b>19,938</b>	<b>-</b>	<b>48,273</b>	<b>64,975</b>	<b>64,424</b>

The table splits operational expenditure into their respective functional classification.

# Table A3 Budgeted financial performance (revenue and expenditure by municipal vote)

WC041 Kannaland - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote 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
Revenue by Vote		1									
Vote 1 - MUNICIPAL MANAGER			1,384	84,397	167,410	2,738	2,738	2,738	26,422	28,402	30,220
1.1 - Executive			1,384	84,397	167,410	2,498	2,498	2,498	26,422	28,402	30,220
1.2 - Executive Support						240	240	240	-	-	-
Vote 2 - CORPORATE SERVICES			556	11	-	12,371	13,105	13,105	20,861	21,411	20,153
2.1 - Administration			556	8		505	992	992	1,548	1,555	1,729
2.2 - Municipal Buildings				3		435	435	435	-	-	-
2.3 - Community Hall						55	255	255	350	264	290
2.4 - Cemeteries						23	23	23	9,648	9,757	10,060
2.5 - Libraries						1,987	1,988	1,988	2,063	2,183	2
2.6 - Housing						2,060	2,060	2,060	-	-	-
2.7 - Swimming Pools						-	-	-	20	21	22
2.8 - Parks and Recreation						-	-	-	-	-	-
2.9 - Traffic						7,306	7,306	7,306	7,232	7,630	8,050
2.10 - Fire Department			-	-	-	-	47	47	-	-	-
Vote 3 - FINANCIAL SERVICES			84,345	20,102	-	27,268	30,448	30,448	35,916	38,231	41,947
3.1 - Postal Agency						5	5	5	79	(477)	2,302
3.2 - Property Rates						21,727	21,727	21,727	22,856	23,871	24,985
3.3 - Chief Financial Services			84,345	20,102		5,536	8,716	8,716	12,981	14,838	14,660
Vote 4 - TECHNICAL SERVICES			59,869	66,609	-	118,759	110,123	110,123	115,544	132,823	135,443
4.1 - Refuse			4,846	4,826		9,820	10,012	10,012	7,205	7,721	8,146
4.2 - Sewerage			5,161	5,733		25,426	24,048	24,048	19,414	36,917	40,446
4.3 - Public Works						11,370	11,370	11,370	508	514	529
4.4 - Proclaimed Roads			1,429	6,106		50	50	50	-	-	-
4.5 - Water Services			13,775	11,143		14,485	10,159	10,159	38,584	35,221	31,058
4.6 - Electricity Services			34,658	38,800		57,608	54,485	54,485	48,778	52,451	55,264
4.7 - Irrigation Water						-	-		-	-	-
			-	-	-	-	-	-	1,055	-	-
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	146,154	171,119	167,410	161,137	156,415	156,415	198,744	220,867	227,763
Expenditure by Vote		1									
Vote 1 - MUNICIPAL MANAGER			2,663	20,996	159,548	11,595	12,623	12,623	14,403	14,753	14,709
1.1 - Executive			2,663	20,996	159,548	6,413	7,813	7,813	9,378	9,615	9,346
1.2 - Executive Support						5,182	4,811	4,811	5,024	5,138	5,363
								-	-	-	-
Vote 2 - CORPORATE SERVICES			43,719	20,561	-	25,960	29,455	29,455	28,487	29,715	31,417
2.1 - Administration			43,719	13,737		11,257	11,800	11,800	11,389	11,999	12,634
2.2 - Municipal Buildings				5,530		1,754	1,935	1,935	2,643	2,819	3,050
2.3 - Community Hall						615	1,531	1,531	1,393	1,492	1,579
2.4 - Cemeteries						244	232	232	201	215	226
2.5 - Libraries						2,003	1,920	1,920	2,070	2,184	2,302
2.6 - Housing				528		2,492	3,058	3,058	2,320	2,047	2,160
2.7 - Swimming Pools						589	309	309	43	45	48
2.8 - Parks and Recreation				767		206	587	587	225	247	262
2.9 - Traffic						6,801	7,924	7,924	7,858	8,290	8,746
2.10 - Fire Department						-	159	159	345	378	410
Vote 3 - FINANCIAL SERVICES			59,248	22,304	-	16,558	19,875	19,875	27,885	29,089	30,431
3.1 - Postal Agency						-	-	-	795	826	581
3.2 - Property Rates						30	30	30	400	650	800
3.3 - Chief Financial Services			59,248	22,304		16,528	19,845	19,845	26,690	27,613	29,050
								-	-	-	-
Vote 4 - TECHNICAL SERVICES			25,596	101,034	-	72,198	74,525	74,525	79,697	82,335	86,781
4.1 - Refuse				7,385		6,764	6,624	6,624	6,663	6,884	7,214
4.2 - Sewerage				8,743		8,772	8,681	8,681	9,427	9,952	10,483
4.3 - Public Works						6,813	6,947	6,947	7,166	7,069	7,440
4.4 - Proclaimed Roads				29,774		50	50	50	-	-	-
4.5 - Water Services			807	16,770		12,344	15,532	15,532	14,688	15,494	16,345
4.6 - Electricity Services			24,789	38,363		37,455	36,690	36,690	40,698	42,937	45,299
4.7 - Irrigation Water						-	-	-	-	-	-
			-	-	-	-	-	-	1,055	-	-
			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	131,227	164,896	159,548	126,312	136,478	136,478	150,471	155,892	163,339
Surplus/(Deficit) for the year		2	14,927	6,224	7,862	34,825	19,938	19,938	48,273	64,975	64,424

## **1.10 CAPITAL BUDGET**

The capital budget increased from R30 800 500 (2017/18) to R 44 648 200 in 2018/19.

The budget committee went through several stages of prioritising the capital budget to contain the budget within the available funding.

This capital budget has been compiled with due consideration to the direct impact that it would have on the operating budget and our cash position where projects are to be funded solely from internal sources and not external borrowings.

With the current financial constraints that exist on budget it was decided to not obtain external funding for capital projects.

The capital budget reflects the following budget allocation to the various departments and reflects the strategic priorities outlined in the IDP. (A5)

The demand for future capital expenditure cannot be completely reliable on grant funding but will have to be expanded. All capital expenditure has been funded in recent years by conditional grants that have the objective to eradicate backlogs in service delivery as a result of the inequalities of our past. The problem arising from this is that the infrastructure that is responsible for economic activity is not only outdated but has not been properly maintained for decades. The economic life of the before-mentioned infrastructure is coming to an end with no strategy or provision in place to address the inevitable situation where general reactive maintenance and repairs will just not suffice. Therefore, it is of the utmost importance that a CRR (capital replacement reserve) be established in the near future to ensure not only a sustainable municipality but a self-sustainable local economy that would contribute to job creation and the eradication of poverty. Industry norm and good practice would be to contribute two per cent of the net carrying value of immovable assets to the CRR and to aim in achieving this objective should be a priority as the liquidity position of Kannaland Municipality improves.



**Table A5 Budgeted capital expenditure by vote, functional classification and funding**  
**WC041 Kannaland - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**

Vote Description	Ref	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		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 - Vote</b>								
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>							
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		4,405	4,907	4,907	4,907	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		26,395	16,744	16,744	16,744	27,000	59,828	-
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>30,801</b>	<b>21,652</b>	<b>21,652</b>	<b>21,652</b>	<b>27,000</b>	<b>59,828</b>	<b>-</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>							
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	3,176	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	-	-	-	14,472	-	58,260
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,648</b>	<b>-</b>	<b>58,260</b>
<b>Total Capital Expenditure - Vote</b>		<b>30,801</b>	<b>21,652</b>	<b>21,652</b>	<b>21,652</b>	<b>44,648</b>	<b>59,828</b>	<b>58,260</b>
<b>Capital Expenditure - Functional</b>								
<b>Governance and administration</b>								
Internal audit		-	-	-	-	-	-	-
<b>Community and public safety</b>								
Community and social services		-	-	-	-	3,176	-	-
Sport and recreation		-	-	-	-	-	-	-
Health		-	-	-	-	3,176	-	-
<b>Economic and environmental services</b>								
Planning and development		-	-	-	-	-	9,757	10,060
Road transport		-	-	-	-	-	9,757	10,060
Environmental protection		-	-	-	-	-	-	-
<b>Trading services</b>		<b>20,949</b>	<b>11,800</b>	<b>11,800</b>	<b>11,800</b>	<b>41,472</b>	<b>50,071</b>	<b>48,200</b>
Energy sources		8,000	8,000	8,000	8,000	2,303	3,071	3,200
Water management		12,949	3,800	3,800	3,800	29,169	20,000	15,000
Waste water management		-	-	-	-	10,000	27,000	30,000
Waste management		-	-	-	-	-	-	-
<b>Other</b>		<b>9,852</b>	<b>9,852</b>	<b>9,852</b>	<b>9,852</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>30,801</b>	<b>21,652</b>	<b>21,652</b>	<b>21,652</b>	<b>44,648</b>	<b>59,828</b>	<b>58,260</b>
<b>Funded by:</b>								
National Government		30,801	17,852	17,852	17,852	44,648	59,828	58,260
Provincial Government		-	3,800	3,800	3,800	-	-	-
District Municipality		-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>30,801</b>	<b>21,652</b>	<b>21,652</b>	<b>21,652</b>	<b>44,648</b>	<b>59,828</b>	<b>58,260</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>30,801</b>	<b>21,652</b>	<b>21,652</b>	<b>21,652</b>	<b>44,648</b>	<b>59,828</b>	<b>58,260</b>

## 1.11 BUDGET SCHEDULES

**Table A6 Budgeted financial position**

**WC041 Kannaland - 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		3,747	3,321	277	2,000	2,000	2,000	2,000	–	–	–
Call investment deposits	1	5,212	–	–	–	–	–	–	–	–	–
Consumer debtors	1	18,256	13,183	4,094	52,399	62,957	62,957	62,957	60,391	62,595	66,023
Other debtors		12,857	16,315	5,663	7,193	7,193	7,193	7,193	–	–	–
Current portion of long-term receivables									–	–	–
Inventory	2	466	253	453		422			–	–	–
Total current assets		40,537	33,072	10,488	61,592	72,572	72,150	72,150	60,391	62,595	66,023
Non current assets											
Long-term receivables					–	–	–	–	–	–	–
Investments			17	18	–	–	–	–	–	–	–
Investment property		1,897	1,844	1,692	–	–	–	–	–	–	–
Investment in Associate					–	–	–	–	–	–	–
Property, plant and equipment	3	291,429	303,758	311,597	324,009	313,828	313,828	313,828	347,815	407,100	464,817
Agricultural					–	–	–	–	–	–	–
Biological					–	–	–	–	–	–	–
Intangible		128	87	101		121			–	–	–
Other non-current assets				3,798	–	–	–	–	–	–	–
Total non current assets		293,454	305,705	317,205	324,009	313,949	313,828	313,828	347,815	407,100	464,817
TOTAL ASSETS		333,992	338,777	327,693	385,601	386,521	385,978	385,978	408,206	469,695	530,840
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	686	1,500	514	1,500	720	720	720	512	500	485
Consumer deposits		669	703	742		669			–	–	–
Trade and other payables	4	63,259	85,601	55,328	58,886	54,541	46,861	46,861	43,516	37,715	30,873
Provisions		4,716		4,824	–	–	–	–	–	–	–
Total current liabilities		69,330	87,804	61,409	60,386	55,930	47,581	47,581	44,028	38,215	31,358
Non current liabilities											
Borrowing		8,770	1,988	2,391	1,988	1,988	1,988	1,988	1,803	1,360	861
Provisions		37,647	28,126	35,318	28,115	37,198	37,198	37,198	36,048	36,652	36,652
Total non current liabilities		46,417	30,114	37,709	30,103	39,186	39,186	39,186	37,851	38,012	37,513
TOTAL LIABILITIES		115,747	117,918	99,118	90,489	95,116	86,767	86,767	81,879	76,227	68,871
NET ASSETS	5	218,244	220,859	228,575	295,112	291,405	299,211	299,211	326,327	393,468	461,969
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		218,244	220,859	228,575	295,112	291,405	299,211	299,211	326,327	393,468	461,969
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	218,244	220,859	228,575	295,112	291,405	299,211	299,211	326,327	393,468	461,969

**Table A7 Budgeted cash flows**

**WC041 Kannaland - 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		8,968	13,998	–	15,966	13,421	13,421	13,421	16,058	15,294	15,919
Service charges		46,799	60,855	70,716	69,258	58,745	58,745	58,745	61,803	64,115	67,595
Other revenue		2,484	2,324		8,355	2,597	2,597	2,597	16,861	18,200	18,858
Government - operating	1	72,722	78,134	71,173	32,310	41,067	41,067	41,067	33,146	33,256	35,259
Government - capital	1				30,801	21,652	21,652	21,652	44,648	59,828	58,260
Interest		5,615	5,757	6,268	4,456	4,456	4,456	4,456	3,434	6,127	6,503
Dividends			3		3	3	3	3	3	3	3
Payments											
Suppliers and employees		(101,943)	(117,352)	(118,516)	(111,837)	(113,966)	(113,966)	(113,966)	(170,489)	(189,529)	(194,278)
Finance charges		(3,759)	(4,882)	(4,077)	(14,475)	(800)	(800)	(800)	(422)	(426)	(453)
Transfers and Grants	1				–	–	–	–	(585)	(614)	(221)
NET CASH FROM/(USED) OPERATING ACTIVITIES		30,886	38,837	25,565	34,825	27,174	27,174	27,174	4,458	6,253	7,446
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		676	995		–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors					–	–	–	–	–	–	–
Decrease (increase) other non-current receivables					–	–	–	–	–	–	–
Decrease (increase) in non-current investments				(1)	–	–	–	–	–	–	–
Payments											
Capital assets		(28,670)	(34,264)	(26,151)	(30,801)	(21,652)	(21,652)	(21,652)	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		(27,994)	(33,269)	(26,152)	(30,801)	(21,652)	(21,652)	(21,652)	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		(10)	(816)			4,000	4,000	4,000	–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits		40	34	39					–	–	–
Payments											
Repayment of borrowing		(606)	(5,212)	(1,447)		(4,000)	(4,000)	(4,000)	(720)	(720)	(720)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(575)	(5,994)	(1,408)	–	–	–	–	(720)	(720)	(720)
NET INCREASE/ (DECREASE) IN CASH HELD		2,317	(425)	(1,995)	4,025	5,522	5,522	5,522	3,738	5,533	6,726
Cash/cash equivalents at the year begin:	2	1,430	3,747	2,272	–	–	–	–	5,522	9,260	14,794
Cash/cash equivalents at the year end:	2	3,747	3,321	277	4,025	5,522	5,522	5,522	9,260	14,794	21,520

## Table A8 Cash backed reserves/accumulated surplus reconciliation

### WC041 Kannaland - 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											
Cash and investments available											
Cash/cash equivalents at the year end	1	3,747	3,321	277	4,025	5,522	5,522	5,522	9,260	14,794	21,520
Other current investments > 90 days		5,212	–	–	(2,025)	(3,522)	(3,522)	(3,522)	(9,260)	(14,794)	(21,520)
Non current assets - Investments	1	–	17	18	–	–	–	–	–	–	–
Cash and investments available:		8,958	3,338	295	2,000	2,000	2,000	2,000	–	–	–
Application of cash and investments											
Unspent conditional transfers		10,850	17,237	10,279	–	10,279	10,279	10,279	10,279	9,279	8,279
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	30,585	43,855	38,222	1,653	(10,510)	(19,604)	(19,604)	(14,256)	(19,568)	(27,966)
Other provisions		–	–	–	400	370	370	240	950	850	850
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	64	–	–	–
Total Application of cash and investments:		41,435	61,092	48,501	2,053	139	(8,955)	(9,021)	(3,027)	(9,438)	(18,837)
Surplus(shortfall)		(32,477)	(57,754)	(48,206)	(53)	1,861	10,955	11,021	3,027	9,438	18,837

#### References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

#### Other working capital requirements

Debtors	21,824	24,509	6,827	57,233	56,186	56,186	56,186	47,493	48,003	50,560
Creditors due	52,409	68,364	45,049	58,886	45,676	36,582	36,582	33,237	28,435	22,594
<b>Total</b>	<b>(30,585)</b>	<b>(43,855)</b>	<b>(38,222)</b>	<b>(1,653)</b>	<b>10,510</b>	<b>19,604</b>	<b>19,604</b>	<b>14,256</b>	<b>19,568</b>	<b>27,966</b>

#### Debtors collection assumptions

Balance outstanding - debtors	31,113	29,498	9,757	59,592	70,150	70,150	70,150	60,391	62,595	66,023
Estimate of debtors collection rate	70.1%	83.1%	70.0%	96.0%	80.1%	80.1%	80.1%	78.6%	76.7%	76.6%

#### Long term investments committed

## WC041 Kannaland - Table A9 Asset Management

WC041 Kannaland - Table A9 Asset Management

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										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	-	-	-	8,431	19,259	19,259	36,054	50,071	48,200
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	8,000	8,000	2,303	3,071	3,200
Water Supply Infrastructure		-	-	-	-	3,800	3,800	23,751	20,000	15,000
Sanitation Infrastructure		-	-	-	7,949	7,949	7,949	10,000	27,000	30,000
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	7,949	19,749	19,749	36,054	50,071	48,200
Community Facilities		-	-	-	1,000	29	29	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	1,000	29	29	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	(519)	(519)	(519)	-	-	-
<b>Intangible Assets</b>		-	-	-	(519)	(519)	(519)	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	5,000	5,000	5,000	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	5,000	5,000	5,000	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	5,000	5,000	5,000	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	-	-	-	8,852	10,532	10,532	8,594	9,757	10,060
Roads Infrastructure		-	-	-	1,189	1,396	1,396	-	9,757	10,060
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	4,000	4,000	4,000	5,418	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	5,189	5,396	5,396	5,418	9,757	10,060
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	3,405	4,879	4,879	3,176	-	-
<b>Community Assets</b>		-	-	-	3,405	4,879	4,879	3,176	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	257	257	257	-	-	-
<b>Other Assets</b>		-	-	-	257	257	257	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	1,189	1,396	1,396	-	9,757	10,060
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	8,000	8,000	2,303	3,071	3,200
Water Supply Infrastructure		-	-	-	9,000	12,800	12,800	29,169	20,000	15,000
Sanitation Infrastructure		-	-	-	7,949	7,949	7,949	10,000	27,000	30,000
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	18,138	30,145	30,145	41,472	59,828	58,260
Community Facilities		-	-	-	1,000	29	29	-	-	-
Sport and Recreation Facilities		-	-	-	3,405	4,879	4,879	3,176	-	-
<b>Community Assets</b>		-	-	-	4,405	4,907	4,907	3,176	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	257	257	257	-	-	-
<b>Other Assets</b>		-	-	-	257	257	257	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	(519)	(519)	(519)	-	-	-
<b>Intangible Assets</b>		-	-	-	(519)	(519)	(519)	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		-	-	-	22,282	34,791	34,791	44,648	59,828	58,260

**Table A10 Basic service delivery measurement**

WC041 Kannaland - 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		-	-	-	-	-	-	4,880	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	4,880	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	4,880	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	4,430	-	-
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>		-	-	-	-	-	-	4,430	-	-
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	-	-	-	-	-	-	4,430	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	462	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	2,235	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	2,697	-	-
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	-	-	-	-	-	-	2,697	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	4,770	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	4,770	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	4,770	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	3,091	459	459	2,300	3,647	3,848
Sanitation (free sanitation service to indigent households)		-	-	-	3,116	2,221	2,221	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	260	1,462	1,462	2,150	2,270	2,395
Refuse (removed once a week for indigent households)		-	-	-	3,845	3,808	3,808	4,000	4,100	4,326
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		-	-	-	10,312	7,950	7,950	8,450	10,017	10,568
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		2,837	3,280	3,772	4,087	4,087	4,087	2,555	2,721	2,899
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	3,000	3,180	3,371
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	2,837	3,280	3,772	4,087	4,087	4,087	5,555	5,901	6,270

## **2. PART 2 – SUPPORTING DOCUMENTATION**

### **2.1 BUDGET PREPERATION PROCESS**

#### **Overview**

A central element of the reforms is a change to the way that municipalities prepare their budgets.

The MFMA requires a council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities (as contained in the IDP) and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and particulars on borrowing, investments, municipal entities and service delivery agreements, grant allocations and details of employment costs.

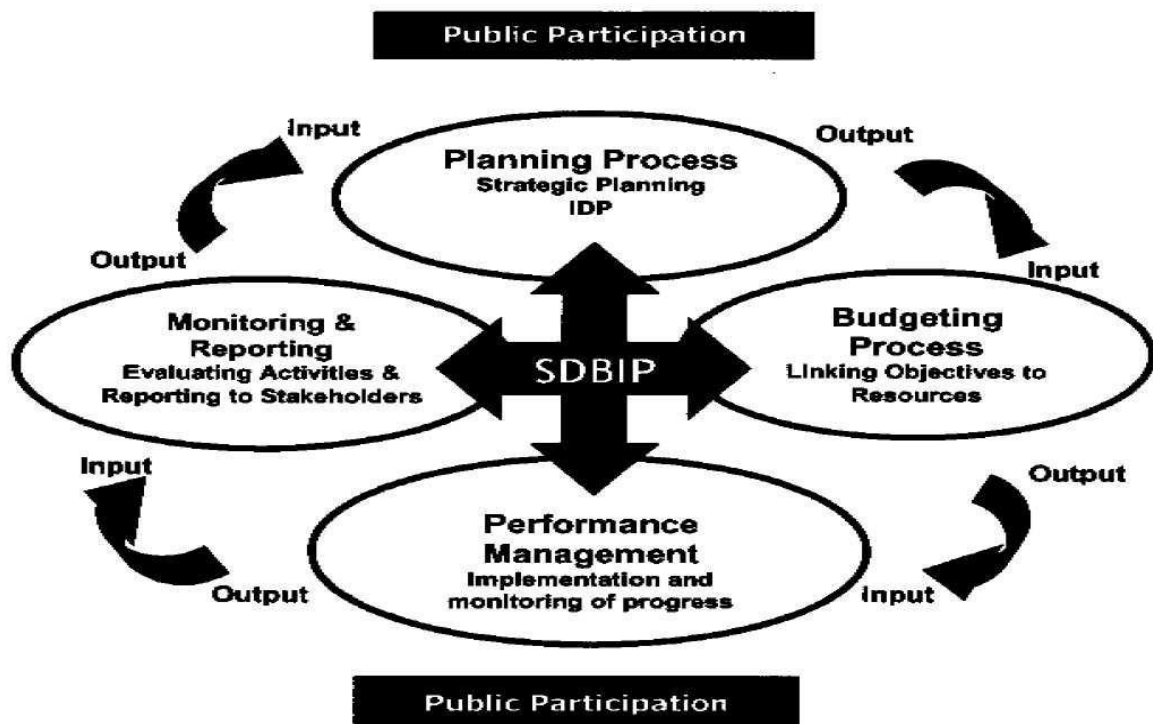
The budget may be funded only from realistic estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

#### **Budget preparation timetable**

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable should be prepared by senior management and tabled by the mayor for council adoption ten months before the commencement of the next budget year.

The next diagram depicts the planning, implementation and monitoring process that is followed in Kannaland 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 a time schedule of key deadlines that sets out the process to revise the IDP and prepare the budget.

### Key Deadlines relating to the budget process

KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2018 – JUNE 2019											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	Determine the likely financial outlook and identify changes to fiscal strategies	Chief Financial Officer				17								
	Refine funding policies; review tariff structures	Chief Financial Officer								27				
	Evaluation of matters identified in IDP Assessment Report received from MEC: Local Government	IDP Coordinator										09		
	Determine any changes in the Socio-economic conditions & trends of Kannaland Municipality	Senior Management						05						
Consultation	Advertising a schedule of public meetings per ward	IDP Coordinator			05									
	Embarking on a public participation process via public meetings per ward to:	Executive Mayor Councillors				15-19								
	1. Provide feedback on progress of ward priorities	Senior Management												
	2. Presentation of IDP Review & Budget time schedule													
	3. Obtain input on community needs for the IDP Review process													
Strategy	Strategic Planning Session to conduct a mid-term review:	Executive mayor							14					

KANNALAND MUNICIPALITY IDP REVIEW AND BUDGET PROCESS			JULY 2018 – JUNE 2019											
Phase	Activity	Responsible person	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	Determine the likely financial outlook and identify changes to fiscal strategies	Chief Financial Officer				17								
	Refine funding policies; review tariff structures	Chief Financial Officer								27				
	Evaluation of matters identified in IDP Assessment Report received from MEC: Local Government	IDP Coordinator										09		
	Determine any changes in the Socio-economic conditions & trends of Kannaland Municipality	Senior Management						05						
Consultation	Advertising a schedule of public meetings per ward	IDP Coordinator			05									
	Embarking on a public participation process via public meetings per ward to:	Executive Mayor Councillors				15-19								
	1. Provide feedback on progress of ward priorities	Senior Management												
	2. Presentation of IDP Review & Budget time schedule													
	3. Obtain input on community needs for the IDP Review process													
Strategy	Strategic Planning Session to conduct a mid-term review:	Executive mayor							14					

## Tabling of the draft budget

The draft budget is tabled by the mayor for review on 19 April 2018.

Once tabled at council, the municipal manager must make public the appropriate budget documentation and submit it to both the national and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

## Consultation with the community and key stakeholders

When the draft budget is tabled, council must consider the views of the local community, the national and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

The consultation with national and provincial Treasuries regarding the MTREF is attached as an annexure to this document.

An extensive public participation process was conducted as part of the IDP and budget road shows. The overall objective of this road show is to ensure an authentic and inclusive public participation process for the IDP and budget.

A notice will be placed in the local newspaper in April 2018, whereby the public will be invited to submit written comments by 15 May 2018.

The public participation meetings (road shows) will be held during April – May 2018, within the respective wards of Kannaland. The planned road shows will be driven by a steering committee constituted by politicians and officials from all directorates. This committee will provide guidance and feedback on areas that required improvement as the IDP and budget road shows unfolded.

A complete report regarding the feedback on the public participation process will be included in the IDP document.

## **2.2 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

The municipal manager must within fourteen days after the approval of the annual budget submit to the mayor for approval a draft service delivery and budget implementation plan and draft annual performance agreements for all pertinent senior staff.

A service delivery and budget implementation plan is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The mayor must approve the draft service delivery and budget implementation plan within 28 days of the approval of the annual budget.

This plan must then be monitored by the mayor and reported on to council on a regular basis. The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Generally, councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if council has approved the project. Expenditure incurred outside of these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

## **2.3 ALIGNMENT OF BUDGET TO IDP**

Local priorities were identified as part of the IDP process which is directly aligned to that of national and provincial priorities.

The IDP strategic objectives and goals are set out in the IDP document.

Kannaland is the place of choice and this along with the strategic vision and mission has led to the conceptualisation of five strategic goals for Kannaland. These goals are as follows:

<b>Strategic objective</b>	<b>Key performance area</b>
To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	Infrastructure
To provide adequate services and improve our public relations	Services and public relations
To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks	Safe community environment
To facilitate economic growth and social and community development	Economic growth and development
To promote efficient and effective governance with high levels of stakeholder participation.	Governance and stakeholder participation
To provide an efficient workforce by aligning our institutional arrangements to our overall strategy	Institutional transformation
To strive towards a financially sustainable municipality	Financial sustainability

The above strategic goals are set to become the catalysts to ensure that the vision and mission is achieved in the next five years.

The 2018/19 MTREF has, therefore, been directly informed by the IDP and the following tables provide reconciliation between the IDP strategic objectives and goals.

Please find attached:

- Table 27 – SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue
- Table 28 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure
- Table 29 – SA6: Reconciliation between IDP strategic objectives and budgeted capital expenditure

## **2.4 MEASURABLE PERFORMANCE OBJECTIVES (MPOS) AND INDICATORS**

The MPOs included in the table below are only those that are linked to basic service delivery. See Annexure SA7: Measurable performance objectives

The key financial indicators and ratios are expressed in the table attached:

See Annexure SA8: Financial indicators and benchmarks

## **2.5 OVERVIEW OF BUDGET RELATED POLICIES**

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

Section 17(3)(e) of the Municipal Finance Management Act, (Act No 56 of 2003) prescribes that the municipality must review the budget related policies annually. Herewith follows suggested changes to council's budget related policies:

The budget committee considered amendments to various policies and the following budget-related policies were reviewed:

1. Customer care, credit control and debt collection
2. Property rates
3. Tariff
4. Unauthorized, irregular and fruitless and wasteful expenditure
5. Indigent
6. Virement
7. Cash management and investment
8. Supply chain management
9. PPPFA
10. Asset management
11. Funding borrowing and reserve
12. Liquidity
13. Budget implementation and monitoring
14. Bad debt write-off
15. Fleet management
16. Grants-in-aid
17. Travel and subsistence
18. Risk management

- 19. Capital contributions for new developments
- 20. Water losses
- 21. Electricity losses
- 22. Public participation

The following by-laws need to be advertised after council approval:

- Revenue by-laws
- Property rates by-laws

The budget committee has indicated that the finalization of the draft policy changes will be finalised after the budget consultation process is completed. The draft policies are contained in the budget document and placed on municipal website for public comment.

The following financial policies need to be reviewed in future:

- Infrastructure Investment and capital projects including planning and approval of capital projects policy on developer contributions – this is included in the tariff policy.
- Unforeseen and unavoidable expenditure
- Policy dealing with management and oversight

Budget-related policies are attached as annexures to this document.

### **Review of current policies**

Except for the policies mentioned below, the budget-related policies have been reviewed and no material changes have been made.

#### **Virement policy**

National Treasury must inform us as to the MSCoA changes.

#### **Liquidity policy**

A new policy is necessary for the long-term financial plan.

## **2.6 BUDGET ASSUMPTIONS**

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all the assumptions used in preparing the budget.

### **2.6.1 – National Treasury MFMA Circular Nos. 89 and 91**

These circulars were issued in December 2017 and March 2018, respectively, and they provide guidance to municipalities for the preparation of the 2018/19 budget and MTREF.

### **2.6.2 – Inflation outlook**

In MFMA Circular No. 91, inflation forecasts are estimated at 5.3%, 5.3% and 5.5%, respectively for the years 2019 to 2021.

### **2.6.3 – Rates, tariffs, charges and timing of revenue collection**

The budget committee made use of tariff modelling to calculate realistic tariff increases. Although the budget committee endeavoured to contain the increase within the 6% upper boundary of the South African Reserve Bank's inflation target, the model indicated that this was not possible. In order to have a funded budget the following tariff increases are recommended for the 2018/2019 financial year:



	<b>Draft Budget 2018/19</b>	<b>Budget 2019/20</b>	<b>Budget 2020/21</b>
<b>Rates</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>
<b>Tariffs:</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>
• <b>Water</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>
• <b>Sewerage</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>
• <b>Electricity</b>	<b>6.84%</b>	<b>6%</b>	<b>6%</b>
• <b>Cleansing</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>
<b>General charges</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>

The cash flow statement shows when rates and tariffs are expected to be collected over the financial year. In general terms, the timing of rates, tariffs and charges are based on the following:

Rates	Monthly billing. Interim billing throughout the year.
Tariffs	Monthly billing. On-going prepayment meters. Seasonal fluctuations.
Charges	Generally steady state throughout the financial year with seasonal fluctuations

#### **2.6.4 – Collection rates for each revenue source and customer type**

The following bad debt provisions and collection rates are assumed in the MTREF for rates and tariffs.

	<b>2018/19 R</b>	<b>2019/20 R</b>	<b>2020/21 R</b>
Provision for bad debts and doubtful debts - service debt	18,591,000	R19,613,505	R20,690,710
Assumed collection rate	81.5%	82.5%	83%
Provision for bad and doubtful debts – fines	4,200,000	4,431,000	4,674,705

## 2.6.5 – Price movements on specifics e.g. bulk purchases

The following amounts are included in the MTREF for increases in bulk purchases;

	<b>2018/19 R</b>	<b>2019/20 R</b>	<b>2020/21 R</b>
Bulk Purchases	6%	6%	6%

## 2.6.6 – Average salary increases

The MTREF includes the following average percentage increases for wages, salaries and for councillors' remuneration;

<b>Description</b>	<b>2018/2019 R</b>	<b>2019/2020 R</b>	<b>2020/2021 R</b>
Councillors	5.5 %	5.5 %	5.5 %
Section 57 employees	5.5%	5.5%	5.5%
Salaried employees	5.9%	5.9%	5.9%
Casual employees	5,9%	5,9%	5,9%

## 2.6.7 – Industrial relations climate, reorganisation and capacity building

The ability of the municipality to deliver quality services is virtually entirely dependent on its staff. Failure by the municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by Kannaland will ultimately mean a failure to deliver services. Currently, the municipality face financial constraints which do not make it possible for all employees to receive the required training. As result, the municipality has developed a training plan to prioritise critical training. The municipality is also facing capacity constraints which cannot be merely rectified through training.

The Municipality has made the following amounts available for training over the MTREF period.

Description	2018/19 R	2019/20 R	2020/21 R
Training budget	R760 000	R450 000	R500 000

Training will have to be funded via main the financial management grant and included within the 2018/19 financial year is the provincial capacity building grant that amounts to R360,000.

## 2.6.8 – Trends in demand for free or subsidised basic services

Kannaland's criteria for supporting free or subsidised basic services are set out in the indigent policy. The government allocates revenue via the equitable share grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services. Any costs over and above the equitable share allocation must be paid by the consumer.

COST OF FREE BASIC SERVICES		2018/2019	2019/2020	2020/2021
Electricity Services	Revenue Cost of Free Basic Services	R 2,150,000.00	R 2,270,000.00	R 2,395,000.00
Refuse	Revenue Cost of Free Basic Services	R 4,000,000.00	R 4,100,000.00	R 4,325,500.00
Sewerage	Revenue Cost of Free Basic Services	R 3,000,000.00	R 3,180,000.00	R 3,370,800.00
Water Services	Revenue Cost of Free Basic Services	R 2,300,000.00	R 3,647,140.00	R 3,847,740.00
		R 11,450,000.00	R 13,197,140.00	R 13,939,040.00

## 2.6.9 – Capital budget

The municipality provided grant funded projects as gazetted in the Division of Revenue Act, for the 2018/2019 annual budget.

External funding will not be used to finance capital projects.

#### **2.6.10 – Implications of restructuring and other major events in the future**

The municipality is currently in the process of implementing minor changes to the micro structure. These changes are being done internally with the existing staff component. These changes will be implemented to streamline service delivery and to affect savings.

#### **2.6.11 – Budgeting for contingency plans for prolonged power outages**

This municipality is in the process of implementing contingency plans to address Eskom power outages such as the procurement of generators. Due to financial constraints the municipality would only be able to realise these goals in the adjustment budget.

However, it has been established that the government is collectively working with Eskom to mitigate the impact of power cuts. These efforts will improve the availability of electricity over the medium term, and plans are under way to ensure that South Africa can generate sufficient energy to power its economy over the long term. The government consistently encourages a reduction in energy consumption and promotion of energy efficiency.

Consequently, the response from government is to address the immediate challenge and it would therefore be premature for municipalities to invest in contingency infrastructure with the expectation of funding.

#### **2.6.12 – Service level standards**

MFMA Circular No. 72 indicated that all municipalities must formulate service level standards which must form part of the 2018/19 tabled MTREF budget documentation.

A broad guideline was provided on the minimum service standards to be incorporated in the budget documentation. In addition to the guideline, a framework was developed as an outline to assist municipalities in finalising their service level standards.

It is accepted that it is not possible to have the same service level standards across all municipalities. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

The service level standards will be tabled before council for formal adoption with the final budget and is attached as an annexure to this document.

## 2.7 MUNICIPAL MANAGER’S QUALITY CERTIFICATE

I, Reynold Stevens, the municipal manager of Kannaland Municipality hereby certify that the draft annual budget and supporting documentation for the 2018/2019 financial year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the act, and that the annual budget and supporting documentation are consistent with the integrated development plan.

Print name .....

Municipal manager of .....

Signature .....

Date .....

## **ANNEXURES TO THE DOCUMENT**

### **Annexure 1: Budget speech**

To be included with final budget approval

### **Annexure 2: Tariff list 2018/19**

### **Annexure 3: MFMA Circular No. 89**

### **Annexure 4: MFMA Circular No. 91**

### **Annexure 5: Service level standards**

### **Annexure 6: A-Schedule budget supporting tables**

A1: Budget summary

A2: Budgeted financial performance by standard classification

A3: Budgeted financial performance by municipal vote

A4: Budgeted financial performance by revenue source and expenditure type

A5: Budgeted capital expenditure by vote, standard classification and funding

A6: Budgeted financial position

A7: Budgeted cash flow

A8: Cash backed reserves/accumulated surplus reconciliation

A9: Asset management

A10: Basic service delivery measurement

SA1: Supporting detail to budgeted financial performance

SA2: Matrix financial performance budget (revenue source/expenditure type and dept.)

SA3: Supporting detail to budgeted financial position

SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue

SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure

SA6: Reconciliation between IDP strategic objectives and budgeted capital expenditure

SA7: Measurable performance objectives

SA8: Financial Indicators and benchmarks

SA9: Social, economic and demographic statistics and assumptions

SA10: Funding measurement

SA11: Property rates summary

SA12: Property rates by category

SA13: Service Tariffs by category

SA14: Household bills

SA15: Investment particulars by type

SA17: Borrowing

SA18: Transfer and grants receipt

SA19: Expenditure on transfers and grants

SA20: Reconciliation of transfers, grants receipts and unspent funds

SA21: Transfers and grants made by the municipality

SA22: Summary on councillor and staff benefits

SA23: Salaries, allowances and benefits (political office bearers/councillors and senior managers)

SA24: Summary of personnel numbers

SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type

SA26: Budgeted monthly revenue and expenditure by municipal vote

SA27: Budgeted monthly revenue and expenditure by standard classification

SA28: Budgeted monthly capital expenditure (municipal vote)

SA29: Budgeted monthly capital expenditure (standard classification)

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SA30: Budgeted monthly capital monthly cash flow

SA32: List of external mechanisms

SA34a: Capital expenditure on new assets by asset class

SA34b: Repairs and expenditure on the renewal of assets class

SA34c: Repairs and maintenance expenditure by asset class

SA35: Future financial implications of the capital budget

SA36: Detailed capital budget

SA37: Projects delayed from previous financial year/s

SA38: Consolidated detailed operational projects

**Annexure 7: Objections and comments**

To be included with final budget approval

**Annexure 8: Notification of actual non-compliance (schedule G)**



## ANNEXURE 2



KANNALAND MUNICIPALITY			
RECOMMENDED TARIFFS - 2018/19		NB: All tariffs = VAT Exclusive	
		Medium term Budget 2018/2019 - 2020/2021	
		2016/17	2017/18
		2018/19	

# TARIFF LIST INDEX

## General Information

§ 1	General information	The Municipal Manager or his assignee has the authority to determine tariffs not contained herein.
§ 2	Property Rates	
§ 3	Electricity	The Municipal Property Rates Act, 2004 was implemented with effect from 01 July 2009.
§ 4	Water	
§ 5	Refuse Removal	Indigent Subsidy is determined annually with reference to household income and merits of the applicant. The confirmation of the subsidy is subjected to monitoring and motivation of the status and the suspension of the subsidy if the conditions were not met.
§ 6	Sewerage	
§ 7	Town Planning	
§ 8	Community Facilities	
§ 9	Sundry Tariffs	
§ 10	Indigent Subsidy	

PROPERTY RATES		Excluding VAT		Excluding VAT	
		2016/17	2017/18	2018/19	
1.1.	General Rate Tariff	Revision			
	All Residential properties - Per R1 on Total Valuation - Residential	R 0,012128	0,0130683	R 0,01388	
	All Residential properties - Per R1 on Total Valuation - Old Age Homes	R 0,002427	0,0026211	R 0,01388	
	All Residential properties - Per R1 on Total Valuation (Guesthouses)	R 0,015157	0,0163887	R 0,01735	
	All Residential properties - Per R1 on Total Valuation (Spaza Shops) - Residential +5%	R 0,012734	0,0137523	R 0,01458	
	All Residential properties - Per R1 on Total Valuation - Agricultural	R 0,003034	0,0032764	R 0,00347	
	All Business properties - Per R1 on Total Valuation - Businesses	R 0,022120	0,0238993	R 0,02533	
1.3.	Rates Rebate Structure	[Norm = 1]			
.01	Residential	Valuation reduction allowed			
.02	Guesthouses	1,00 : 1	1,00 : 1	1,00 : 1	
.03	Commercial	1,00 : 1	1,00 : 1	1,00 : 1	
.04	State	2,00 : 1	2,00 : 1	2,00 : 1	
.05	Agricultural / PSI	2,00 : 1	2,00 : 1	2,00 : 1	
.06	Social Entities	0,25 : 1	0,25 : 1	0,25 : 1	
		0,20 : 1	0,20 : 1	0,20 : 1	

## Rates Exemptions

	Portion %	Rand Value
Basic Exemption on Valuation - Residential properties occupied by owner		15 000
Rebate to qualified pensioners (Age 65 years) / Disabled persons	30%	
Rebate to Social Entities	80%	
Registered Church properties used for religious purposes	100%	
All improved Residential properties with a Total Valuation of R 70 000	100%	

- 1.6 Cost for General Valuation per Rateable property per Annum (Excl) Properties with a Total Valuation of R 70 000  
 1.7 A 15% deduction provision for objections of valuation

## ELECTRICITY

### Standard Availability - Vacant Stands

	2016/17	2017/18	2018/19
Availability - Households	73,49	79,37	R 64,80
Availability - Businesses	171,49	185,21	R 197,88

## Sundry Electricity Tariffs

### 01 New Connections

Single Faze	5 438,53	5 673,61	R 6 275,30
Three Faze	11 168,73	12 062,23	R 12 887,28

### 02 Conversions

Single Faze	1 586,85	1 715,98	R 1 833,33
Three Faze	3 447,23	3 723,01	R 3 977,86

### 03 Bulk Connections

Cost plus 25%

### 4 Reconnection Fees

Connection and Reconnection on request by Consumer	129,22	139,56	R 149,11
Reconnection Met payment - Indigent	108,00	116,64	R 124,82
Reconnection Met payment	436,60	471,62	R 503,76
Reconnection Section 14 offence (Tempering)	4 307,50	4 652,10	R 4 970,30

### 05 Meter Services

Change of circuit breaker per Faze	225,22	243,24	R 259,88
Testing of meter on request	428,29	462,55	R 494,19

### 06 Service Deposits- Electricity

No VAT

Residential	3 140,78	3 392,00	R 3 624,00
Business	5 304,38	5 728,70	R 6 120,50
Industrial	26 297,90	28 401,70	R 30 344,40

## 07 Departmental and Street Lighting

Maintenance Levy	43,07	46,52	R 49,70
Energy Cost per KWh	0,96	1,04	R 1,11

## 08 Temporary Connection

Building Site	738,43	797,50	R 852,05
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DOMESTIC TARIFFS - 2017/18  
NB: All tariffs = VAT Exclusive

## ELECTRICITY

2.1 RESIDENTIAL AND SOCIAL COMPANIES  
(including Churches, Halls, Social and Frail Care Centres)

2.1.1	LIFELINE TARIFF: 0-20 AMPERE			WINTER:
	USAGE BLOCKS:			Sept-May
	Block 1	0-350kWh		June-Aug
	Block 2	350-600kWh		
	Block 3	>600kWh		
			1,0500	1,2900
			1,1400	1,3900
			1,8400	1,8000

Excluding VAT		Excluding VAT	
2017/2018		2018/2019	
SUMMER: Sept-May	WINTER: June-Aug	SUMMER: Sept-May	WINTER: June-Aug
1,0600	1,2850	R 1,13	R 1,37
1,1600	1,4175	R 1,24	R 1,51
1,6730	1,8350	R 1,79	R 1,96

\* TARIFF AIM: 0-20 AMPERS, Low income groups, less than 450 kwh per month.  
\* If consumer use more than 450kWh the prepaid option must be used

* If consumer use more than 450kWh the prepaid option must be used		2016/2017		
2.1.2	CONVENTIONAL TARIFF: 0-50 AMPERE		SUMMER: Sept-May	WINTER: June-Aug
	Block 1	0-350kWh	1,3000	1,6800
	Block 2	>350kWh	1,4000	1,5700
	Basic - Fixed charge Rand per month		R	50,00

2017/2018		2018/2019	
SUMMER: Sept-May	WINTER: June-Aug	SUMMER: Sept-May	WINTER: June-Aug
1,3100	1,4900	R 1,40	R 1,59
1,4400	1,5900	R 1,54	R 1,70
R		50,75	54,22

2.1.3				2018/2017	
	CONVENTIONAL TARIFF: 90 - 100 AMPERE			SUMMER: Sept-May	WINTER: June-Aug
	Block 1				
	Block 1	0-600kWh		1,3500	1,7500
	Block 2	>600kWh		1,6500	1,8100
	Basic - Fixed charge Rand per month			R	330,00

2017/2018		2018/2019	
SUMMER: Sept-May	WINTER: June-Aug	SUMMER: Sept-May	WINTER: June-Aug
1,3400	1,7000	R 1,43	R 1,82
1,6400	1,8100	R 1,76	R 1,93
R		336,50	368,62

\* TARIFF AIM: 60-100 AMPERS, Medium and Higher income groups. Structured to encourage Energy saving methods and rather to transfer to Prepaid.

methods and rather to transfer to Prepaid.		2016/2017		
2.1.4	PREPAID TARIFF: 0 - 100 AMPERE		SUMMER: Sept-May	WINTER: June-Aug
	Block 1			
	Block 1	0-600kWh	1,2900	1,5300
	Block 2	350-600kWh	0,0000	0,0000
	Block 3	>600kWh	1,4800	1,6900
	Basic - Fixed charge Rand per month Environmental Levy (cent per kWh)		DISCONTINUE	

2017/2018		2018/2019	
SUMMER: Sept-May	WINTER: June-Aug	SUMMER: Sept-May	WINTER: June-Aug
1,3140	1,5600	R 1,3907	R 1,6311
0,0000	0,0000	R 1,4302	R 1,6975
1,5075	1,7250	R 1,6106	R 1,8430

\* TARIFF AIM: 0-100 AMPERS, Medium and Higher income groups. Benefit to consumers for buying energy upfront.

## 2.1.5 DOMESTIC TIME OF USE TARIFF: 60 - 100 AMPERE

DISCONTINUED

## COMMERCIAL PRICING TARIFFS FOR KANNALAND 2017-18 (SUMMER &amp; WINTER PRICES)

## Commercial - Small to Medium Consumers [30A - 60A] Conventional meters

2.2.1	2016/17		2017/18		2018/2019	
Basic - Fixed charge per month		R 428,60	R / MONTH		R 436,75	R 466,62
Demand Cost per Ampere [Circuit breaker]		R 0,00	R / AMP		R 0,00	R -
Energy Cost per unit [kWh] - Summer		R 1,4106	C / KWH		R 1,4373	R 1,54
Energy Cost per unit [kWh] - Winter		R 1,7714	C / KWH		R 1,8047	R 1,93

2.2.2	2016/17		2017/18		2018/2019	
Energy Cost per unit [kWh] - Summer		R 1,7550	C / KWH		R 1,7880	R 1,91
Energy Cost per unit [kWh] - Winter		R 1,6023	C / KWH		R 1,8362	R 1,98

2.2.3	2016/17		2017/18		2018/2019	
Basic - Fixed charge per month		R 481,03	R / MONTH		R 488,60	R 523,16
Demand Cost per Ampere [Circuit breaker]		R 0,00	R / AMP		R 0,00	R -
Energy Cost per unit [kWh] - Summer		R 1,5762	C / KWH		R 1,5644	R 1,67
Energy Cost per unit [kWh] - Winter		R 1,7600	C / KWH		R 1,7453	R 1,86

2.2.4	2016/17		2017/18		2018/2019	
Basic - Fixed charge per month		R 258,72	R / MONTH		R 263,58	R 281,81
Energy Cost per unit [kWh] - Summer		R 1,6634	C / KWH		R 1,6947	R 1,81
Energy Cost per unit [kWh] - Winter		R 1,7670	C / KWH		R 1,8000	R 1,92

2.2.5	2016/17		2017/18		2018/2019	
Basic - Fixed charge per month		R 1 373,25	R / MONTH		R 1 058,75	R 1 130,00
Demand - Cost per kVA		R 189,48	R / KVA		R 193,04	R 208,00
Energy Cost per unit [kWh] - Summer		R 0,9204	C / KWH		R 0,9377	R 1,020
Energy Cost per unit [kWh] - Winter		R 1,4858	C / KWH		R 1,5150	R 1,620

2.2.6	2016/17		2017/18		2017/18	
Basic - Fixed charge per month		R 3 312,11	R / MONTH		R 3 374,38	R 3 605,00
Demand - Cost per kVA		R 183,83	R / KVA		R 187,30	R 200,00
Energy Cost per unit [kWh] - Summer		R 0,8784	C / KWH		R 0,8949	R 0,96
Energy Cost per unit [kWh] - Winter		R 1,4326	C / KWH		R 1,4600	R 1,56

### 2.2.7 Special Bulk Consumers Time of Use 50- 500 kVA

CHARGE:		2016/17	2017/18	2017/18
BASIC:	R 43,72		R 40,21	R 42,90
DEMAND:	R 82,41		R 83,90	R 89,69
ACCESS:	R 38,08		R 36,80	R 41,62
ENERGY:				
PEAK LOW:	R 1,0534		R 1,0812	R 1,135
STD LOW:	R 0,8943		R 0,7123	R 0,762
OFF-PEAK LOW:	R 0,5215		R 0,5393	R 0,564
PEAK HIGH:	R 3,4583		R 3,5233	R 3,688
STD HIGH:	R 0,9684		R 1,0146	R 1,084
OFF-PEAK HIGH:	R 0,5897		R 0,6094	R 0,657

### 2.2.8 Special Bulk Consumers Time of Use > 500 kVA

CHARGE:		2016/17	2017/18	2018/2019
BASIC:	R 215,43		R 208,69	R 222,964
DEMAND:	R 80,35		R 81,80	R 87,382
ACCESS:	R 38,36		R 37,01	R 39,560
ENERGY:				
PEAK LOW:	R 1,2759		R 1,2999	R 1,388
STD LOW:	R 0,9101		R 0,9272	R 0,991
OFF-PEAK LOW:	R 0,6500		R 0,6622	R 0,708
PEAK HIGH:	R 3,6332		R 3,7015	R 3,950
STD HIGH:	R 1,1726		R 1,1946	R 1,276
OFF-PEAK HIGH:	R 0,7681		R 0,7805	R 0,835

## 3. WATER

### 3.1 Conventional Meters

2016/17 2017/18 2018/2019

#### .01 Standard Basic Levies

Basic Residential	73,17	79,02	R 83,78
Basic Small Business	81,62	88,15	R 93,44
Basic Medium to Large Business	116,60	125,93	R 133,49
Basic Institutions (School, Hospital, Old Age Homes)	93,28	100,74	R 106,79
Basic Institutions (Churches)	75,79	81,85	R 86,78
Basic Industrial	146,34	158,04	R 167,53
Availability Vacant Stands	92,70	100,11	R 106,12

#### .02 Standard Meter Usage Residential

##### Sliding Scale Block Tariff

Free Basic Water	0 - 6 KJ Indigents only	4,37	4,72	R 5,00
Scale 1	7 - 15 KJ	4,99	5,39	R 5,71
Scale 2	16 - 20 KJ	7,86	8,49	R 9,00
Scale 3	21 - 30 KJ	9,38	10,11	R 10,71
Scale 4	Bo 30 KJ	10,98	11,86	R 12,57

#### .03 Standard Tariffs Other Institutions

##### Categories

a) Industries	9,36	10,11	R 10,71
b) Large Businesses and B&B's	8,11	8,76	R 9,26
c) Social and Services Institutions	6,49	7,01	R 7,43
Old Age Home and Frat Care Centres	6,49	7,01	R 7,43
Churches Schools Hostels and Clubs	6,49	7,01	R 7,43
Stand Pipe Consumers	6,49	7,01	R 100,00

#### 3.2 Pre - Paid Meters Residential Only

Usage per KJ above free basic water	-	-	R -
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#### 3.3 Irrigation Water

##### a) Ladismith

Irrigation Water per turn per annum for 15 minutes	5 379,50	-	R -
Minute water for 10 minutes = 1 unit	-	-	R -
Minute water for 10 minutes = 1 unit (One Month)	14,57	15,74	R 16,88
Minute water for 10 minutes = 1 unit (Per Month)	58,29	62,95	R 66,73
Minute water for 10 minutes (Per Annum)	699,53	755,49	R 800,82

##### b) Calitzdorp

Cost per minute for 15 minutes	54,42	58,77	R 62,30
Equivalent tariff for 15 minutes per annum	815,20	861,50	R 934,39

#### 3.4 Connection Fees

Connection and Disconnection fee on request	98,81	107,79	R 114,26
New Connections	2 420,00	2 613,60	R 2 770,42
Reconnection Met payment - Indigent	110,00	118,80	R 125,93
Reconnection Met payment	469,15	506,68	R 537,08
Reconnection - offence (Tempering)	3 119,05	3 366,57	R 3 570,69

#### 3.5 Service Deposit Water

Residential	561,43	606,30	R 642,70
Small Business	563,00	620,80	R 667,40
Medium - Large Business	1 168,00	1 259,30	R 1 334,80
Industrial(Cost plus 25%) Minimum	2 332,00	2 518,60	R 2 669,70

#### 3.6 Water Tariff Draught Restrictions

	Free Basic Water	0 - 6 KJ Indigents only	9,23	9,97	R	10,57
	Scale 1	7 - 15 KJ	12,85	13,88	R	14,71
	Scale 2	16 - 20 KJ	18,09	19,54	R	20,71
	Scale 3	21 - 30 KJ	25,33	27,36	R	29,00
	Scale 4	Bo 30 KJ	35,43	38,28	R	40,66
<b>Other Institutions</b>						
a)	Industries		17,61	19,02	R	20,16
b)	Large Businesses and B&B's		15,89	17,16	R	18,19
c)	Social and Services Institutions		7,85	8,46	R	8,99

3.7 Water Draught Restriction	2 332,00	2 518,56	R	2 689,67
Penalty (R 1 000 X2)	Contravention of Water and Sanitation By Laws)			

3.8 Departmental Accounts	4,52	4,88	R	5,17
Departmental Levy				

REFUSE REMOVAL	2018/17	2017/18	2017/18
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01 Standard Tariff One collection per week per month	166,59	179,92	R	190,71
Residential (4 Black bags per week)	5,72	6,18	R	6,56
Residential Additional Collection Black Bags (with removal cycle)	40,07	43,28	R	45,87
Residential Additional Collection Black Bags (outside removal cycle)	206,26	222,76	R	236,18
Small Businesses (7 Black bags per week)	206,29	222,79	R	236,16
Businesses (7 Black Bags per week)	40,07	43,28	R	45,87
Business (Additional Collection Black Bags)	206,23	224,86	R	236,38
Hotels B&B's and Self Catering (7 Black Bags per week)	166,59	179,92	R	190,71
Old Age Homes and Frail Care centres (7 Black bags per week)				

02 Standard Tariff One removal per fortnight	88,97	93,93	R	99,56
Residential and Small Business	88,97	93,93	R	99,56
Old Age Homes and Frail Care centres				

03 Bulk Refuse Services	1 273,93	1 375,85	R	1 459,40
Business with Refuse Cage per month	1 620,00	1 749,60	R	1 854,56
Fines - Failure to comply to Terms & Conditions				

04 Refuse Tip site	1 717,20	1 854,58	R	1 986,86
Factories per month	629,64	690,01	R	720,81
Abattoir per month	8,10	8,75	R	9,27
Residential and Small Business per bag (Excl. of Vat)	FREE	FREE		FREE
Garden Refuse (By Owner)	0,38	0,41	R	0,43
Building Rubble (By Owner) per kg				

STORTING VAN BOUROSAMEL VULLIS @ 0,43C/KG				
KAPASITEIT VAN VOERTUIG	VOLUME VAN VULLIS	GEWIG		
1	0,25	188KG	188	
1	0,5	375KG	375	
1	0,75	563KG	563	
1	1	750KG	750	
2	0,25	375KG	375	
2	0,5	750KG	750	
2	0,75	1125KG	1 125	
2	1	1500KG	1 500	
3	0,25	563KG	563	
3	0,5	1125KG	1 125	
3	0,75	1688KG	1 688	
3	1	2250KG	2 250	
4	0,25	750KG	750	
4	0,5	1500KG	1 500	
4	0,75	2250KG	2 250	
4	1	3000KG	3 000	
5	0,25	938KG	938	
5	0,5	1875KG	1 875	
5	0,75	2813KG	2 813	
5	1	3750KG	3 750	
10	0,25	1875KG	1 875	
10	0,5	3750KG	3 750	
10	0,75	5625KG	5 625	
10	1	7500KG	7 500	

STORTING VAN HUISHOUDELIKE VULLIS @ 25C/KG				
KAPASITEIT VAN VOERTUIG	VOLUME VAN VULLIS	GEWIG		
1	0,25	50KG	50	
1	0,5	100KG	100	
1	0,75	150KG	150	
1	1	200KG	200	
2	0,25	100KG	100	
2	0,5	200KG	200	
2	0,75	300KG	300	
2	1	400KG	400	
3	0,25	150KG	150	
3	0,5	300KG	300	
3	0,75	450KG	450	
3	1	600KG	600	
4	0,25	200KG	200	
4	0,5	400KG	400	
4	0,75	600KG	600	
4	1	800KG	800	
5	0,25	250KG	250	
5	0,5	500KG	500	
5	0,75	750KG	750	
5	1	1000KG	1 000	
10	0,25	500KG	500	
10	0,5	1000KG	1 000	
10	0,75	1500KG	1 500	
10	1	2000KG	2 000	



#### 05 Sundry Tariffs

Refuse bags Black pack of 15	38,20	42,34	R	44,88
Refuse bags Green pack of 10	38,20	42,34	R	44,88
Cleaning of Erven/ Stands	1 717,20	1 854,58	R	1 985,85

#### 06 Departmental Accounts

Departmental Levy	62,35	67,34	R	71,38
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### 5.

#### SEWERAGE

2016/17 2017/18 2017/18

#### 01 Sewerage Basic Tariff

Availability per month	238,86	257,87	R	273,45
Residential unit per month	160,27	173,09	R	183,48
Residential old age unit per month	116,37	125,68	R	133,22

#### 02 Sewerage per Pan per month

Businesses (1 to 15 pans)	179,94	194,34	R	206,00
Businesses (16 and more pans)	143,32	154,79	R	164,07
Hotels B&B's and Guest Houses	167,21	180,59	R	191,42
Schools and Hostels (1 to 15 pans)	143,32	154,79	R	164,07
Schools and Hostels (16 and more pans)	153,35	166,62	R	175,56
Churches and Social Service centres	116,37	125,68	R	133,22

#### 03 Septic Tanks

Basic Charge fixed cost per month	61,25	66,15	R	70,12
Service on request -	-	-	R	-
Service - (Normal Hours) - Residential (Per Suction)	160,27	173,09	R	183,48
Service - (Normal Hours) - Businesses (Per Suction)	160,27	173,09	R	183,48
Service - After hours (Mon - Thur)	343,44	370,82	R	393,17
Service - After hours (Friday till Monday 7h30 including Public Holidays)	400,68	432,73	R	456,70
Travelling Cost outside Town per Km (Farms)	11,02	11,81	R	12,62

#### 04 Sundry Tariffs

Connection Costs	2 160,00	2 332,80	R	2 472,77
Connection Costs - Indigent	108,00	116,04	R	123,04
Stortings tarief (Vull fabriek water in riool stelsel) (PER /M3)	R 5,96	6,44	R	6,82
Blockages - Service delivered on private property	-	-	R	-
* Week Days Cost per hour (minimum 1 Hour)	530,44	572,87	R	607,25
* After hours Cost per hour (Minimum 1 Hour)	530,44	572,87	R	607,25

### 05

#### Departmental Accounts

Departmental Levy	81,70	88,24	R	93,63
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### 6.

#### TOWN PLANNING

2016/17 2017/18 2018/2019

### 6.1

#### Application Fees

Rezoning and Permissible Use	1 231,11	1 329,60	R	1 400,37
Sub Division - Less than 20 erven per erf	270,84	292,51	R	310,06
Sub Division - per erf more than 20	123,11	132,96	R	140,94
Rezoning, Consolidation & Subdivision	1 625,07	1 755,08	R	1 860,36
Consent Use	1 231,11	1 329,60	R	1 400,37
Deviations	879,95	1 058,34	R	1 121,85
Deviations Building line Sec. 15(1)(a)(ii) per case	612,47	661,47	R	701,15
Deviations Side & Street Building Lines (Small Works)	275,61	297,56	R	315,52
Deviations Main Structure Street Building Line	1 347,43	1 455,22	R	1 542,54
Transgression Side Building Line	1 347,43	1 455,22	R	1 542,54
Transgression Street Building Line	3 184,83	3 438,62	R	3 646,00
Transgression High Restriction First Storey	5 512,21	5 953,19	R	6 310,38
Huiswinkel / Spaza	307,78	332,40	R	352,35

### 6.1.1

#### Advertising Costs

Municipal notice boards, municipal website	1 568,38	1 693,85	R	1 785,48
External media: Newspapers, Government Gazette (Minimum cost of R7441 per application or actual cost of advertisement if higher)	6 500,00	7 020,00	R	7 441,20

### 6.2

#### Building Plan Fees

Small Works: Varanda, Swimming Pools, Boundary Fences and Demolitions	-	-	R	-
Minimum building plan fee (Less than or equal to 10m2)	336,86	363,81	R	385,83
Changes to approved building plan where area is less than 10m2	-	-	R	-
Plan Fees - Temporary and permanent building between 20m2 and 300m2 (Rate per m2)	14,25	15,39	R	16,31
Plan Fees - Temporary and permanent building more than 300m2 (Rate per m2)	19,00	20,52	R	21,75
Plan Fees - Changes to Internal (minimum fee)	336,86	363,81	R	385,83
Open side garage afdak, skulplek for a vehicle, boat or caravan above 40m2 per m2 or minimum fee of R 360,44	R 20,33	21,98	R	23,27
Boundary wall or fence (per application) per m2	20,33	21,98	R	23,27
Swimming Pool	168,43	181,90	R	192,82
Deernis Huishoudings	-	-	R	-
0-50000	6,33	6,84	R	7,25
50001-100000	9,50	10,26	R	10,89
100001-250000	14,25	15,39	R	16,31
250001+	19,00	20,52	R	21,75

<b>6.3 Sundry Building Fees</b>	635,74	686,00	R	727,80
Transgression Fees	143,32	154,78	R	164,07
Gas Installation	285,41	308,24	R	326,74
Erection of Advertising Boards	1 373,76	1 483,66	R	1 572,68
Builders Deposit (Houses & Alterations) No VAT (Fine; Deposit Forfeiture plus res)	3 651,91	3 944,08	R	4 180,71
Builders Deposit other (Any Other Buildings) No VAT	363,81	392,61	R	416,48
Renewing Fees Minimum (50% of Application Fee)	11 672,42	12 608,21	R	13 362,58
Industrial Plans All sizes	18 242,97	16 702,41	R	20 884,55
Other Zoning etc: Business				
Driveways	143,32	154,78	R	164,07
Lowering of Curb stones	454,45	490,91	R	520,26
Install Driveway (Single or Double)				
Rental Advertising Boards (Enlightened)	78,40	84,57	R	89,75
Per Month:				
Rental of Tourism Sign	108,04	182,56	R	193,52
First Sign per annum	90,65	87,99	R	103,77
Additional signs per annum				
Issuing of a certificate of occupancy	114,48	123,64	R	131,06
- Additions / Alterations (Per certificate applicable from 01 July 2014)	228,96	247,28	R	262,11
- New Buildings (Per certificate applicable from 01 July 2014)				

**7. COMMUNITY FACILITIES**

**7.1 Municipal Halls and Equipment**

<b>01 Deposits - No VAT</b>	84,52	91,30	R	96,80
Keys	84,52	91,30	R	96,80
Cleaning	550,00	594,00	R	629,00
Rental of Chairs (Per 100 or part thereof)	161,60	174,60	R	185,10
Social Meetings, Exhibits and Church gatherings	269,49	291,00	R	308,50
Functions, Concerts, Fates, matric-fair wells etc.	355,23	383,60	R	406,80
Marriages and Receptions	355,23	383,60	R	406,80
Rental per table	545,10	588,70	R	624,00
Public Dances				
<b>02 Service Organisations - Without Deposit</b>	116,37	125,88	R	133,22
Registered Social and Welfare Organisations	189,04	182,56	R	193,52
Police forum, Bedroom-group and Service Centre (per month / forward Bookings)				
<b>03 Public Meetings</b>	45,32	46,95	R	51,89
Church Meetings	208,24	224,00	R	238,30
Meetings	208,24	224,00	R	238,30
Functions, Concerts, Fates, matric-fair wells etc.	415,25	448,47	R	475,38
Exhibits				
<b>04 Dances and Related Meetings</b>	415,25	448,47	R	475,38
Marriages and Receptions	570,82	616,49	R	653,47
Public Dances				
<b>05 Rental of Equipment</b>	25,72	27,78	R	29,45
Tables - per table, per function	13,47	14,55	R	15,43
Chairs - per chair, per function				

<b>7.2 Swimming Pools</b>	5,00	5,40	R	5,72
Children under 12 (per Day)	15,00	16,20	R	17,17
Adults (per Day)	-	-	R	-
Use by registered NGO's for developmental purposes (pre-approval needed)	-	-	R	-
(Maximum 4 hours per month - Rate per hour)	-	-	R	-
<b>Practice sessions</b>	52,64	56,85	R	60,26
Schools - 4 hours per week (per hour)	66,43	73,00	R	78,34
Swimming Clubs - 4 hours per week (per hour)				

**7.3 Cemeteries**

<b>01 Grave Digging and Building Fees</b>	285,41	308,24	R	326,74
Cemetery Sites	104,12	112,45	R	119,20
Rental of Compressor per hour	1 857,00	2 005,56	R	2 125,90
Single Grave Digging and Building	2 921,47	3 155,19	R	3 344,50
Double Grave Digging and Building				
<b>02 Sundry Services</b>	71,05	76,73	R	81,33
Refrigeration Services (Mortuary) first day	39,20	42,33	R	44,87
Refrigeration Services (Mortuary) per day afterwards	980,35	1 037,18	R	1 098,41
Opening of Grave	282,77	305,39	R	323,71
Tombstone permit				
<b>03 Guidance by Traffic Officers</b>	259,58	280,34	R	297,16
Up to 4 hours	519,15	560,88	R	594,32
More than 4 hours				
<b>7.4 Health Services</b>				Eden DM
Most Inspections Ladismith per month				Eden DM
Most Inspections other areas				

<b>7.5 Sports Facilities</b>	2 063,10	2 228,15	R	2 361,84
Towerkop Park and Zoar Sport Grounds	154,73	167,11	R	177,14
Use by Rugby/Soccer clubs per season per club	206,31	222,82	R	236,18
Rental of Towerkop Park or Zoar Sportgrounds (No access fees) per day	825,24	891,26	R	944,74
Rental of Towerkop Park or Zoar Sportgrounds (with access fees at gate) per day	154,73	167,11	R	177,14
Festivals per day				
Schools (per occasion)				

<b>FIRE SERVICE LEVY</b>	157,90	170,53	R	180,76
<b>LEVY PER ANNUM (PER HOUSEHOLD)</b>				

<b>CAPITAL CONTRIBUTION</b>	2 862,00	3 060,96	R	3 276,42
Capital Contribution for New Developments, Sub Divisions and Rezoned erven: (Review 2015/2016) per ERF	5 509,69	6 015,27	R	6 376,18
Electricity	2 510,26	2 711,12	R	2 873,76
Water	3 987,53	4 308,54	R	4 584,93
Sewerage				
Streets & Storm Water				

<b>FIRE BRIGADE SERVICES</b>				
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<b>Vehicle and Equipment Charges</b>			
a) Informal dwellings	-	-	R -
b) Fire appliance or specialist vehicle per hour or part thereof, for any type of call out incident other than in (a) and (b).	607,68	753,49	R 708,70
c) Service vehicle per hour or part thereof, for any type of call out incident other than in (a) and (b).	273,80	295,49	R 313,22
d) Fire appliance or specialist vehicle hired out for any purpose other than incident attendance per hour or part thereof, for any type of call out incident.	984,85	1 063,76	R 1 127,58
e) Service vehicle hired out for any purpose other than incident attendance per hour or part thereof, for any type of call out incident other than in (a) and (b).	300,96	325,04	R 344,54
f) Equipment of a general or specialised nature hired out for any purpose other than incident attendance per hour or part thereof for any type of call out incident other than in (a) and (b).	164,16	177,29	R 187,93
<b>Personnel Charges</b>			
a) Informal dwellings	-	-	R -
b) Officers and staff at any type of callout incident including standby duties per person, per hour or part thereof other than in (a) and (b).	300,96	325,04	R 344,54
c) Officers and staff required in attendance i.r.o hired out vehicles and/or equipment per person, per hour or part thereof (Pre-contracted and paid in advance).	300,96	325,04	R 344,54
<b>Consumables</b>			
a) Informal dwellings	-	-	R -
b) Cost of all materials used plus 10% as an administration charge.	Refer consumables	Refer consumables	-
<b>Documents</b>			
a) Incident reports on request	95,78	103,42	R 109,83
b) Emergency evacuation plans	250,00	270,00	R 288,20
c) Inspection and issue of Registration certificate per premise for bulk flammable liquid storage	2 772,00	2 983,76	R 3 173,39
d) Registration of lapsed registration certificate-fee for bulk flammable liquid - each year that registration certificate were not renewed, plus current registration fees.	2 640,00	2 851,20	R 3 022,27
<b>Inspection</b>			
a) General inspection requested	287,28	310,26	R 328,88
b) Fireworks display / Storage	300,96	325,04	R 344,54
c) Fire safety compliance for Business application	300,96	325,04	R 344,54
d) Fire safety compliance for Health permit application	300,96	325,04	R 344,54
e) Warehouses / storage of dangerous goods internal or external	300,96	325,04	R 344,54
f) Safety compliance certificate for swimming pool	164,16	177,29	R 187,93
g) Certificate for fitness - Permanent and Temporary structure for public attendance			
1 - 1000	533,52	576,20	R 610,77
1001 - 10000	889,2	960,34	R 1 017,66
More than 10000	1778,4	1 920,67	R 2 035,91
<b>General application principles</b>			
<u><b>Rebate</b></u>			
a) If the service is utilised for a building used exclusively for residential purposes, the Executive Head may, in his/her sole discretion, limit the total amount payable in respect of 1(b), 1(c), 2(b), 3(b) to the maximum of R3000,00. In addition that further discretion be exercised where the poor areas are concerned and have the authority to cancel or reduce and account where such request is received.			
b) The fees applicable in 1n(b),1(c),2(b),3(b) do not apply to void fires on vacant erven within the area of Jurisdiction.			R -
c) The fees payable in 1(b), 1(c), 2(b),3(b) does not apply to calls of Humanitarian nature.			R -
<u><b>Exclusions</b></u>			
a) Fire Service by means of parades and exhibits are in most cases regarded as promotions, awareness and training, thus not charge for			R -
b) Joint exercises with other Emergency Services/Institutions are not charged.			R -
c) All registration certificates and permits for flammable substances and dangerous goods are renewable annually, application for renewal to be submitted 30 days before certificate expiry date.			R -
d) All time and tariff calculations are taken from from time of departure to time of return.			R -
e) Discretionary or authority exercise, if any, in terms of 6(a) be reported to Council quarterly.			R -

<b>SUNDRY TARIFFS</b>		2016/17	2017/18	2018/2019
Valuation Certificates		166,00	179,28	R 180,03
Zoning Certificate		166,00	179,28	R 180,03
Clearance Certificates		166,00	179,28	R 180,03
Indigents - 10% of standard tariff above		-	-	R 10,00
Photo Stats (Municipal Offices)	A4 Copy	7,35	7,94	R 8,41
	A3 Copy	12,25	13,23	R 14,02
Photo Stats ( Library)	A4 Copy	7,35	7,94	R 8,41
	A3 Copy	2,45	2,65	R 2,80
Photo Stats ( Library) Learners & Students	A4 Copy	0,50	0,54	R 0,58
Faxes	Per Page	15,92	17,20	R 18,23
Search Fees	Per Case	25,72	27,78	R 29,45
Tender Document Fees	Per Case - as advertise	324,61	350,58	R 371,61
Equipment Rental - Hire of JCB per hour (Excluding VAT)		489,97	529,17	R 560,92
Stand Hawkers per occasion (Residents)		57,24	61,82	R 65,53
Stand Hawkers per occasion (Non Residents)		171,72	185,46	R 196,59
Access to Information (per page)		-	-	R -
Rates - Valuation information fee		915,84	989,11	R 1 048,45
<b>FINES</b>		-	-	R -
Removal of Political and Events Posters (Per Poster)		22,00	24,73	R 26,21
Removal of Political and Events Posters (Banners)		114,48	123,64	R 131,08

<b>INDIGENT SUBSIDY</b>	2016/17	2017/18	2018/2019
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<b>10.1 Qualification Requirements</b>			
Bruto household income per month: Maximum	3 932,60	3 200,00	R 6 000,00
Consider all applications			
Evaluation Committee to evaluate all applications			

10.2	Subsidy Allocations					
	Maximum subsidy per service, per Household, per month					
	Metered Services Conventional Meters only					
	Electricity	Basic plus circuit breaker @ 10A 50 KwH	51,52	50,75	R	54,22
		[Monthly basic plus 6 KJ]				70,00
	Water		103,00	107,34	R	113,78
	Refuse		176,26	179,82	R	180,72
	Sewerage		169,89	173,09	R	183,48

<b>10.3 Free Basic Services</b>			
Free units per month			
Electricity - kWh	50	50	50
Water - KJ	6	6	6



# ANNEXURE 3





## **Municipal Budget Circular for the 2018/19 MTREF**

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## Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR); and strives to support municipalities' budget preparation processes so that the minimum requirements of the MBRR are achieved.

In 2010 National Treasury introduced the local government budget and financial reform agenda and since then several projects to further this agenda have been introduced. The recent implementation of the municipal Standard Chart of Accounts (mSCOA) and the accompanying "game changers" signals a smarter way forward to strengthening local government finances.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda and associated "game changers".

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance on budget preparation that is not covered in this circular.

### 1. The South African economy and inflation targets

In the 2017 Medium Term Budget Policy Statement the Minister of Finance stated that, improving the country's economic growth in the period ahead remains the biggest challenge. This undoubtedly echoes the sentiments expressed in the previous year's annual budget circular, that the South African economic outlook is bleak.

The National Treasury's macroeconomic projections show that per capita income will continue to stagnate unless appropriate financial decisions are taken. This implies that a new course of action is required to break the cycle of weak growth, escalating government debt, increasing unemployment and declining investment and business confidence.

It is important to note that the 2017 projected Gross Domestic Product (GDP) growth forecast of 1.3 per cent in the 2017/18 budget was revised down to 0.7 per cent. The rate of recovery will be slow and at this time, it is anticipated that growth of 1.9 per cent may be reached by 2020.

Notably, the anticipated economic improvements, employment opportunities and business recovery have not materialised hence the economy remains unstable. The impact of the decline in mining growth and the struggle in the agriculture sector because of the persistent drought influence the low economic growth.

The mining outlook remains subdued due to continued domestic policy uncertainty and rising production costs. Fixed-capital stock in manufacturing has declined every year since 2009, indicating a gradual erosion of capacity. Formal non-agricultural employment declined by 0.2 per cent in the first half of 2017 compared to the same period last year. Employment prospects in manufacturing remain constrained. Similarly, employment growth in the trade sector is likely to remain under pressure given low consumer confidence and weak credit growth.

In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. Unfortunately, a similar decline cannot be measured in expenditure and this means that deficits are growing.

The following macro-economic forecasts must be considered when preparing the 2018/19 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2016 - 2020**

Fiscal year	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual	Estimate	Forecast		
CPI Inflation	6.3%	5.4%	5.2%	5.5%	5.5%

Source: Medium Term Budget Policy Statement 2017.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

## 2. Key focus areas for the 2018/19 budget process

### 2.1 Local government conditional grants and additional allocations

The proposed division of revenue continues to prioritise funding services for poor communities. Allocations to local government subsidise the delivery of free basic services to low-income households, and the infrastructure needed to deliver those services.

The 2017 Medium Term Budget Policy Statement (MTBPS) indicates transfers to local government for the 2018 MTREF are R397 billion, of which 62.2 per cent comprise unconditional allocations while the remainder is conditional grant funding. The allocations for local government over the medium term represent 9.2 per cent of non-interest expenditure and an increase of 8.3 per cent.

The equitable share and the allocation of the general fuel levy to local government constitute unconditional funding. Municipalities are reminded that this funding allocation is formula driven and designed to fund the provision of free basic services to disadvantaged communities. Conditional grant funding must be utilised for the intended purpose within the timeframes, as specified in the annual Division of Revenue Bill. Monies not spent must be returned to the fiscus and requests for roll-overs will only be considered in extenuating circumstances.

The annual Division of Revenue Bill will be published in February 2018 after the Minister of Finance's budget speech. The grant allocations will be specified in this Bill and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2017 Division of Revenue Act to compile their 2018/19 MTREF. In terms of the outer year allocations (2020/21 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2017 Division of Revenue Act for 2018/19. The DoRA is available at <http://www.treasury.gov.za/documents/national%20budget/2017/default.aspx>

### Changes to local government allocations

- The Equitable Share formula takes into account the rising bulk costs of electricity and water, as well as household growth. This is confirmed by the additional R1.5 billion in 2019/20 that was part of the 2017 budget for the *local government equitable share*.
- In line with government's Integrated Urban Development Framework (IUDF), a new approach to funding intermediate cities will be piloted as part of the *municipal infrastructure grant* in 2018/19. It will emphasise a programme of capital investment that



combines grant and non-grant funding. This approach may take the form of a separate grant for qualifying cities over the medium term, with strong performance incentives.

- The allocation mechanism of the *public transport network grant*, which funds the improvement of urban public transport systems, will be amended. The changes will provide more stability in allocations for smaller cities. Performance incentives will be introduced and stricter conditions applied. Where cities fail to demonstrate that they have financially sustainable plans for public transport networks, allocations will be cut. Performance incentives will also be considered for other conditional grants, including for improved spending on infrastructure maintenance.
- The National Treasury and the Department of Human Settlements will review spending on urban informal settlement upgrading, with a view to changing the grant system to enable increased investment in in-situ upgrading. This work will be aligned to the review of the provincial *human settlements development grant*.

The Presidency announced in a press statement on 27 November 2017 that, "President Jacob Zuma has directed the Minister of Finance, Mr Malusi Gigaba, assisted by the Presidential Fiscal Committee, to identify concrete measures to urgently address the challenges identified in the Medium Term Budget Policy Statement." These measures should focus on four areas, one of which is, "To identify and finalise proposals for cuts in expenditure amounting to about R25 billion. Such proposed cuts should not be in areas that will negatively affect economic growth prospects and job creation." National Treasury is currently working to implement this directive from the President. If the proposed cuts in expenditure are adopted by Cabinet, they could result in substantial changes to the division of revenue that was tabled in the 2017 MTBPS. Municipalities should be aware in their planning that these changes could include substantial reductions to grants to local government. The details of any cuts to expenditure will be announced when the 2018 Budget is tabled on 21 February 2018.

### ***Reforms to local government fiscal framework***

Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development.

Government will:

- Table amendments to the Municipal Fiscal Powers and Functions Act (2007) to better regulate the levying of municipal development charges; and
- Update the policy framework for municipal borrowing and financial emergencies. The purpose is to establish a system which does not only guarantee stability and certainty in local government finances, but also seeks to implicitly create incentives and attract more players in the municipal debt market space, i.e. insurers, pension funds, fund managers and DFIs.

Municipal revenue-raising capacities vary widely. The National Treasury will consider applications to waive co-funding requirements for infrastructure projects in municipalities with little or no ability to raise finance for such projects. Reprioritisations within the *regional bulk infrastructure grant*, *water services infrastructure grant* and *municipal infrastructure grant* will be made to fund the Bucket Eradication Programme.



## 2.2 Municipal Standard Chart of Accounts (mSCOA)<sup>1</sup>

The implementation of mSCOA Regulations from 01 July 2017 revealed some of the challenges with version 6.1 of the chart that must be addressed. As a result of this, the chart was updated and version 6.2 is released with this circular (see Annexure A). Version 6.2 of the chart will be effective from 2018/19 and must be used to compile the 2018/19 MTREF. In addition, there were classification differences between the original budgets that were adopted by municipal council and the data strings that were submitted to National Treasury. Furthermore, the budget related policies were not updated to align to mSCOA (e.g. Virement policy).

Version 6.2 of the mSCOA chart to be used for the 2018/19 MTREF is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

### ***Amendments of mSCOA implementation errors during the adjustments budget***

During the budget verification process it was evident that municipalities had challenges aligning the mSCOA original budget data string to the original budget adopted by municipal council. The challenges differed per municipality and include differences on classification. Most municipalities were granted permission to correct the alignment during the 2017/18 adjustments budget process. The adjusted budget data strings should align to Schedule B adopted by municipal council. National and Provincial treasuries will undertake the verification process on the adjusted budgets in relation to the data strings. Therefore, municipalities are advised to submit the draft data strings and B-schedules in advance for testing purposes to ensure that aligned documents are adopted by municipal council by 28 February 2018.

### ***The impact of mSCOA on the virement policy***

MFMA Circular No. 51 highlighted the principles that must be incorporated into municipal virement policies. It also emphasised that the policy must indicate how the virement process must be managed within the municipality to enable the tracking and reporting of funding shifts.

The principles are still applicable and relevant. The only difference is that a transaction in mSCOA relates to six regulated segments, therefore all segments must be considered when making a virement. Municipalities are urged to review the policy and update reference to "Vote" to align to the function segment and indicate the funding applicable to the item being transferred in relation to the funding segment. Therefore, with the implementation of mSCOA, virements can only take place within a function or sub-function and the same source of funding. The creation of new projects or savings across functions can only take place through an adjustment budget. The policy must clearly articulate that virements should not be allowed from the repairs and maintenance project in the project segment.

### ***Clarification of core and non-core functions***

There are municipalities that experienced challenges with the implementation of the function segment due to the interpretation of what is core and non-core. Core functions provides for the matters in terms of section 156 (1) of the Constitution. These are functions performed by local government and constitutionally assigned to local government in terms of Part B of Schedule 4 and Part B of Schedule 5. Non-core function refers to the functions performed by

<sup>1</sup> The Minister of Finance promulgated the Municipal Regulations on a Standard Chart of Accounts in government gazette Notice No. 37577 on 22 April 2014.

local government that are constitutionally assigned to provincial government in terms of section 156(4) of the Constitution. Local Government are compensated for delivering these functions on behalf of provincial government and typically receive a management fee from the provincial department.

For example, with the water function, if a municipality is an approved Water Service Authority (WSA), the provision of water will be a core function of that municipality. However, where a municipality is providing the service on an agency basis and is not an approved WSA, this will be a non-core function.

### **2018/19 mSCOA Audit process**

When the mSCOA Regulation was promulgated in 2014, it provided for a three-year preparation and readiness window. All municipalities had to be compliant with the mSCOA classification framework by 1 July 2017. In order to ensure that municipalities meet the compliance deadline, National Treasury provided technical guidance on the processes required through MFMA Circulars No. 57, 80, 85 and mSCOA Circulars 1, 2, 3, 4, 5, and 6. Furthermore, a transversal tender (RT25-2016) was issued to reduce the time spent by municipalities on onerous tender processes and price negotiations when changing its current financial system to comply with mSCOA. These circulars read together with the mSCOA regulations should be the first point of departure when municipalities prepare their mSCOA audit files and the following key documents should typically be included in the audit files:

- Governance: Council resolutions pertaining to mSCOA implementation, including the resolutions to establishment a mSCOA steering committee and project implementation team; all documents of the Project Steering Committee and Project implementation Committee such as agendas, attendance registers, signed minutes of all meetings, correspondence with National and Provincial Treasuries and the mSCOA project plan and reports/evidence of monitoring thereof;
- Change management and training: Records as evidence that change management were implemented and that all officials were trained on mSCOA and the use of the mSCOA enabling financial system;
- Procurement of Systems: Evidence that the processes set out in Annexure B of mSCOA Circular No. 6 was followed, including conducting an ITC due diligence process, obtaining a recommendation from the mSCOA project steering committee and the views of the National/Provincial Treasury and correspondence with the Office of the Procurement Officer (OCPO) of National Treasury where the transversal tender RT25-2016 was used; and
- Data migration/conversion: As part of the audit process, the Auditor-General will review the conversion/migration/cleansing processes used by the municipality to assess the completeness, accuracy and validity of data.

Municipalities are advised to use their internal audit function to ensure that the correct process was followed. Internal audit must ensure that the municipality has complied with the requirements of mSCOA and the reports of internal audit must be tabled at audit committee and at municipal council for their consideration.

### **2.3 Reporting indicators**

The National Treasury has finalised the process of rationalising the built environment reporting for the eight metropolitan municipalities with an aim to reduce the reporting burden, which included the development of a set of indicators that will enable government to monitor progress on the integrated and functional outcomes.

There has been some confusion as to the level that indicators in the Service Delivery Budget Implementation Plan (SDBIP) occupy, particularly in relation to quarterly projections of service delivery targets and performance indicators for each vote (as per MFMA Circular No. 13).

Municipalities are urged to refer to MFMA Circular No.87 on rationalisation of planning and reporting requirements for the 2018/19 MTREF issued on 30 November 2017. The circular contains municipal performance indicators for metropolitan municipalities. In providing guidance, conceptual clarity and alignment between the Integrated Development Plan (IDP), Built Environment Performance Plan (BEPP), SDBIP and the performance part of the Annual Report, the MFMA Circular has conceptual application of benefit to all municipalities.

The performance indicators will be applicable to metropolitan municipalities from the 2018/19 financial year, and incrementally introduced to other categories of municipalities from 2019/20 onwards, although earlier compliance is encouraged.

## **2.4 Borrowing for capital infrastructure**

In terms of Section 46 of the MFMA, a municipality may incur long-term debt only for the purpose of current or future capital expenditure on property, plant or equipment, and in specified circumstances for refinancing existing long-term debt. A municipality cannot borrow to replenish capital, nor can borrowing be attributed to previous years' investment projects.

It has come to National Treasury's attention that some municipalities budget for long-term borrowing in a specific financial year to finance capital projects; however, the expenditure is financed from internally generated funds and not with the planned/ budgeted long-term borrowing as was approved by council. The municipalities will then obtain the long-term debt in future years to refinance the internally generated funds which were used to finance the capital projects in the previous financial years. This practice is not supported as it is not consistent with section 15 of the MFMA that provides that a municipality can only incur expenditure in terms of an approved budget and within the amounts appropriated for the different votes. The incurring of the expenditure against a different source of finance than what was approved will be regarded as unauthorised expenditure.

## **3. The revenue budget**

Similar to the rest of government, municipalities face a difficult fiscal environment. Even as demand for services rises, weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, water boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them, and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide to service their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

Municipalities are reminded that, the local government equitable share allocation is mainly to fund the costs of free basic services and to subsidise the administrative costs of the smaller and more rural municipalities. The increasing unemployment and growth in the number of persons per household means that the revenue foregone in respect of free basic services will likely increase and it will become even more difficult to collect revenue. The household budget will be under pressure and trade-offs will be applied as it may be unaffordable to pay all household expenses with regularity.

MUNICIPAL BUDGET CIRCULAR NO 08

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore municipalities are required to **justify all increases in excess of the projected inflation target for 2018/19** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

### 3.1 Maximising the revenue generation of the municipal revenue base

The implementation of *mSCOA* requires systems integration of several sub-systems such as that which contains the municipal valuation roll. Among the internal controls, the system must have the capability to compare the valuation roll data to that of the billing system; the list of exceptions derived from this reconciliation provides an indication of where the municipality may be compromising its revenue generation in respect of property rates. Municipalities must reconcile valuation roll data, billing system and the deeds office. This may become a formal disclosure item in the near future.

Municipal own revenue sources are shrinking due to widespread drought and households opting for alternative sources of energy. This means that more effort is required to maximise revenue derived from property rates.

### 3.2 Eskom bulk tariff increases

2017/18 was the last year of the third Multi-Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA). Eskom has applied for a one year average tariff increase of 19.9 per cent for 2018/19. For municipalities, the different timing of the municipal financial year means that the increase Eskom has applied for would mean a 27.29 per cent average tariff increase in the 2018/19 municipal financial year. The National Energy Regulator of South Africa recently concluded a process of public hearings on this application, but has yet to publish a decision on the application. Municipalities can monitor [www.nersa.org.za](http://www.nersa.org.za) for news on the outcome of this process.

Municipalities should note that the average electricity tariff increase for municipalities in the 2017/18 municipal financial year was only 0.31 per cent. MFMA Circular No. 86 noted that by the time that tariff announcement was made, the local government equitable share allocations for 2017/18 had already been calculated with a higher electricity tariff increase. That circular said that "municipalities will have to budget to retain any surplus funds from the higher free basic services subsidy paid [through the local government equitable share] in 2017/18 in order to offset the cost of providing free basic electricity in 2018/19."

Municipalities are also urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2018/19 MTREF budget.

### 3.3 Water tariff increases

The prevailing drought makes it difficult for some municipalities to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.

Municipalities must ensure that the tariffs charged are able to cover for the cost of bulk purchases, ongoing operations as well as provision for future infrastructure. There are

municipalities that are struggling to pay water boards due to a number of issues, one of which is poor financial sustainability and cost recovery. All municipalities in arrears with bulk suppliers must ensure that their payment arrangements are effected in their 2018/19 MTREF budget.

Accounting officers should take note that failure to undertake proper due diligence in terms of the affordability of payment arrangements and making the necessary provision in the municipality's budget will be considered as an act of financial misconduct and the necessary action in terms of chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings will have to be taken.

Municipalities that may have benefited from having introduced penalty tariffs for non-compliant consumers will have to adjust their budgets accordingly.

### **3.4 Water Conservation and Water Demand Management (WCWDM)**

Water Conservation and Water Demand Management has been identified as a key intervention to balance available municipal supply against projected future needs. In this regard municipalities must actively implement WCWDM. Ongoing accurate monitoring and reporting of municipal Non-Revenue Water (NRW) and water loss performance against set targets and baselines is critical. The reporting must take place via the International Water Association (IWA) water balance methodology. No new funding towards future water infrastructure projects will be considered unless municipalities can provide actual consumption figures and prove that their water losses are under control. Municipalities should increase their efforts to reduce NRW and the negative impact it has on their ability to generate their own income and run a viable water business.

## **4. Funding choices and management issues**

The Circular clearly outlines that, as a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2018/19 MTREF budgets:

- improving the effectiveness of revenue management processes and procedures;
- paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as was highlighted in MFMA Circular No. 82;
- ensuring value for money through the procurement process;
- the affordability of providing free basic services to all households; and
- curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

### **4.1 Employee related costs**

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.



## **4.2 Remuneration of councilors**

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

## **5. Conditional Grant Transfers to Municipalities**

### **5.1 Non-compliance of in year monitoring**

In terms of Section 74(1) of the Municipal Finance Management Act (No 56 of 2003) (MFMA), municipalities must submit to the National and Provincial treasuries documents and monthly grant return forms as may be prescribed or required. Furthermore, section 12(2) of the Division of Revenue Act (Act No. 3 of 2017) (DoRA) states that the municipality, as part of the report required in terms of section 71 of the MFMA, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant Transferring Officer.

There are municipalities that have not been complying with the reporting requirements as stipulated above. Municipalities are reminded that non-submission of monthly reports translates to non-compliance with the MFMA and DoRA. The National Treasury and Transferring Officer will be implementing stringent measures to municipalities that do not comply with the prescripts. This includes, but is, not limited to the stopping and reallocation of conditional grants funding away from municipalities that are non-compliant. Municipalities are encouraged to comply with the reporting requirements in order to avoid withholding or stopping of an allocation.

## **6. The Municipal Budget and Reporting Regulations**

### **6.1 Tabling of funded budgets**

The importance of tabling funded budgets is highlighted in MFMA Circular No. 74. This is one of the game changers in local government to ensure financial sustainability. As an initiative to support municipalities in this regard, the National and Provincial treasuries are assessing tabled budgets and assisting municipalities in effecting the required changes to ensure that they adopt funded budgets. However, some municipalities have challenges in correcting the budgets to ensure that they are funded in one financial year due to financial challenges. As a result, such municipalities must, together with their 2018/19 MTREF budget, table a plan in a municipal council on how and by when the budget will improve from an unfunded to a funded position. The National and Provincial treasuries will assess the budget together with the plans and support the municipality accordingly.

### **6.2 Budgeting for collections from arrear debtors**

Most municipalities do not split collections between current and arrear debtors when reporting on table A7, this results in the collection rate being overstated. Municipalities are required to only disclose receipts from current accounts under cash flow from operating activities and the receipts from arrear accounts should be disclosed under cash flow from investing activities (Decrease in non-current debtors).

### 6.3 VAT implications (Budgeting on capital (A5) vs reporting)

MFMA Circular No. 58 indicated that municipalities must disclose total capital conditional grant allocations reflected in the DoRA under 'transfers and grants – capital' on Tables A2, A3, A4 and A5. However, there are municipalities that are experiencing challenges when reporting capital expenditure performance against the budget. The expenditure at year end appears to be understated when compared to the budget.

In terms of paragraph 4.5 of the VAT 419 Value-Added Tax – Guide for Municipalities, section 8(5A) was introduced to create a deemed supply where a person receives a grant from a public authority, constitutional institution or municipality. In light of the above it is clear that transfers to municipalities are deemed to be a zero-rated supply which includes VAT at 0 per cent. Grants are therefore VAT inclusive as per MFMA Circular No. 58 but at 0 per cent. **Therefore, municipalities must budget for VAT at 0 per cent and not 14 per cent on tables A4 and A5.** The approach also applies to the adjustments budget process (tables B4 and B5).

The fact that grants are a zero-rated supply enables municipalities to claim the input VAT on expenditure incurred. In line with MFMA Circular No. 58 a municipality must report the VAT inclusive expenditure against all conditional grants for purposes of DoRA, failing which the reclaimed input VAT will reflect as 'unspent' and revert to the National Revenue Fund (NRF). In practice the amount of expenditure (VAT exclusive) in the grant register will be expensed/capitalised and the VAT portion reflected in the grant register may be utilised by the municipality as own revenue in terms of MFMA Circular No. 58. This also removes any doubt about the misalignment of Tables SA18, SA19, SA20, A4 and A5 due to VAT.

### 6.4 Budgeting for projections on tables SA25 to SA30

Over the years municipalities in general have not adequately completed the supporting tables SA25 to SA30, where projections were equally divided over twelve months. In addition, the quarterly projections reported on the C schedules differ with the projections that were set in the adopted budgets. This has defeated the purpose of monthly projections which seeks to improve cash flow and performance management. The implementation of *mSCOA* requires municipalities to undertake monthly projections, which must align to the supporting tables of the A schedule. Municipalities must reflect realistic projections when they adopt the budget and not to change the projections during in-year reporting.

### 6.5 Service level standards

A broad guideline was provided on the minimum service standards to be incorporated in the budget documentation. In addition, MFMA Circular No.74 included a framework that was developed as an outline to assist municipalities in finalising their service level standards.

Municipalities are advised to update the service level standards to align to the new IDPs that were compiled after the 2016 Local Government Elections. As indicated in MFMA Circular No.74 it is not possible to have the same service level standards across all municipalities. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

### 6.6 Schedule A - version to be used for the 2018/19 MTREF

National Treasury has released Version 6.2 of Schedule A1 (the Excel Formats) which is aligned to version 6.2 of the *mSCOA* classification framework which must be used when compiling the 2018/19 MTREF budget. **ALL** municipalities **MUST** use this version for the preparation of their 2018/19 MTREF budget.

It is imperative that all municipalities prepare their 2018/19 MTREF budgets in their financial systems and that the A1 schedule be produced directly from their financial system. All financial systems must have this functionality to assist and prepare budgets.

Special attention must be given to the supporting schedules in the prescribed A1 schedule. Where detailed data is lying in a sub-system e.g. human resource data for SA22 to SA24, this data must be pulled from the sub-system into the applicable supporting sheet.

Download Version 6.2 of Schedule A1 by clicking [HERE](#)

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:  
<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

## 6.7 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Bernard Mokgabodi	012-315 5936	<a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a>
	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Free State	Jordan Maja	012-315 5663	<a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
	Nomxolisi Mawulana	012-315 5460	<a href="mailto:Nomxolisi.Mawulana@treasury.gov.za">Nomxolisi.Mawulana@treasury.gov.za</a>
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	<a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a>
	Johan Botha	012-315 5171	<a href="mailto:Johan.Botha@treasury.gov.za">Johan.Botha@treasury.gov.za</a>
Limpopo	Una Rautenbach	012-315 5700	<a href="mailto:Una.Rautenbach@treasury.gov.za">Una.Rautenbach@treasury.gov.za</a>
	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Willem Voigt	012-315 5830	<a href="mailto:Willem.Voigt@treasury.gov.za">Willem.Voigt@treasury.gov.za</a>
	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Northern Cape	Jordan Maja	012-315 5663	<a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a>
	Anthony Moseki	012-315 5174	<a href="mailto:Anthony.Moseki@treasury.gov.za">Anthony.Moseki@treasury.gov.za</a>
North West	Sadesh Ramjathan	012-315 5101	<a href="mailto:Sadesh.Ramjathan@treasury.gov.za">Sadesh.Ramjathan@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Vuyo Mbunge	012-315 5661	<a href="mailto:Vuyo.Mbunge@treasury.gov.za">Vuyo.Mbunge@treasury.gov.za</a>
	Kevin Bell	012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
	Sibusiso Mahlangu	012-395 6737	<a href="mailto:Sibusiso.Mahlangu@treasury.gov.za">Sibusiso.Mahlangu@treasury.gov.za</a>
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations.



The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, **they will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations. In addition, where municipalities have adopted an unfunded budget, they will be required to correct the budget to ensure it adopt and implement a funded budget. However, where there are challenges the process indicated in paragraph 6.1 above will be applied.**

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The A Schedule that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and the budget of the parent municipality. D schedules must be submitted for each entity.

## 7. Budget process and submissions for the 2018/19 MTREF

### 7.1 Submitting budget documentation and schedules for 2018/19 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns is **Tuesday, 03 April 2018**. The deadline for submission of hard copies including council resolution is **Friday, 06 April 2018**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2018, the final date for such a submission is **Friday, 13 July 2018**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and

- schedules D specific for the entities:

Municipalities are required to send electronic versions of documents and the A1 schedule to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za). Any problems experienced in this regard can be addressed with Elsabe Rossouw at [Elsabe.Rossouw@treasury.gov.za](mailto:Elsabe.Rossouw@treasury.gov.za). Budget related documents and schedules may also be uploaded using the LG Upload Portal at <https://portals.treasury.gov.za/sites/LGUploadPortal/SitePages/Home.aspx>

Municipalities are required to send printed submissions of their budget documents and council resolution to:

**For couriered documents**

Ms Linda Kruger  
National Treasury  
40 Church Square  
Pretoria, 0002

**For posted documents**

Ms Linda Kruger  
National Treasury  
Private Bag X115  
Pretoria, 0001

In addition to the above-mentioned budget documentation, metropolitan municipalities must submit the draft Built Environment Performance Plan (BEPP) tabled in council by 31 March 2018 to [Yasmin.coovadia@treasury.gov.za](mailto:Yasmin.coovadia@treasury.gov.za). If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to [yasmin.coovadia@gmail.com](mailto:yasmin.coovadia@gmail.com) or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with [Yasmin.Coovadia@treasury.gov.za](mailto:Yasmin.Coovadia@treasury.gov.za). Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3<sup>rd</sup> floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

## 7.2 Budget reform returns to the Local Government Database for publication

Municipalities are required to continue to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. All returns are to be sent to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za). Municipalities must submit returns for both the draft budget and the final adopted budget as this will assist the National and provincial treasuries with the annual benchmark process. The current electronic returns may be downloaded from National Treasury's website at the following link: [http://mfma.treasury.gov.za/Return\\_Forms/Pages/default.aspx](http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx).

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

## 7.3 In-year reporting

### *The impact of mSCOA on in-year reporting*

Municipalities must submit the mSCOA compliant data strings to the LG Upload Portal. National Treasury will continue with parallel reporting using the old format (return forms) and the mSCOA data strings until it is satisfied that all municipalities are mSCOA compliant and reporting adequately to support all publications. Therefore, the data submitted using both reporting methods must reconcile. National and Provincial treasuries together with the municipalities will conduct monthly verification of the data strings, Schedules C and the return forms to ensure that corrections are effected. All corrections must be done by **28 February 2018** in line with the amendments to the adjustments.

### **Supporting documents to be submitted with Section 71 monthly reports**

Municipalities were advised in MFMA Circular No. 67 that they must provide the following additional information and supporting documentation to the National Treasury as part of the submission of the Section 71 input forms:

- An extract of the trial balances from the general ledger;
- Copies of the actual monthly bank statements (reflecting the opening and closing bank balances) for the primary bank account;
- Bank reconciliation for the reporting period in the primary bank account; and
- Copies of the quarterly tabled section 71 documents in the prescribed Schedule C format including the applicable council resolution.

Most municipalities have not followed the guideline; therefore, municipalities are reminded that this request is still applicable and that the information must be submitted with the monthly Section 71 reports. The information is meant to assist in improving the quality of the quarterly published local government performance information.

### **Monthly reporting of debtors and creditors**

National Treasury has observed through in-year monitoring that most municipalities are overstating debtors as they report on gross debtors instead of net. The format of the monthly debtors return form (Age Analysis of Debtors) provides for a column to disclose provision for impairment as per council policy. Therefore municipalities are urged to always reflect the provision for impairment in the column as indicated above for National Treasury to be able to reconcile the net debtors.

It was also observed that most municipalities are understating outstanding creditors. There is a major difference in the amounts reported through in-year reporting and those disclosed in the annual financial statements. It is assumed that amounts are not disclosed for all sundry payments and contractual commitments. Municipalities are urged to reconcile creditors on a monthly basis to increase the quality of reporting and for effective cash flow management.

### **7.4 Budget verification process**

Annually during the budget verification process it is noted that municipalities have challenges to align the audited years, which results in amendments to the Schedule A. Municipalities must ensure that the audited figures and adjusted budget figures captured on the Schedule A aligns to the annual financial statements and Schedule B respectively.

### **7.5 Publication of budgets on municipal websites**

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

## Contact



**national treasury**

Department  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Post** Private Bag X115, Pretoria 0001  
**Phone** 012 315 5009  
**Fax** 012 395 6553  
**Website** <http://www.treasury.gov.za/default.aspx>

**JH Hattingh**

**Chief Director: Local Government Budget Analysis**  
**08 December 2017**

## Annexure A – Changes to mSCOA version 6.2

No.	Segment	Amendment
1	Region	Include ward / township breakdown as requested by municipalities
2	Region	Retired decommissioned municipalities due to demarcation
3	Region	Updated name changes due to demarcation and gazette notifications received
4	Item Revenue: Licences or permits	Added item for revenue from Atmospheric Emission Licence Fees
5	Item Expenditure: Depreciation	Added breakdown of asset classification to align to the CIDMS classification and SA34d
6	Item Expenditure: Remuneration of councillors	Added remuneration of Section 79 chairperson as this needs to be reported separately
7	Item Expenditure: Contracted services	Added line item for outsourced printing services
8	Item Expenditure: Operational cost: Licences	Added line item for liquor licence (entities)
9	Item Expenditure	Added "Transfer to Accumulated Surplus" account
10	Item Expenditure	Added "Capitalisation" accounts to capitalise materials, plant and vehicle costs
11	Item Assets: Investments	Report at institution level and breakdown detail for own purposes.
12	Item Assets: Current Accounts: Control, Clearing and Interface Accounts	Added line item for mistakes made by bank (over/ under banking, unidentified deductions from bank account)
13	Item: Assets, Liabilities and Net Assets	Removed all "Closing Balance" accounts
14	Item Assets and Liabilities	Added "Opening Balance" accounts, detail to be carried in the sub-system
15	Function	Expanded definition descriptions to guide municipalities on the difference between core and non-core functions
16	Fund	Added breakdown of grants, transfers and subsidies as requested by municipalities
17	Fund	Aligned Fund, Item Liabilities, Item Expenditure and Item Revenue segments
18	Project	Changed breakdown allowed to "Yes" for 8 items that indicated "breakdown required but principle N/A".



# ANNEXURE 4







## Municipal Budget Circular for the 2018/19 MTREF

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## Introduction

This budget circular is a follow-up to the one issued in December 2017. It guides municipalities with their preparation of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars it should be read within this context. Among the objectives of this Circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate. The key focus of this Circular is the grant allocations per the 2018 Budget Review and the 2018 Division of Revenue Bill.

### 1. The South African economy and inflation targets

The 2018 Budget Review emphasised that, although global risk factors remain elevated, the world economy continues to provide a supportive platform for South Africa to expand trade and investment. The world economic growth is at its highest since 2014 and continues to gather pace with Gross Domestic Product (GDP) growth increasing across all major economies.

South Africa has experienced a period of protracted economic weakness which diminishes private investment. This may be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient. Growth has remained stagnant at less than 2 per cent and unemployment remains high at 26.7 per cent. The prerequisites for increased revenue and expanded service delivery are more rapid growth, investment and job creation.

The GDP growth rate is forecasted at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture and mining.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in these sectors. The current water crisis in the Western Cape and other provinces will affect economic growth. While the drought's impact is uncertain much depends on how long it will prevail; the extent to which specific catchment areas are affected; and the success of mitigation measures.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In addition, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

The following macro-economic forecasts must be considered when preparing the 2018/19 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2017 - 2020**

Fiscal year	2017/18	2018/19	2019/20	2020/21
	Estimate	Forecast		
Consumer Price Inflation (CPI)	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%

Source: 2018 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

## **2. Key focus areas for the 2018/19 budget process**

### **2.1 Local government grants and additional allocations**

Since the 2017 Medium Term Budget Policy Statement (MTBPS) reprioritisation and reductions undertaken have affected planned spending for 2018/19. Local government direct and indirect transfers absorb 18.8 per cent of the reductions. A total of R13.9 billion has been cut from direct local government conditional grant allocations for the Medium Term Expenditure Framework (MTEF) period ahead since the 2017 MTBPS was tabled. Indirect grants to local government have been reduced by an additional R2.2 billion.

The reductions did not affect all conditional grants, and not all grants were reduced by the same percentage. The infrastructure conditional grants, particularly the larger ones, were mainly affected as this was considered the most practical approach. The overall impact of reducing this funding affects capital programmes; therefore local government's share of the reductions is higher than their share of the division of revenue, given that municipalities receive a number of infrastructure grants. The average reductions over the medium term are 3.5 per cent of local government allocations.

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share and the sharing of the general fuel levy constitute additional unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.

Allocations to the local government equitable share will continue to grow over the next three years, alongside a significant reduction in conditional grants. The total value of conditional grants directly transferred to local government increases from R43.3 billion in 2018/19 to R44.8 billion in 2019/20 and R47.8 billion in 2020/21.

Large municipalities are expected to invest more of their own resources, offsetting some of the impact of reductions to infrastructure grants, while building partnerships with the private sector for infrastructure delivery over the period ahead.

The 2018 Budget provides for R382.8 billion to be transferred directly to local government and a further R21.8 billion allocated to indirect grants for the 2018 MTEF. Direct transfers to local government over the medium term account for 9 per cent of national government's non-interest expenditure. Total direct allocations to local government grow at an annual average rate of 7.5 per cent over the MTEF period. The total spending on local government increases to 9.5 per cent of national non-interest expenditure when adding indirect transfers.

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:  
<http://www.treasury.gov.za/documents/national%20budget/2018/>

### **Changes to local government allocations**

## Unconditional grants

An amount of R3.4 billion is added to the *local government equitable share* over the medium term to compensate for the rising costs of providing free basic services to the growing number of indigent households. This covers the likely above-inflation increases in the costs of bulk water and electricity. This also allows for faster increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula. This allocation is in addition to the previous increases and an above inflation growth rate for the baseline in 2020/21. This means that the local government equitable share grows at an annual average rate of 10.4 per cent over the MTEF.

## Conditional grants

The most substantial reduction has been applied to the largest grant – the *municipal infrastructure grant*. However, the structure of the formula used to allocate this grant reduces the impact of reductions on smaller municipalities. Project-based grants, such as those in the electricity and water sectors, have identified projects that will be postponed as a result of the adjustments. These changes do not affect any water augmentation projects in drought-affected areas.

Reductions to the *public transport network grant* are much larger in the outer years of the MTEF. This allows for the Department of Transport and the National Treasury to review the sustainability of public transport plans and to assess whether some cities should put projects on hold while they revisit system design.

The 2017 MTBPS announced a new funding mechanism to support recovery plans for municipalities that face a financial crisis, as provided for in section 139(5) of the Constitution. A *new municipal restructuring grant* will be introduced to help municipalities in financial crisis to implement reforms to turn themselves around. The National Treasury will consult with national departments, provinces and South African Local Government Association (SALGA) on the design of the grant and its coordination with other capacity-building programmes during 2018. The grant is intended to be a short-term intervention that will fund the turnaround of struggling municipalities. It will help identified municipalities that are in financial distress, but have demonstrated a commitment to implementing the necessary reforms. If needed, the intervention powers outlined in section 139 of the Constitution may also be used as part of the broader approach to turning around these municipalities.

The municipal restructuring grant will be made available within the parameters of the existing legal framework and will not provide bailouts to municipalities. It will fund the implementation of specific outputs in support of a financial recovery plan approved by a municipal council. The council must demonstrate political buy-in by adopting such a plan, and the municipality must also commit its own resources to implementing parts of the plan.

Smaller cities face some of the same urban development challenges as major metropolitan areas. These cities will be eligible for a *new integrated urban development grant* from 2019/20. Cities will have to meet planning and performance criteria to receive the grant, which will be funded through a shift of funds from the municipal infrastructure grant. The new grant will require cities to plan for a programme of infrastructure investment, funded from grants and own revenues, rather than just standalone projects. This aligns with the policy set out in the Integrated Urban Development Framework (IUDF) approved by Cabinet in April 2016. This approach will be piloted in uMhlathuze and Polokwane local municipalities in 2018/19. Eligible municipalities will be invited to apply for the grant during 2018. The application process is set out in clause 27(5) of the 2018 Division of Revenue Bill.

## 2.2 Drought disaster relief

Severe drought conditions are affecting large parts of the country, and placing extreme strain on the supply of water to the nearly 4 million people in the City of Cape Town. Some smaller towns in the Northern Cape, Eastern Cape and Western Cape, as well as Nelson Mandela Bay Metro, are also facing severe water shortages. The drought has been classified as a national disaster by the National Disaster Management Centre. Government is committed to managing available supply to ensure basic needs are met, while implementing plans to improve long-term sustainability in a water stressed country.

Government is prepared to provide financial assistance as deemed necessary:

- A provisional allocation of R6 billion has been set aside in 2018/19 for drought relief in several provinces, to assist the water sector and to augment public investment projects supported by improved infrastructure planning. Some of these funds may be allocated to support water augmentation projects in an Adjustments Budget, however, the full costs of new schemes will eventually have to be recovered from water users through tariffs.
- The Division of Revenue Act allows for conditional grant funds to be reallocated for disaster relief. Such additional funding may be used in 2017/18 for immediate interventions such as accelerating groundwater development.
- Disaster relief grants for provinces and municipalities are R423.7 million in 2017/18 and R472.9 million in 2018/19. This may be quickly released to assist in the event of an emergency.
- If agricultural employment is seriously destabilised, government can temporarily increase the intake on the Working for Water Programme. These short-term jobs will provide a substitute employment option, while helping to improve runoff in catchment areas by removing alien vegetation.

## 2.3 Participation in RT15-2016 Vodacom transversal contract- for the supply and delivery of mobile communication services to the state

When municipalities make an application to the Office of the Chief Procurement Officer (OCPO) to participate in the RT15-2016 transversal contract's account management service offering in respect of smart meters, they must comply with the process that will be communicated in an MFMA Circular that will soon be issued. In terms of the application process municipalities are expected to provide evidence of adequate operating budget provision over the MTREF. The Circular will include pre-conditions for eligibility to participate, such as adequate resourcing and technology platform to fulfil their obligation as envisaged by the Smart Utility Management Solution; and capability to sustain the implementation effort in the longer term.

## 3. The revenue budget

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore municipalities are required to **justify all increases in excess of the projected inflation target for 2018/19** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition municipalities should



include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving own revenue collection, working more efficiently and implementing cost containment measures.

### **3.1 Eskom bulk tariff increases**

The National Energy Regulator of South Africa (NERSA) published their "Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2018/19 Financial Year" on 28 February 2018. Municipalities are encouraged to download the full guideline document (available at [www.nersa.org.za](http://www.nersa.org.za)) and study it carefully. The guideline includes an update to the average cost structure used to determine the municipal tariff increase. It also sets out proposed timeframes for the approval of municipal tariffs. NERSA invites comments on the guideline to be submitted by 20 March 2018.

The NERSA document proposes a 6.84 per cent guideline increase for municipal electricity tariffs for 2018/19. This is based on a bulk tariff increase for municipalities of 7.32 per cent.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2018/19 MTREF budget.

It should be noted that the guideline increase for municipal tariffs and the bulk tariff increase that Eskom will charge municipalities are both lower than the 8 per cent used to calculate the free basic electricity subsidies provided through the local government equitable share formula.

## **4. Funding choices and management issues**

### **4.1 Management issues**

Many municipalities continue to face institutional challenges and mismanagement that result in service delivery failures, bad debt accumulation, limited cash flows and consequent non-payment of creditors. Eskom and water boards are owed the greater percentage of the total municipal creditors; and protracted non-payment undermines the financial sustainability of these state-owned entities.

The non-payment of creditors is a symptom of underlying problems which include, among others, weaknesses in revenue collection and underinvestment in asset maintenance and renewal, which compromises the reliability of delivering basic services. There are too many municipalities that fail to adopt credible budgets and this means that even if they adhere to their budgeted plans, they will not be financially sustainable.

The national and provincial departments collectively owe municipalities and while much of the historic debt has been verified by the Department of Public Works there are departments that do not have sufficient funds to settle these debts. The Department of Public Works continues to facilitate the ongoing government debt verification and settlement process.

In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance. Where municipalities

consistently fail to deliver their mandates, the Constitution provides for provincial and/or national government to intervene.

Government will introduce a conditional grant in the outer years of the 2018 MTEF to provide support to municipalities facing financial crises. This grant funding will only be accessible to municipalities that have demonstrated the political will to implement reforms necessary to turn themselves around. The grant will be designed and consulted during 2018.

#### 4.2 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.

#### 4.3 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

### 5. Conditional Grant Transfers to Municipalities

This section provides guidance to municipalities with regard to the preparation for the 2017/18 unspent conditional grant and roll-over process and should be referenced to previous annual budget circulars.

#### 5.1 Criteria for the rollover of conditional grant funds

Section 22 of the 2017 Division of Revenue Act (DoRA) requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer, provincial treasury and transferring national officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 22(2) of the DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer must be addressed to the **National Treasury** requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2017 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
  - a) Proof that the project tender was published and the period for tender submissions closed before 31 March;
  - b) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or

- c) Proof of a project tender, appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the final year of the project; and
  - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2019 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation (**attach a visible implementation plan**);
  5. The value of the committed project funding, and the conditional allocation from the funding source;
  6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
  7. Municipalities must not include previous year's unspent conditional grants as a rollover request. Rollover of rollovers will not be considered;
  8. An indication of the time-period within which the funds are to be spent if the roll over is approved; and
  9. Proof that the Chief Financial Officer and Municipal Manager are permanently appointed.

***No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy.***

**If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2018, the application will be declined.**

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2017 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements information to National Treasury by 31 August 2018;
3. Accurate disclosure of grant performance in the 2017/18 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. The National Treasury will not consider requests to approve the entire allocation to the municipality as there should be a minimum spend of 50 per cent of the allocation per programme;
5. Cash available in the bank (net position including short term investments) as at 30 June 2018 and in line with the cash flow statements to finance the roll-over request;
6. No approval will be granted to municipalities requesting a roll-over of the same grant for the third consecutive time;
7. Incorporation of the Appropriation Statement;
8. No roll over application project constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636) will be approved. Projects linked to additional funding and disasters are exempted;
9. If the full amount that is requested for roll over is not entirely cash backed, such a roll over will not be approved. National Treasury will not approve portions of roll over requests; and
10. Evidence that the roll over application is linked to invoices that were issued within the last 30 days of the municipal financial year end.



## 5.2 Unspent conditional grant funds for 2017/18

The process to ensure the return of unspent conditional grants for the 2017/18 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2018 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile.
- Step 2: When preparing the Annual Financial Statements a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2018. These amounts **MUST** exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately.
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2017 DoRA that the unspent funds are committed to identifiable projects, the roll over application pack must be submitted to National Treasury by 31 August 2018.

***National Treasury will not consider any rollover requests that are incomplete or received after this deadline.***

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2018 or whether it will agree to any alternative payment arrangement or schedules.
- Step 5: National Treasury will communicate the unspent conditional grants amount by 05 November 2018. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 19 November 2018.
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 19 November 2018, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 03 December 2018 equitable share allocation.

**All other issues pertaining to Appropriation Statement and reporting on approved roll overs are addressed in the Annexure to MFMA Circular No. 86.**

## 6. The Municipal Budget and Reporting Regulations

### 6.1 The impact of VAT increase on tariffs

VAT will increase from 14 per cent to 15 per cent from April 2018. In terms of Section 7(4) of Value-Added Tax Act (No. 89 of 1991), the VAT increase takes effect on 1 April. It is a tax increase as result of tax legislation that municipalities must implement and not an increase of tariffs by the municipalities. Therefore Section 28(6) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA), is not applicable in this regard.

Whether the additional amount is recoverable from the customer or not, the supplier must account for VAT on any supplies made on or after 1 April 2018 at the increased VAT rate.

The South African Revenue Service issued a guideline on how the increase in VAT must be implemented. The guideline is available on the link below:

<http://www.sars.gov.za/AllDocs/OpsDocs/Guides/LAPD-VAT-G13%20-%20VAT%20Pocket%20Guide%20on%20the%20VAT%20rate%20increase%20on%201%20April%202018%20-%20External%20Guide.pdf>

## 6.2 Schedule A - version to be used for the 2018/19 MTREF

National Treasury has released Version 6.2 of Schedule A1 (the Excel Formats) which is aligned to version 6.2 of the mSCOA classification framework which must be used when compiling the 2018/19 MTREF budget. **ALL municipalities MUST** use this version for the preparation of their 2018/19 MTREF budget.

***It is imperative that all municipalities prepare their 2018/19 MTREF budgets in their mSCOA financial systems and that the A1 schedule be produced directly from their financial system. All financial systems must have this functionality to assist and prepare budgets.***

Special attention must be given to the supporting schedules in the prescribed A1 Schedule. Where detailed data is housed in a sub-system e.g. human resource data for SA22 to SA24, this data must be extracted from the sub-system into the applicable supporting sheet.

The following supporting tables will be included for perusal and sign-off during the verification process of the 2018 MTREF: SA11, SA12a, SA13a, SA14, SA22, SA23, SA24, SA25, SA27, SA36, SA37 and SA38.

It is therefore important to focus on the additional supporting data as well as the financial data submitted on A1 to A10 during the verification process undertaken with National Treasury, the provincial treasuries and all municipalities.

Download Version 6.2 of Schedule A1 by clicking [HERE](#)

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

## 6.3 Assistance with the compilation of budgets

In cases where the municipality requires advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury official:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Bernard Mokgabodi	012-315 5936	<a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a>
	Matlatji Mashoeshoe	012-315 5553	<a href="mailto:Matlatji.Mashoeshoe@treasury.gov.za">Matlatji.Mashoeshoe@treasury.gov.za</a>
Free State	Jordan Maja	012-315 5663	<a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>

	Nomxolisi Mawulana	012-315 5460	<a href="mailto:Nomxolisi.Mawulana@treasury.gov.za">Nomxolisi.Mawulana@treasury.gov.za</a>
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	<a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a>
	Johan Botha	012-315 5171	<a href="mailto:Johan.Botha@treasury.gov.za">Johan.Botha@treasury.gov.za</a>
Limpopo	Una Rautenbach	012-315 5700	<a href="mailto:Una.Rautenbach@treasury.gov.za">Una.Rautenbach@treasury.gov.za</a>
	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Willem Voigt	012-315 5830	<a href="mailto:Willem.Voigt@treasury.gov.za">Willem.Voigt@treasury.gov.za</a>
	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Northern Cape	Jordan Maja	012-315 5663	<a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a>
	Anthony Moseki	012-315 5174	<a href="mailto:Anthony.Moseki@treasury.gov.za">Anthony.Moseki@treasury.gov.za</a>
North West	Sadesh Ramjathan	012-315 5101	<a href="mailto:Sadesh.Ramjathan@treasury.gov.za">Sadesh.Ramjathan@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Vuyo Mbunge	012-315 5661	<a href="mailto:Vuyo.Mbunge@treasury.gov.za">Vuyo.Mbunge@treasury.gov.za</a>
	Kevin Bell	012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations. In addition to the above compliance check, the mSCOA data strings will be assessed to determine whether the municipalities are compliant.

The National Treasury herewith emphasises that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to return to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The Schedule A that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and the budget of the parent municipality. Schedules D must be submitted for each entity.

## 7. Budget process and submissions for the 2018/19 MTREF

### 7.1 Budgeting for the audited years on Schedule A (mSCOA)

According to international learning practices, it is appropriate to reclassify historical information in accordance with the changes that occur in the Standard Chart of Accounts. Municipalities must capture the reclassified audit outcomes for 2014/15 to 2016/17 in version 6.2 of the Schedule A when compiling 2018/19 MTREF budgets.

The amalgamated municipalities must complete the 2016/17 audited years, current year (2017/18) and the 2018/19 MTREF budgets.

## 7.2 Submitting budget documentation and schedules for 2018/19 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in the municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns is **Tuesday, 03 April 2018**. The deadline for submission of hard copies including council resolution is **Friday, 06 April 2018**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2018, the final date for such a submission is **Friday, 13 July 2018**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- the budget locking certificate; and
- schedules D specific for the entities.

Municipalities are required to send electronic versions of documents and the A1 schedule to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za). Any problems experienced in this regard can be addressed with Elsabe Rossouw at [Elsabe.Rossouw@treasury.gov.za](mailto:Elsabe.Rossouw@treasury.gov.za). Budget related documents and schedules may also be uploaded using the LG Upload Portal at <https://portals.treasury.gov.za/sites/LGUploadPortal/SitePages/Home.aspx>

Municipalities are required to send printed submissions of their budget documents and council resolution to:

### **For couriered documents**

Ms Linda Kruger  
National Treasury  
40 Church Square  
Pretoria, 0002

### **For posted documents**

Ms Linda Kruger  
National Treasury  
Private Bag X115  
Pretoria, 0001

In addition to the above-mentioned budget documentation, metropolitan municipalities must submit the draft Built Environment Performance Plan (BEPP) tabled in council by 31 March 2018 to [Yasmin.coovadia@treasury.gov.za](mailto:Yasmin.coovadia@treasury.gov.za). If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to [Yasmin.coovadia@gmail.com](mailto:Yasmin.coovadia@gmail.com) or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with [Yasmin.Coovadia@treasury.gov.za](mailto:Yasmin.Coovadia@treasury.gov.za). Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3<sup>rd</sup> floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

### 7.3 Budget reform returns to the Local Government Database for publication

Municipalities are required to continue to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. All returns are to be sent to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za). Although there is some mis-alignment between the mSCOA classification and the budget return forms, municipalities must find the best fit to represent their 2018 MTREF budget figures as the publications will still be based on the budget returns for 2018/19.

Municipalities must submit returns for both the **tabled** budget and the final **adopted** budget as this will assist the National and provincial treasuries with the annual benchmark process. The current electronic returns may be downloaded from National Treasury's website at the following link: [http://mfma.treasury.gov.za/Return\\_Forms/Pages/default.aspx](http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx).

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

### 7.4 Upload of the mSCOA budget data strings to the LG upload portal

Municipalities must upload the mSCOA data strings for the tabled (**TABB**) and adopted (**ORGB**) budget to the upload portal. The budget data strings must be accompanied by the IDP project details data strings (**PRTA** and **PROR**). The deadlines for submission of the MBRR documents are also applicable to the mSCOA data strings. Refer to paragraph 7.2 above.

### 7.5 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (including the audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting transparency and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

## Contact



**national treasury**

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National Treasury  
REPUBLIC OF SOUTH AFRICA

**Post** Private Bag X115, Pretoria 0001  
**Phone** 012 315 5009  
**Fax** 012 395 6553  
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**JH Hattingh**

**Chief Director: Local Government Budget Analysis**

**07 March 2018**

# ANNEXURE 5





Province: Municipality(WC041) - Schedule of Service Delivery Standards Table Kannaland Municipality 2018/19

Standard	Description	Service Level
<b>Solid Waste Removal</b>		
Premise based removal (Residential Frequency)		Once per week in Ladismith, Zoar and Calitzdorp. Vanwyksdorp receives removals once every two weeks Per quarter it will be 16x3= 48 refuse removals per quarter
Premise based removal (Business Frequency)		Businesses receive refuse removals once per week, except for businesses in Vanwyksdorp who receive business removals once every two weeks. Per quarter it will be 16x3=48 refuse removals per quarter Refuse cages are cleared once per week. The 2 cheese factories does not receive refuse removals, but dispose their waste at the landfill sites daily
Bulk Removal (Frequency)		Yes, the Municipality provides black bags quarterly
Removal Bags provided(Yes/No)		No, garden refuse does not get collected, but can be disposed at the landfill sites free of charge
Garden refuse removal Included (Yes/No)		Street cleaning in the CBD is a function of Community Services
Street Cleaning Frequency in CBD		Street cleaning in residential areas are also a function of Community Services, but on a weekly basis it is done by the Youth Jobs in Waste (EDWP) workers
Street Cleaning Frequency in areas excluding CBD		This is also a function of Community Services
How soon are public areas cleaned after events (24hours/48hours/longer)		Illegal dumping sites are cleared within 72hours after a formal complaint has been lodged with the Municipality's customer care service
Clearing of illegal dumping (24hours/48hours/longer)		No recycling or environmentally friendly practices are taking place in the Municipality
Recycling or environmentally friendly practices(Yes/No)		Ladismith landfill site is licensed for Household refuse, garden waste and builders rubble Zoar landfill site is licensed for household waste, garden waste and builders rubble Calitzdorp landfill site is licensed for garden waste and builders rubble
Licensed landfill site(Yes/No)		
<b>Water Service</b>		
Water Quality rating (Blue/Green/Brown/NO drop)		Blue / Green
Is free water available to all? (All/only to the indigent consumers)		Yes only to indigents
Frequency of meter reading? (per month, per year)		Per month
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)		No estimates are used. The officials read the actual reading on the meters.
On average for how long does the municipality use estimates before reverting back to actual readings? (months)		Immediately
<b>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</b>		
One service connection affected (number of hours)		two hours
Up to 5 service connection affected (number of hours)		three hours
Up to 20 service connection affected (number of hours)		three hours
Feeder pipe larger than 800mm (number of hours)		five hours
What is the average minimum water flow in your municipality?		3.5 ml per day
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)		No
How long does it take to replace faulty water meters? (days)		one day

Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
<b>Electricity Service</b>	
What is your electricity availability percentage on average per month?	100 percent
Do your municipality have a ripple control in place that is operational? (Yes/No)	No
How much do you estimate is the cost saving in utilizing the ripple control system?	No
What is the frequency of meters being read? (per month, per year)	once per month
Are estimated consumption calculated at consumption over (two months/three months/longer period)	No estimates allowed
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	No estimates allowed
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	immediately
Are accounts normally calculated on actual readings? (Yes/no)	Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No
How long does it take to replace faulty meters? (days)	immediately
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes
How effective is the action plan in curbing line losses? (Good/Bad)	Good
How soon does the municipality provide a quotation to a customer upon a written request? (days)	Two days
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	One Day
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	One Day
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	One day
<b>Sewerage Service</b>	
Are your purification system effective enough to put water back in to the system after purification?	No we do not use this type of service. This is only for irrigation purposes
To what extend do you subsidize your indigent consumers?	Only to indigent consumers
<b>How long does it take to restore sewerage breakages on average</b>	
Severe overflow? (hours)	24 hours
Sewer blocked pipes: Large pipes? (Hours)	24 hours
Sewer blocked pipes: Small pipes? (Hours)	24 hours
Spillage clean-up? (hours)	24 hours
Replacement of manhole covers? (Hours)	24 hours
<b>Road Infrastructure Services</b>	
Time taken to repair a single pothole on a major road? (Hours)	1 day
Time taken to repair a single pothole on a minor road? (Hours)	1 week
Time taken to repair a road following an open trench service crossing? (Hours)	24 hours
Time taken to repair walkways? (Hours)	1 month
<b>Property valuations</b>	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	1 month
Do you have any special rating properties? (Yes/No)	No
<b>Financial Management</b>	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/increase)	Decrease
Are the financial statement outsources? (Yes/No)	Yes

Are there Council adopted business process restructuring the flow and management of documentation feeding to Trial Balance?	No
How long does it take for an Tax/Invoice to be paid from the date it has been received?	
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	
<b>Administration</b>	
Reaction time on enquiries and requests?	Immediately
Time to respond to a verbal customer enquiry or request? (working days)	within one day
Time to respond to a written customer enquiry or request? (working days)	Normally within one day depending on the availability of the supervisor
Time to resolve a customer enquiry or request? (working days)	one day
What percentage of calls are not answered? (5%, 10% or more)	5%
How long does it take to respond to voice mails? (hours)	Immediately
Does the municipality have control over locked enquiries? (Yes/No)	Yes
Is there a reduction in the number of complaints or not? (Yes/No)	Yes. It must be noted that this cannot be predicted in any manner as there will always be complaints. It is our duty to see if this matter is resolved.
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	one day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	On a regular basis
<b>Community safety and licensing services</b>	
How long does it take to register a vehicle? (minutes)	five minutes
How long does it take to renew a vehicle license? (minutes)	two minutes
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	10 minutes
How long does it take to de-register a vehicle? (minutes)	three minutes
How long does it take to renew a drivers license? (minutes)	ten minutes
What is the average reaction time of the fire service to an incident? (minutes)	It depends if there is not another fire outage in the area as we do not have this services owned by the municipality. There is only one fire truck (services owned by EDEN dm)
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	It depends if there is no other incidents. Kannaland has a shortage of ambulances. It was raised at Indabas and still waits for responses.
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	It depends if there is no other incidents. Kannaland has a shortage of ambulances. It was raised at Indabas and still waits for responses.
<b>Economic development</b>	
How many economic development projects does the municipality drive?	ACP: 4
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	MIG: 2 EPWP: 6
What percentage of the projects have created sustainable job security?	All
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	100%
	Yes
<b>Other Service delivery and communication</b>	
Is a information package handed to the new customer? (Yes/No)	Yes
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes



## ANNEXURE 6



# Municipal annual budgets and MTREF & supporting tables

mSCOA Version 6.2

[Click for Instructions!](#)

Accountability

Transparency

Information &  
service delivery



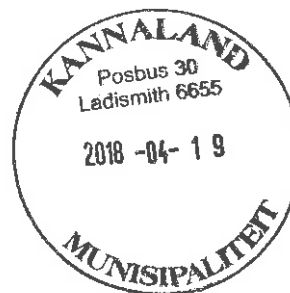
**national treasury**

Department  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Contact details:**

Elsabe Rossouw  
National Treasury  
Tel: (012) 315-5534  
Electronic submissions:  
[lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za)  
or

For registered users using the LG Upload Portal



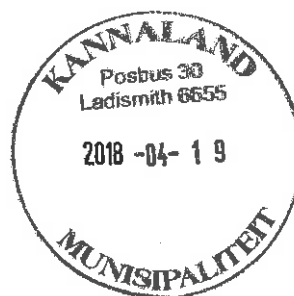
Preparation Instructions	
Municipality Name:	WCD41 Kannaland
CFO Name:	R Strudom
Tel:	028 551 8000
Fax:	028 551 1766
E-Mail:	cfo@kannaland.gov.za
Budget for MTREF starting:	2018
Budget Year:	2018/19
Does this municipality have Entities?	No
If YES: Identify type of report:	Consolidated Information
<b>LGDB Export</b>	<b>Name Votes &amp; Sub-Votes</b>
<b>Printing Instructions</b>	<b>Important documents which provide essential assistance</b>
<b>Showing / Hiding Columns</b> <input type="button" value="Hide Pre-audit columns on all"/> <input type="button" value="Hide Reference columns on all"/>	<a href="#">MFMA Budget Circulars</a> <a href="#">Click to view</a> <a href="#">MBRR Budget Formats Guide</a> <a href="#">Click to view</a> <a href="#">Dummy Budget Guide</a> <a href="#">Click to view</a> <a href="#">Funding Compliance Guide</a> <a href="#">Click to view</a> <a href="#">MFMA Return Forms</a> <a href="#">Click to view</a>
<b>Showing / Clearing Highlights</b> <input type="button" value="Clear Highlights on all sheets"/>	






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Organisational Structure Votes	Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - MUNICIPAL MANAGER	<b>MUNICIPAL MANAGER</b> Executive Executive Support [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote]	11 - Executive 12 - Executive Support
Vote 2 - CORPORATE SERVICES	<b>CORPORATE SERVICES</b> Administration Municipal Buildings Community Hall Cemeteries Libraries Housing Swimming Pools Parks and Recreation Traffic Fire Department	17 - Administration 18 - Municipal Buildings 19 - Community Hall 20 - Cemeteries 21 - Libraries 22 - Housing 23 - Swimming Pools 24 - Parks and Recreation 25 - Traffic 26 - Fire Department
Vote 3 - FINANCIAL SERVICES	<b>FINANCIAL SERVICES</b> Postal Agency Property Rates Chief Financial Services [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote]	31 - Postal Agency 32 - Property Rates 33 - Chief Financial Services
Vote 4 - TECHNICAL SERVICES	<b>TECHNICAL SERVICES</b> Refuse Sewerage Public Works Paved Roads Water Services Electricity Services Irrigation Water [Name of sub-vote] [Name of sub-vote] [Name of sub-vote]	41 - Refuse 42 - Sewerage 43 - Public Works 44 - Paved Roads 45 - Water Services 46 - Electricity Services 47 - Irrigation Water
Vote 5 - CALITZDORP SPA	<b>CALITZDORP SPA</b> Calitzdorp Spa [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote]	51 - Calitzdorp Spa
Vote 6 - [NAME OF VOTE 6]	[Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote]	
Vote 7 - [NAME OF VOTE 7]	[Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote] [Name of sub-vote]	
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Vote 10 - [NAME OF VOTE 10]	[Name of sub-vote] [Name of sub-vote]	



## WC041 Kannaland - Contact Information

## A. GENERAL INFORMATION

Municipality WC041 Kannaland

Grade

1 Grade in terms of the Remuneration of Public Office Bearers Act

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Title

Name

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Cell number

Fax number 028 551 1766

E-mail address cfo@kannaland.gov.za

## Secretary/PA to the Chief Financial Officer

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Title

Name

Telephone number

Cell number

Fax number

E-mail address

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Title

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Cell number

Fax number 0285511766

E-mail address chrizelda@kannaland.gov.za

## Official responsible for submitting financial information

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Title MR

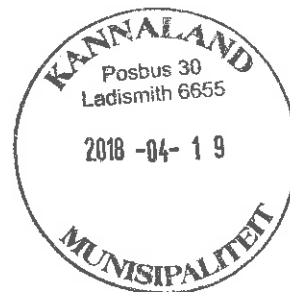
Name I GRISPE

Telephone number 0285511023

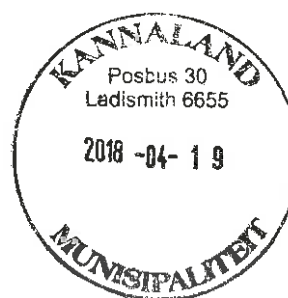
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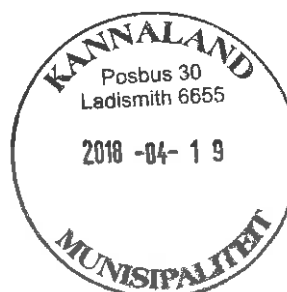


Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title	MS	Title	
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Telephone number	0285511023	Telephone number	
Cell number		Cell number	
Fax number	0235511766	Fax number	
E-mail address	lccene@kannaland.gov.za	E-mail address	
Official responsible for submitting financial information		Official responsible for submitting financial information	



WC041 Kannaland - 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	13 135	13 998	14 900	15 956	16 003	16 003	16 003	20 113	20 991	21 930
Service charges	58 439	60 503	65 141	69 258	65 390	65 390	65 390	74 994	78 032	82 276
Investment revenue	986	266	845	600	350	350	350	500	500	560
Transfers recognised - operational	28 884	42 697	42 534	32 310	41 067	41 067	41 067	33 146	33 256	35 259
Other own revenue	12 280	18 814	21 026	12 213	11 954	11 954	11 954	25 343	28 261	29 479
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>113 705</b>	<b>136 278</b>	<b>144 446</b>	<b>130 337</b>	<b>134 764</b>	<b>134 764</b>	<b>134 764</b>	<b>154 096</b>	<b>161 039</b>	<b>169 503</b>
Employee costs	43 725	50 741	47 710	45 190	47 485	47 485	47 485	55 215	56 999	59 990
Remuneration of councillors	2 663	2 884	2 613	3 056	2 928	2 928	2 928	3 053	3 207	3 369
Depreciation & asset impairment	13 432	11 839	15 077	10 549	11 581	11 581	11 581	10 661	11 205	11 747
Finance charges	4 114	4 882	4 077	800	800	800	800	422	426	453
Materials and bulk purchases	27 028	32 822	28 704	30 964	29 544	29 544	29 544	35 312	37 283	39 357
Transfers and grants	-	-	-	-	-	-	-	3 126	2 655	2 757
Other expenditure	40 265	61 727	61 368	35 752	44 140	35 752	44 140	42 683	44 117	45 668
<b>Total Expenditure</b>	<b>131 227</b>	<b>164 896</b>	<b>159 548</b>	<b>126 312</b>	<b>136 478</b>	<b>128 090</b>	<b>136 478</b>	<b>150 471</b>	<b>155 892</b>	<b>163 339</b>
<b>Surplus/(Deficit)</b>	<b>(17 522)</b>	<b>(28 618)</b>	<b>(15 102)</b>	<b>4 025</b>	<b>(1 714)</b>	<b>6 674</b>	<b>(1 714)</b>	<b>3 625</b>	<b>5 147</b>	<b>6 164</b>
Transfers and subsidies - capital (monetary allocations)	32 449	34 842	22 953	30 801	21 652	21 652	21 652	44 648	59 828	58 260
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>14 927</b>	<b>6 224</b>	<b>7 862</b>	<b>34 825</b>	<b>19 938</b>	<b>28 325</b>	<b>19 938</b>	<b>48 273</b>	<b>64 975</b>	<b>64 424</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>14 927</b>	<b>6 224</b>	<b>7 862</b>	<b>34 825</b>	<b>19 938</b>	<b>28 325</b>	<b>19 938</b>	<b>48 273</b>	<b>64 975</b>	<b>64 424</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	22 282	34 791	34 791	-	44 648	59 828	58 260
Transfers recognised - capital	-	-	-	22 282	34 791	34 791	-	44 648	59 828	58 260
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	-	-	-	22 282	34 791	34 791	-	44 648	59 828	58 260
<b>Financial position</b>										
Total current assets	40 537	33 072	10 488	61 592	72 572	72 150	72 150	60 391	62 595	66 023
Total non current assets	293 454	305 705	317 205	324 009	313 949	313 828	313 828	347 815	407 100	464 817
Total current liabilities	69 330	87 804	61 409	60 386	55 930	47 581	47 581	44 028	38 215	31 358
Total non current liabilities	46 417	30 114	37 709	30 103	39 186	39 186	39 186	37 851	38 012	37 513
Community wealth/Equity	218 244	220 859	228 575	295 112	291 405	299 211	299 211	326 327	393 468	461 969
<b>Cash flows</b>										
Net cash from (used) operating	30 886	38 837	25 565	34 825	27 174	27 174	27 174	4 458	6 253	7 446
Net cash from (used) investing	(27 994)	(33 269)	(26 152)	(30 801)	(21 652)	(21 652)	(21 652)	-	-	-
Net cash from (used) financing	(575)	(5 994)	(1 408)	-	-	-	-	(720)	(720)	(720)
<b>Cash/cash equivalents at the year end</b>	<b>3 747</b>	<b>3 321</b>	<b>277</b>	<b>4 025</b>	<b>5 522</b>	<b>5 522</b>	<b>5 522</b>	<b>9 260</b>	<b>14 794</b>	<b>21 520</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	8 958	3 338	295	2 000	2 000	2 000	2 000	-	-	-
Application of cash and investments	41 435	61 092	48 501	2 053	139	(8 955)	(9 021)	(3 027)	(9 438)	(18 837)
<b>Balance - surplus (shortfall)</b>	<b>(32 477)</b>	<b>(57 754)</b>	<b>(48 206)</b>	<b>(53)</b>	<b>1 861</b>	<b>10 955</b>	<b>11 021</b>	<b>3 027</b>	<b>9 438</b>	<b>18 837</b>
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	21 025	35 023	35 023	35 023	21 166	39 341	42 757
Depreciation	-	-	-	10 812	10 459	10 459	10 459	10 781	11 355	11 947
Renewal of Existing Assets	-	-	-	5 000	5 000	5 000	5 000	-	-	-
Repairs and Maintenance	-	-	-	19 700	19 359	19 359	19 359	23 571	24 950	26 408
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	10 312	7 950	7 950	8 450	8 450	10 017	10 568
Revenue cost of free services provided	2 837	3 280	3 772	4 087	4 087	4 087	5 555	5 555	5 901	6 270
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-





WC041 Kannaland - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification 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>1</b>									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		146 154	171 119	167 410	30 947	34 614	-	63 776	68 078	73 785
Executive and council		146 154	171 119	167 410	2 738	2 738	-	26 422	28 402	30 220
Finance and administration		-	-	-	28 208	31 875	-	37 354	39 676	43 565
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	4 125	4 373	-	13 136	12 226	10 374
Community and social services		-	-	-	2 065	2 266	-	13 116	12 204	10 352
Sport and recreation		-	-	-	-	-	-	20	21	22
Public safety		-	-	-	-	47	-	-	-	-
Housing		-	-	-	2 060	2 060	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	18 726	18 726	-	7 851	8 254	8 690
Planning and development		-	-	-	-	-	-	111	111	111
Road transport		-	-	-	18 726	18 726	-	7 740	8 143	8 579
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	107 339	98 703	-	113 982	132 309	134 914
Energy sources		-	-	-	57 608	54 485	-	48 778	52 451	55 264
Water management		-	-	-	14 485	10 159	-	38 584	35 221	31 058
Waste water management		-	-	-	25 426	24 048	-	19 414	36 917	40 446
Waste management		-	-	-	9 820	10 012	-	7 205	7 721	8 146
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	146 154	171 119	167 410	161 137	156 415	-	198 744	220 867	227 763
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		131 227	164 896	159 548	41 164	46 233	-	53 202	55 337	57 664
Executive and council		131 227	164 896	159 548	11 595	12 623	-	14 234	14 526	14 571
Finance and administration		-	-	-	29 569	33 609	-	38 969	40 810	43 094
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	6 148	7 796	-	10 294	9 426	10 037
Community and social services		-	-	-	2 861	3 682	-	7 707	7 086	7 567
Sport and recreation		-	-	-	795	896	-	267	293	310
Public safety		-	-	-	-	159	-	-	-	-
Housing		-	-	-	2 492	3 058	-	2 320	2 047	2 160
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	13 665	14 922	-	15 135	15 470	16 297
Planning and development		-	-	-	-	-	-	111	111	111
Road transport		-	-	-	13 665	14 922	-	15 024	15 359	16 186
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	65 335	67 527	-	71 476	75 266	79 341
Energy sources		-	-	-	37 455	36 690	-	40 698	42 937	45 299
Water management		-	-	-	12 344	15 532	-	14 688	15 494	16 345
Waste water management		-	-	-	8 772	8 681	-	9 427	9 952	10 483
Waste management		-	-	-	6 764	6 624	-	6 663	6 884	7 214
<b>Other</b>	4	-	-	-	-	-	-	364	393	-
<b>Total Expenditure - Functional</b>	3	131 227	164 896	159 548	126 312	136 478	-	150 471	155 892	163 339
<b>Surplus/(Deficit) for the year</b>		14 927	6 224	7 862	34 825	19 938	-	48 273	64 975	64 424

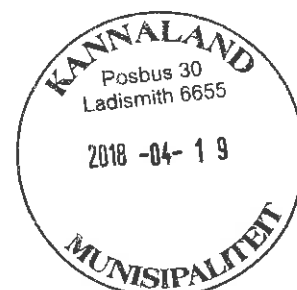






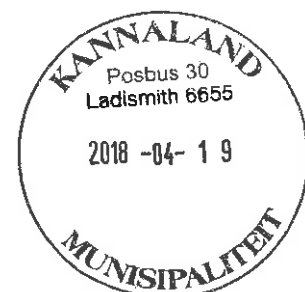
WC041 Kannaland - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification 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>Revenue - Functional</b>	<b>1</b>									
<b>Municipal governance and administration</b>		146 154	171 119	167 410	30 947	34 614	-	63 776	68 078	73 785
Executive and council		146 154	171 119	167 410	2 738	2 738	-	26 422	28 402	30 220
Mayor and Council		146 154	171 119	167 410	2 498	2 498	-	26 422	28 402	30 220
Municipal Manager, Town Secretary and Chief Executive		-	-	-	240	240	-	-	-	-
Finance and administration		-	-	-	28 208	31 875	-	37 354	39 676	43 565
Administrative and Corporate Support		-	-	-	505	992	-	1 437	1 444	1 515
Asset Management		-	-	-	-	-	-	-	-	-
Budget and Treasury Office		-	-	-	-	-	-	12 981	14 838	14 660
Finance		-	-	-	27 268	30 449	-	18 990	20 850	21 780
Fleet Management		-	-	-	-	-	-	-	-	-
Human Resources		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Legal Services		-	-	-	-	-	-	-	-	-
Marketing, Customer Relations, Publicity and Media Co-		-	-	-	-	-	-	-	-	-
Property Services		-	-	-	435	435	-	2 876	3 021	3 204
Risk Management		-	-	-	-	-	-	79	(477)	2 302
Security Services		-	-	-	-	-	-	-	-	-
Supply Chain Management		-	-	-	-	-	-	-	-	-
Valuation Service		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Governance Function		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	4 125	4 373	-	13 136	12 226	10 374
Community and social services		-	-	-	2 055	2 266	-	13 116	12 204	10 352
Aged Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		-	-	-	23	23	-	9 848	9 757	10 060
Child Care Facilities		-	-	-	-	-	-	-	-	-
Community Halls and Facilities		-	-	-	55	265	-	350	264	290
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		-	-	-	-	-	-	-	-	-
Disaster Management		-	-	-	-	-	-	-	-	-
Education		-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Libraries and Archives		-	-	-	1 987	1 988	-	3 118	2 183	2
Literacy Programmes		-	-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		-	-	-	-	-	-	-	-	-
Population Development		-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
<b>Sport and recreation</b>		-	-	-	-	-	-	20	21	22
Beaches and Jetties		-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		-	-	-	-	-	-	-	-	-
Recreational Facilities		-	-	-	-	-	-	-	-	-
Sports Grounds and Stadiums		-	-	-	-	-	-	20	21	22
<b>Public safety</b>		-	-	-	-	47	-	-	-	-
Civil Defence		-	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		-	-	-	-	47	-	-	-	-
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
<b>Housing</b>		-	-	-	2 060	2 060	-	-	-	-
Housing		-	-	-	2 060	2 060	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
<b>Health</b>		-	-	-	-	-	-	-	-	-
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		-	-	-	-	-	-	-	-	-
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases		-	-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-



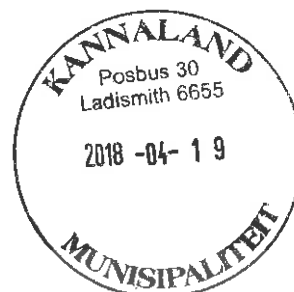


<b>Economic and environmental services</b>								
Planning and development				18 725	18 725		7 851	8 254
Billboards							111	111
Corporate Wide Strategic Planning (IDPs, LEDs)								
Central City Improvement District								
Development Facilitation								
Economic Development/Planning							111	111
Regional Planning and Development								
Town Planning, Building Regulations and Enforcement, and City								
Project Management Unit								
Provincial Planning								
Support to Local Municipalities								
Road transport				18 725	18 725		7 740	8 143
Police Forces, Traffic and Street Parking Control				7 306	7 306		7 232	7 630
Pounds								
Public Transport								
Road and Traffic Regulation								
Roads				11 420	11 420		508	514
Taxi Ranks								
Environmental protection								
Biodiversity and Landscape								
Coastal Protection								
Indigenous Forests								
Nature Conservation								
Pollution Control								
Soil Conservation								
Trading services				107 335	98 703		113 982	132 309
Energy sources				57 608	54 485		48 778	52 451
Electricity				57 608	54 485		48 778	52 451
Street Lighting and Signal Systems								
Nonelectric Energy								
Water management				14 485	10 159		36 584	35 221
Water Treatment								
Water Distribution				14 485	10 159		36 584	35 221
Water Storage								
Waste water management				25 426	24 048		19 414	36 917
Public Toilets								
Sewerage				25 426	24 048		19 414	36 917
Storm Water Management								
Waste Water Treatment								
Waste management				9 820	10 012		7 205	7 721
Recycling								
Solid Waste Disposal (Landfill Sites)								
Solid Waste Removal				9 820	10 012		7 205	7 721
Street Cleaning								
Other								
Abattoirs								
Air Transport								
Forestry								
Licensing and Regulation								
Markets								
Tourism								
<b>Total Revenue - Functional</b>	<b>146 154</b>	<b>171 119</b>	<b>167 410</b>	<b>161 137</b>	<b>156 415</b>	<b>-</b>	<b>198 744</b>	<b>220 867</b>





<b>Expenditure - Functional</b>									
<b>Municipal governance and administration</b>	131 227	164 896	159 548	41 164	46 233	-	53 202	55 337	57 684
Executive and council	131 227	164 896	159 548	11 595	12 523	-	14 234	14 525	14 571
Mayor and Council	131 227	164 896	159 548	6 413	7 813	-	9 209	9 388	9 207
Municipal Manager, Town Secretary and Chief Executive	-	-	-	5 182	4 811	-	5 024	5 138	5 363
Finance and administration	-	-	-	29 568	33 609	-	38 969	40 810	43 094
Administrative and Corporate Support	-	-	-	11 257	11 800	-	11 278	11 888	12 523
Asset Management	-	-	-	-	-	-	-	-	-
Budget and Treasury Office	-	-	-	-	-	-	26 690	27 613	29 050
Finance	-	-	-	16 558	19 875	-	-	-	-
Fleet Management	-	-	-	-	-	-	600	660	720
Human Resources	-	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-	-
Legal Services	-	-	-	-	-	-	-	-	-
Marketing, Customer Relations, Publicity and Media Co-	-	-	-	-	-	-	-	-	-
Property Services	-	-	-	1 754	1 935	-	400	650	800
Risk Management	-	-	-	-	-	-	-	-	-
Security Services	-	-	-	-	-	-	-	-	-
Supply Chain Management	-	-	-	-	-	-	-	-	-
Valuation Service	-	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-	-
Governance Function	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	-	-	-	6 148	7 796	-	10 294	9 426	10 837
Community and social services	-	-	-	2 861	3 682	-	7 787	7 086	7 567
Aged Care	-	-	-	-	-	-	-	-	-
Agricultural	-	-	-	-	-	-	-	-	-
Animal Care and Disease	-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums	-	-	-	244	232	-	201	215	225
Child Care Facilities	-	-	-	-	-	-	-	-	-
Community Halls and Facilities	-	-	-	615	1 531	-	4 036	4 310	4 629
Consumer Protection	-	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-	-
Disaster Management	-	-	-	-	-	-	345	378	410
Education	-	-	-	-	-	-	-	-	-
Indigenous and Customary Law	-	-	-	-	-	-	-	-	-
Industrial Promotion	-	-	-	-	-	-	-	-	-
Language Policy	-	-	-	-	-	-	-	-	-
Libraries and Archives	-	-	-	2 003	1 820	-	-	-	-
Literacy Programmes	-	-	-	-	-	-	3 125	2 184	2 302
Media Services	-	-	-	-	-	-	-	-	-
Museums and Art Galleries	-	-	-	-	-	-	-	-	-
Population Development	-	-	-	-	-	-	-	-	-
Provincial Cultural Matters	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Zoo's	-	-	-	-	-	-	-	-	-
<b>Sport and recreation</b>	-	-	-	795	856	-	267	293	310
Beaches and Jetties	-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)	-	-	-	-	-	-	-	-	-
Recreational Facilities	-	-	-	589	309	-	225	247	262
Sports Grounds and Stadiums	-	-	-	206	547	-	43	45	48
<b>Public safety</b>	-	-	-	-	159	-	-	-	-
Civil Defence	-	-	-	-	-	-	-	-	-
Cleansing	-	-	-	-	-	-	-	-	-
Control of Public Nuisances	-	-	-	-	-	-	-	-	-
Fencing and Fences	-	-	-	-	-	-	-	-	-
Fire Fighting and Protection	-	-	-	-	159	-	-	-	-
Licensing and Control of Animals	-	-	-	-	-	-	-	-	-
<b>Housing</b>	-	-	-	2 492	3 058	-	2 320	2 047	2 160
Housing	-	-	-	2 492	3 058	-	2 320	2 047	2 160
Informal Settlements	-	-	-	-	-	-	-	-	-
<b>Health</b>	-	-	-	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-
Health Services	-	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	-	-	-	-	-	-
Food Control	-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases	-	-	-	-	-	-	-	-	-
Vector Control	-	-	-	-	-	-	-	-	-
Chemical Safety	-	-	-	-	-	-	-	-	-





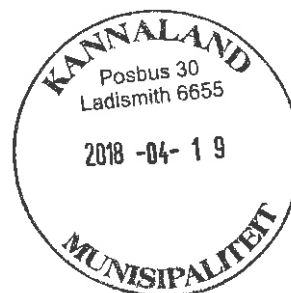
# **Economic and environmental services**

<b>Planning and development</b>									
Billboards									
Corporate Wide Strategic Planning (IDPs, LEDS)									
Central City Improvement District									
Development Facilitation									
Economic Development/Planning									
Regional Planning and Development									
Town Planning, Building Regulations and Enforcement, and City									
Project Management Unit									
Provincial Planning									
Support to Local Municipalities									
<b>Road transport</b>									
Police Forces, Traffic and Street Parking Control									
Pounds									
Public Transport									
Roads									
Taxi Ranks									
Environmental protection									
<b>Environmental protection</b>									
Biodiversity and Landscape									
Coastal Protection									
Indigenous Forests									
Nature Conservation									
Pollution Control									
Soil Conservation									
<b>Trading services</b>									
Energy services									
Electricity									
Street Lighting and Signal Systems									
Nonelectric Energy									
<b>Water management</b>									
Water Treatment									
Water Distribution									
Water Storage									
<b>Waste water management</b>									
Public Toilets									
Sewerage									
Storm Water Management									
Waste Water Treatment									
<b>Waste management</b>									
Recycling									
Solid Waste Disposal (Landfill Sites)									
Solid Waste Removal									
Street Cleaning									
<b>Other</b>									
Abattoirs									
Air Transport									
Forestry									
Licensing and Regulation									
Markets									
Tourism									
<b>Total Expenditure - Functional</b>	3	131 227	164 896	159 548	126 312	136 476	150 471	155 892	163 338
<b>Surplus/(Deficit) for the year</b>		14 927	6 224	7 862	34 825	19 938	48 273	64 975	64 424

## **References**

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
3. Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
4. All amounts must be classified under a Functional classification. The GPS function 'Other' is only for Abattoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

8





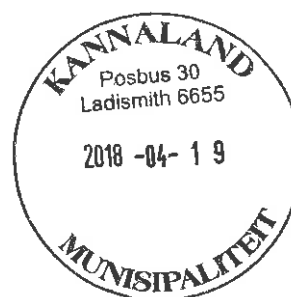


WC041 Kannaland - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
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
<b>Revenue by Vote</b>		1									
Vote 1 - MUNICIPAL MANAGER			1 384	84 397	167 410	2 738	2 738	2 738	26 422	28 402	30 220
Vote 2 - CORPORATE SERVICES			556	11	—	12 371	13 105	13 105	20 861	21 411	20 153
Vote 3 - FINANCIAL SERVICES			84 345	20 102	—	27 268	30 448	30 448	35 916	38 231	41 947
Vote 4 - TECHNICAL SERVICES			59 869	66 609	—	118 759	110 123	110 123	115 544	132 823	135 443
Vote 5 - CALITZDORP SPA			—	—	—	—	—	—	—	—	—
Vote 6 - [NAME OF VOTE 6]			—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]			—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]			—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]			—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]			—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]			—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]			—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]			—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]			—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]			—	—	—	—	—	—	—	—	—
<b>Total Revenue by Vote</b>		2	146 154	171 119	167 410	161 137	156 415	156 415	198 744	220 867	227 763
<b>Expenditure by Vote to be appropriated</b>		1									
Vote 1 - MUNICIPAL MANAGER			2 663	20 996	159 548	11 595	12 623	12 623	14 403	14 753	14 709
Vote 2 - CORPORATE SERVICES			43 719	20 561	—	25 960	29 455	29 455	28 487	29 715	31 417
Vote 3 - FINANCIAL SERVICES			59 248	22 304	—	16 558	19 875	19 875	27 885	29 089	30 431
Vote 4 - TECHNICAL SERVICES			25 596	101 034	—	72 198	74 525	74 525	79 697	82 335	86 781
Vote 5 - CALITZDORP SPA			—	—	—	—	—	—	—	—	—
Vote 6 - [NAME OF VOTE 6]			—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]			—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]			—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]			—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]			—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]			—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]			—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]			—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]			—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]			—	—	—	—	—	—	—	—	—
<b>Total Expenditure by Vote</b>		2	131 227	164 896	159 548	126 312	136 478	136 478	150 471	155 892	163 339
<b>Surplus/(Deficit) for the year</b>		2	14 927	6 224	7 862	34 825	19 938	19 938	48 273	64 975	64 424

**References**

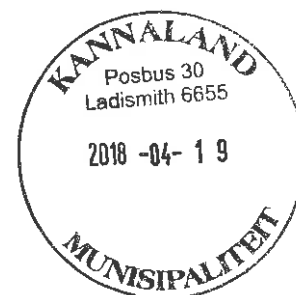
1. Insert 'Vote'; e.g. department, if different to functional classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote





WC041 Kannaland - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

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
<b>Revenue by Vote</b>	<b>1</b>									
<b>Vote 1 - MUNICIPAL MANAGER</b>		1 384	84 397	167 410	2 738	2 738	2 738	26 422	28 402	30 220
1.1 - Executive		1 384	84 397	167 410	2 498	2 498	2 498	26 422	28 402	30 220
1.2 - Executive Support					240	240	240	-	-	-
<b>Vote 2 - CORPORATE SERVICES</b>		556	11	-	12 371	13 105	13 105	20 861	21 411	20 153
2.1 - Administration		556	8		505	992	992	1 548	1 555	1 729
2.2 - Municipal Buildings			3		435	435	435	-	-	-
2.3 - Community Hall					55	255	255	350	264	290
2.4 - Cemeteries					23	23	23	9 648	9 757	10 060
2.5 - Libraries					1 987	1 988	1 988	2 063	2 183	2
2.6 - Housing					2 060	2 060	2 060	-	-	-
2.7 - Swimming Pools					-	-	-	20	21	22
2.8 - Parks and Recreation					-	-	-	-	-	-
2.9 - Traffic					7 306	7 306	7 306	7 232	7 630	8 050
2.10 - Fire Department		-	-	-	-	47	47	-	-	-
<b>Vote 3 - FINANCIAL SERVICES</b>		84 345	20 102	-	27 268	30 448	30 448	35 916	38 231	41 947
3.1 - Postal Agency					5	5	5	79	(477)	2 302
3.2 - Property Rates					21 727	21 727	21 727	22 856	23 871	24 985
3.3 - Chief Financial Services		84 345	20 102		5 536	8 716	8 716	12 981	14 838	14 660
<b>Vote 4 - TECHNICAL SERVICES</b>		59 869	66 609	-	118 759	110 123	110 123	115 544	132 823	135 443
4.1 - Refuse		4 846	4 826		9 820	10 012	10 012	7 205	7 721	8 148
4.2 - Sewerage		5 161	5 733		25 426	24 048	24 048	19 414	36 917	40 446
4.3 - Public Works					11 370	11 370	11 370	508	514	529
4.4 - Proclaimed Roads		1 429	6 106		50	50	50	-	-	-
4.5 - Water Services		13 775	11 143		14 485	10 159	10 159	38 584	35 221	31 058
4.6 - Electricity Services		34 659	38 800		57 608	54 485	54 485	48 778	52 451	55 264
4.7 - Irrigation Water		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	1 055	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>146 154</b>	<b>171 119</b>	<b>167 410</b>	<b>161 137</b>	<b>156 415</b>	<b>156 415</b>	<b>198 744</b>	<b>220 887</b>	<b>227 763</b>





WC041 Kannaland - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

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
<b>Expenditure by Vote</b>	<b>1</b>									
<b>Vote 1 - MUNICIPAL MANAGER</b>		2 663	20 996	159 548	11 595	12 623	12 623	14 403	14 753	14 709
1.1 - Executive		2 663	20 996	159 548	6 413	7 613	7 613	9 378	9 615	9 346
1.2 - Executive Support					5 182	4 811	4 811	5 024	5 138	5 363
<b>Vote 2 - CORPORATE SERVICES</b>		43 719	20 561	-	25 960	29 455	29 455	28 487	29 715	31 417
2.1 - Administration		43 719	13 737		11 257	11 800	11 800	11 389	11 999	12 634
2.2 - Municipal Buildings			5 530		1 754	1 935	1 935	2 643	2 819	3 050
2.3 - Community Hall					615	1 531	1 531	1 393	1 492	1 579
2.4 - Cemeteries					244	232	232	201	215	226
2.5 - Libraries					2 003	1 920	1 920	2 070	2 184	2 302
2.6 - Housing			528		2 492	3 058	3 058	2 320	2 047	2 160
2.7 - Swimming Pools					599	309	309	43	45	48
2.8 - Parks and Recreation			767		206	587	587	225	247	262
2.9 - Traffic					6 801	7 924	7 924	7 658	8 290	8 745
2.10 - Fire Department					-	159	159	345	378	410
<b>Vote 3 - FINANCIAL SERVICES</b>		59 248	22 304	-	16 558	19 875	19 875	27 865	29 089	30 431
3.1 - Postal Agency					-	-	-	795	826	881
3.2 - Property Rates					30	30	30	400	650	800
3.3 - Chief Financial Services		59 248	22 304		16 528	19 845	19 845	26 690	27 613	29 050
<b>Vote 4 - TECHNICAL SERVICES</b>		25 596	101 034	-	72 198	74 525	74 525	79 697	82 335	86 781
4.1 - Refuse			7 385		6 764	6 824	6 824	6 663	6 884	7 214
4.2 - Sewerage			8 743		8 772	8 681	8 681	9 427	9 952	10 489
4.3 - Public Works					6 813	6 947	6 947	7 168	7 069	7 440
4.4 - Prolaimed Roads			29 774		50	50	50	-	-	-
4.5 - Water Services		807	16 770		12 344	15 532	15 532	14 688	15 494	16 345
4.6 - Electricity Services		24 789	38 363		37 455	36 690	36 690	40 698	42 937	45 299
4.7 - Irrigation Water					-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>131 227</b>	<b>164 896</b>	<b>159 548</b>	<b>126 312</b>	<b>136 478</b>	<b>136 478</b>	<b>150 471</b>	<b>155 892</b>	<b>163 339</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>14 927</b>	<b>6 224</b>	<b>7 862</b>	<b>34 825</b>	<b>19 938</b>	<b>19 938</b>	<b>48 273</b>	<b>64 975</b>	<b>64 424</b>

## References

1. Insert 'Vote'; e.g. Department, if different to Functional structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Functional Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote





WC041 Kannaland - 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		
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		13 135	13 998	14 900	15 956	16 003	16 003	16 003	20 113	20 991	21 931
Service charges - electricity revenue	2		34 658	38 800	41 953	44 425	41 101	41 101	41 101	46 578	49 169	51 841
Service charges - water revenue	2		13 775	11 143	12 003	11 329	11 971	11 971	11 971	13 824	13 364	14 091
Service charges - sanitation revenue	2		5 161	5 733	5 632	7 744	6 366	6 366	6 366	8 401	8 848	9 311
Service charges - refuse revenue	2		4 846	4 826	5 353	5 760	5 952	5 952	5 952	6 190	6 651	7 011
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			271	253	484	308	488	488	488	909	1 013	1 101
Interest earned - external investments			966	266	845	600	350	350	350	500	500	561
Interest earned - outstanding debtors			4 649	5 125	5 423	3 856	3 856	3 856	3 856	5 327	5 627	5 941
Dividends received				3	3	3	3	3	3	3	3	3
Fines, penalties and forfeits			696	5 354	6 107	6 053	6 053	6 053	6 053	8 486	8 931	9 431
Licences and permits			267	320	280	295	295	295	295	152	160	161
Agency services			734	763	780	905	905	905	905	-	-	-
Transfers and subsidies			28 684	42 697	42 534	32 310	41 067	41 067	41 067	33 146	33 256	35 259
Other revenue	2		4 853	6 569	7 949	793	354	354	354	10 466	12 526	12 822
Gains on disposal of PPE			811	427	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			113 705	136 278	144 446	130 337	134 764	134 764	134 764	154 096	161 039	169 503
Expenditure By Type												
Employee related costs	2		43 725	50 741	47 710	45 190	47 485	47 485	47 485	55 215	56 999	59 990
Remuneration of councillors			2 663	2 884	2 613	3 056	2 928	2 928	2 928	3 053	3 207	3 369
Debt impairment	3		7 123	18 224	27 409	14 475	14 475	14 475	14 475	22 791	24 045	25 365
Depreciation & asset impairment	2		13 432	11 839	15 077	10 549	11 581	11 581	11 581	10 661	11 205	11 747
Finance charges			4 114	4 882	4 077	800	800	800	800	422	426	453
Bulk purchases	2		25 596	28 165	26 558	30 964	29 544	29 544	29 544	32 259	34 033	35 905
Other materials	8		1 432	4 657	2 146	-	-	-	-	3 054	3 250	3 452
Contracted services			10 202	18 951	16 012	-	-	-	-	8 280	7 767	7 167
Transfers and subsidies			-	-	-	-	-	-	-	3 126	2 655	2 757
Other expenditure	4, 5		22 941	24 552	17 946	21 277	29 665	21 277	29 665	11 611	12 306	13 136
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-
Total Expenditure			131 227	164 896	159 548	126 312	136 478	128 090	136 478	150 471	155 892	163 339
Surplus/(Deficit)												
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			(17 522)	(28 616)	(15 102)	4 025	(1 714)	6 674	(1 714)	3 625	5 147	6 164
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			32 449	34 842	22 963	30 801	21 652	21 652	21 652	44 648	59 828	58 260
Transfers and subsidies - capital (in-kind - all)	6		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			14 927	6 224	7 862	34 825	19 938	28 325	19 938	48 273	64 975	64 424
Taxation			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			14 927	6 224	7 862	34 825	19 938	28 325	19 938	48 273	64 975	64 424
Attributable to minorities			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			14 927	6 224	7 862	34 825	19 938	28 325	19 938	48 273	64 975	64 424
Share of surplus/ (deficit) of associate	7		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			14 927	6 224	7 862	34 825	19 938	28 325	19 938	48 273	64 975	64 424
References												

**References**

1. Classifications are revenue sources and expenditure type

2. Detail to be provided in Table SA1

3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment

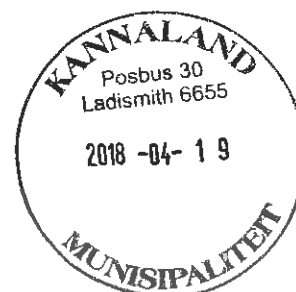
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs

5. Repairs &amp; maintenance detailed in Table A9 and Table SA34c

6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method (includes Joint Ventures)

8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.





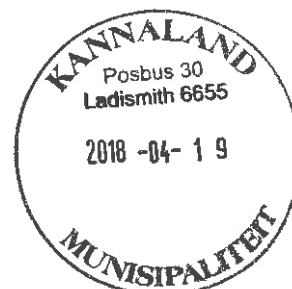


WC041 Kannaland - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

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 - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	4 405	4 907	4 907	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	-	-	12 619	12 826	12 826	-	27 000	59 828	-
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	-	17 025	17 733	17 733	-	27 000	59 828	-
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	3 176	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		-	-	-	5 257	17 057	17 057	-	14 472	-	58 260
Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	5 257	17 057	17 057	-	17 648	-	58 260
<b>Total Capital Expenditure - Vote</b>		-	-	-	22 282	34 791	34 791	-	44 648	59 828	58 260
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	4 405	4 907	4 907	-	3 176	-	-
Community and social services		-	-	-	1 000	29	29	-	-	-	-
Sport and recreation		-	-	-	3 405	4 879	4 879	-	3 176	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	670	877	877	-	-	9 757	10 060
Planning and development		-	-	-	(519)	(519)	(519)	-	-	-	-
Road transport		-	-	-	1 189	1 396	1 396	-	-	9 757	10 060
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Engineering services</b>		-	-	-	17 206	29 006	29 006	-	41 472	50 071	48 200
Energy sources		-	-	-	-	8 000	8 000	-	2 303	3 071	3 200
Water management		-	-	-	4 000	7 800	7 800	-	29 169	20 000	15 000
Waste water management		-	-	-	13 206	13 206	13 206	-	10 000	27 000	30 000
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	-	-	-	22 282	34 791	34 791	-	44 648	59 828	58 260
<b>Funded by:</b>											
National Government		-	-	-	22 801	31 509	31 509	-	44 648	59 828	58 260
Provincial Government		-	-	-	-	3 800	3 800	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	(519)	(519)	(519)	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	-	-	-	22 282	34 791	34 791	-	44 648	59 828	58 260
<b>Public contributions &amp; donations</b>	<b>5</b>	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	<b>6</b>	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	<b>7</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>	<b>7</b>	-	-	-	22 282	34 791	34 791	-	44 648	59 828	58 260

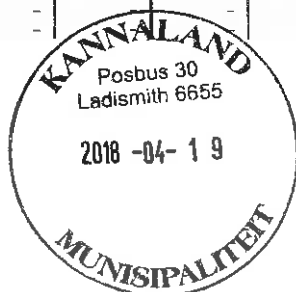
## References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
- Capital expenditure by functional classification must reconcile to the appropriations by vote
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
- Must reconcile to Budgeted Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
- Total Capital Funding must balance with Total Capital Expenditure
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget





WC041 Kannaland - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

[illegible]

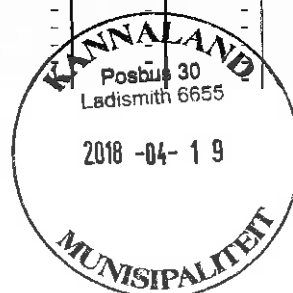






Vote 1 - MUNICIPAL MANAGER  
1.1 - Executive  
1.2 - Executive Support

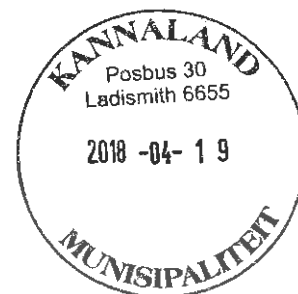
8







Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	5 257	17 057	17 057	-	17 648	58 260
Total Capital Expenditure	-	-	-	22 282	34 791	34 791	-	44 648	58 260

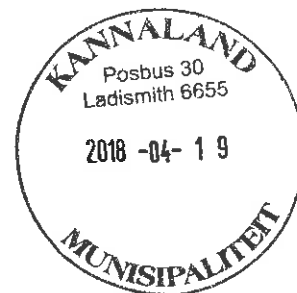


WC041 Kannaland - Table A6 Budgeted Financial Position

WC041 Kannaland - Table A6 Budgeted Financial Position									2018/19 Medium Term Revenue & Expenditure Framework		
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
R thousand											
ASSETS											
Current assets											
Cash		3 747	3 321	277	2 000	2 000	2 000	2 000	-	-	-
Call investment deposits	1	5 212	-	-	-	-	-	-	-	-	-
Consumer debtors	1	18 256	13 183	4 094	52 399	62 957	62 957	62 957	60 391	62 595	66 023
Other debtors		12 857	16 315	5 663	7 193	7 193	7 193	7 193	-	-	-
Current portion of long-term receivables									-	-	-
Inventory	2	466	253	453		422			-	-	-
Total current assets		40 537	33 072	10 488	61 592	72 572	72 150	72 150	60 391	62 595	66 023
Non current assets											
Long-term receivables					-	-	-	-	-	-	-
Investments			17	18	-	-	-	-	-	-	-
Investment property		1 897	1 844	1 692	-	-	-	-	-	-	-
Investment in Associate					-	-	-	-	-	-	-
Property, plant and equipment	3	291 429	303 758	311 597	324 009	313 828	313 828	313 828	347 815	407 100	464 817
Agricultural					-	-	-	-	-	-	-
Biological					-	-	-	-	-	-	-
Intangible		128	87	101	-	121	-	-	-	-	-
Other non-current assets				3 798	-	-	-	-	-	-	-
Total non current assets		293 454	305 705	317 205	324 009	313 949	313 828	313 828	347 815	407 100	464 817
TOTAL ASSETS		333 992	338 777	327 693	385 601	386 521	385 978	385 978	408 206	469 695	530 840
LIABILITIES											
Current liabilities											
overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	686	1 500	514	1 500	720	720	720	512	500	485
Consumer deposits		669	703	742	-	669	-	-	-	-	-
Trade and other payables	4	63 259	85 601	55 328	58 886	54 541	46 861	46 861	43 516	37 715	30 873
Provisions		4 716	-	4 824	-	-	-	-	-	-	-
Total current liabilities		69 330	87 804	61 409	60 386	55 930	47 581	47 581	44 028	38 215	31 358
Non current liabilities											
Borrowing		8 770	1 988	2 391	1 988	1 988	1 988	1 988	1 803	1 360	861
Provisions		37 647	28 126	35 318	28 115	37 198	37 198	37 198	36 048	36 652	36 652
Total non current liabilities		46 417	30 114	37 709	30 103	39 186	39 186	39 186	37 851	38 012	37 513
TOTAL LIABILITIES		115 747	117 918	99 118	90 489	95 116	86 767	86 767	81 879	76 227	68 871
NET ASSETS	5	218 244	220 859	228 575	295 112	291 405	299 211	299 211	326 327	393 468	461 969
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		218 244	220 859	228 575	295 112	291 405	299 211	299 211	326 327	393 468	461 969
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	218 244	220 859	228 575	295 112	291 405	299 211	299 211	326 327	393 468	461 969

## References

1. Detail to be provided in Table SA3
2. include completed low cost housing to be transferred to beneficiaries within 12 months
3. include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity





WC041 Kannaland - 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		8 968	13 998	—	15 956	13 421	13 421	13 421	16 058	15 294	15 915
Service charges		46 799	60 855	70 716	69 258	58 745	58 745	58 745	61 803	64 115	67 595
Other revenue		2 484	2 324		8 355	2 597	2 597	2 597	16 861	18 200	18 858
Government - operating	1	72 722	78 134	71 173	32 310	41 067	41 067	41 067	33 146	33 256	35 256
Government - capital	1				30 801	21 652	21 652	21 652	44 648	59 828	58 260
Interest		5 615	5 757	6 268	4 456	4 456	4 456	4 456	3 434	6 127	6 505
Dividends			3		3	3	3	3	3	3	3
Payments											
Suppliers and employees		(101 943)	(117 352)	(118 516)	(111 837)	(113 966)	(113 966)	(113 966)	(170 489)	(189 529)	(194 278)
Finance charges		(3 759)	(4 882)	(4 077)	(14 475)	(800)	(800)	(800)	(422)	(426)	(452)
Transfers and Grants	1				—	—	—	—	(585)	(614)	(221)
NET CASH FROM/(USED) OPERATING ACTIVITIES		30 886	38 837	25 565	34 825	27 174	27 174	27 174	4 458	6 253	7 446
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		676	995		—	—	—	—	—	—	—
Decrease (Increase) in non-current debtors					—	—	—	—	—	—	—
Decrease (increase) other non-current receivables					—	—	—	—	—	—	—
Decrease (increase) in non-current investments				(1)	—	—	—	—	—	—	—
Payments											
Capital assets		(28 670)	(34 264)	(26 151)	(30 801)	(21 652)	(21 652)	(21 652)	—	—	—
NET CASH FROM/(USED) INVESTING ACTIVITIES		(27 994)	(33 269)	(26 152)	(30 801)	(21 652)	(21 652)	(21 652)	—	—	—
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		(10)	(816)			4 000	4 000	4 000	—	—	—
Borrowing long term/refinancing									—	—	—
Increase (decrease) in consumer deposits		40	34	39					—	—	—
Payments											
Repayment of borrowing		(606)	(5 212)	(1 447)		(4 000)	(4 000)	(4 000)	(720)	(720)	(720)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(575)	(5 994)	(1 408)	—	—	—	—	(720)	(720)	(720)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	2 317	(425)	(1 995)	4 025	5 522	5 522	5 522	3 738	5 533	6 726
Cash/cash equivalents at the year end:	2	1 430	3 747	2 272	—	—	—	—	5 522	9 260	14 794
Cash/cash equivalents at the year end:	2	3 747	3 321	277	4 025	5 522	5 522	5 522	9 260	14 794	21 520





WC041 Kannaland - 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											
Cash and investments available											
Cash/cash equivalents at the year end	1	3 747	3 321	277	4 025	5 522	5 522	5 522	9 260	14 794	21 520
Other current investments > 90 days		5 212	-	-	(2 025)	(3 522)	(3 522)	(3 522)	(9 260)	(14 794)	(21 520)
Non current assets - Investments	1	-	17	18	-	-	-	-	-	-	-
Cash and investments available:		8 958	3 338	295	2 000	2 000	2 000	2 000	-	-	-
Application of cash and investments											
Unspent conditional transfers		10 850	17 237	10 279	-	10 279	10 279	10 279	10 279	9 279	8 279
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	30 585	43 855	38 222	1 653	(10 510)	(19 604)	(19 604)	(14 256)	(19 568)	(27 966)
Other provisions		-	-	-	400	370	370	240	950	850	850
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	64	-	-	-
Total Application of cash and investments:		41 435	61 092	48 501	2 053	139	(8 955)	(9 021)	(3 027)	(9 438)	(18 837)
Surplus(shortfall)		(32 477)	(57 754)	(48 206)	(53)	1 861	10 955	11 021	3 027	9 438	18 837
References											

**References**

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

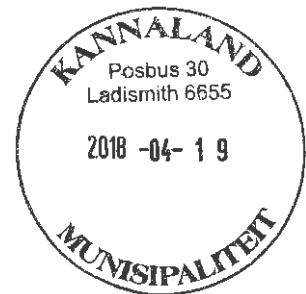
**Other working capital requirements**

	21 824	24 509	6 827	57 233	56 186	56 186	56 186	47 493	48 003	50 560
Debtors due	52 409	68 364	45 049	58 886	45 676	36 582	36 582	33 237	28 435	22 594
<b>Total</b>	<b>(30 585)</b>	<b>(43 855)</b>	<b>(38 222)</b>	<b>(1 653)</b>	<b>10 510</b>	<b>19 604</b>	<b>19 604</b>	<b>14 256</b>	<b>19 568</b>	<b>27 966</b>

**Debtors collection assumptions**

Balance outstanding - debtors	31 113	29 498	9 757	59 592	70 150	70 150	70 150	60 391	62 595	66 023
Estimate of debtors collection rate	70,1%	83,1%	70,0%	96,0%	80,1%	80,1%	80,1%	78,6%	76,7%	76,6%

**Long term investments committed**

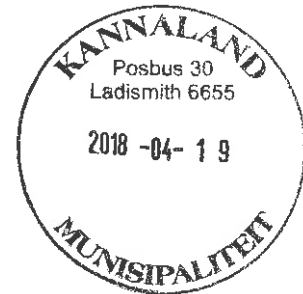






WC041 Kannaland - Table A9 Asset Management

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 2020/21
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>										
Roads Infrastructure	1	-	-	-	8 431	19 259	19 259	35 751	50 071	48 200
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	8 000	8 000	2 000	3 071	3 200
Sanitation Infrastructure		-	-	-	-	3 800	3 800	23 751	20 000	15 000
Solid Waste Infrastructure		-	-	-	7 949	7 949	7 949	10 000	27 000	30 000
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	7 949	19 749	19 749	35 751	50 071	48 200
Sport and Recreation Facilities		-	-	-	1 000	29	29	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	1 000	29	29	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	(519)	(519)	(519)	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	(519)	(519)	(519)	-	-	-
Roads Infrastructure		-	-	-	5 000	5 000	5 000	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	5 000	5 000	5 000	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	5 000	5 000	5 000	-	-	-

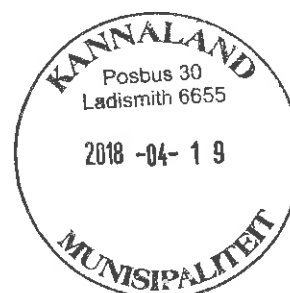



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<b>Total Upgrading of Existing Assets</b>									
Roads Infrastructure	-	-	-	8 852	10 532	10 532	8 594	9 757	10 0
Storm water Infrastructure	-	-	-	1 189	1 396	1 396	-	9 757	10 0
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	4 000	4 000	4 000	5 418	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	5 189	5 396	5 396	5 418	9 757	10 06
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	-	3 405	4 879	4 879	3 176	-	-
<b>Heritage Assets</b>	-	-	-	3 405	4 879	4 879	3 176	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	-	-	257	257	257	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	257	257	257	-	-	-
<b>Total Capital Expenditure</b>	-	-	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	1 189	1 396	1 396	-	9 757	10 060
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	8 000	8 000	2 000	3 071	3 200
Sanitation Infrastructure	-	-	-	9 000	12 800	12 800	29 169	20 000	15 000
Solid Waste Infrastructure	-	-	-	7 949	7 949	7 949	10 000	27 000	30 000
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	18 138	30 145	30 145	41 169	59 828	58 260
Sport and Recreation Facilities	-	-	-	1 000	29	29	-	-	-
<b>Community Assets</b>	-	-	-	3 405	4 879	4 879	3 176	-	-
<b>Heritage Assets</b>	-	-	-	4 405	4 907	4 907	3 176	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	-	-	257	257	257	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	257	257	257	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	(519)	(519)	(519)	-	-	-
Computer Equipment	-	-	-	(519)	(519)	(519)	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	-	-	-	22 282	34 791	34 791	44 345	59 828	58 260





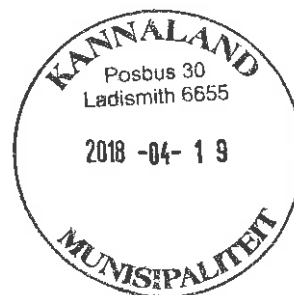
ASSET REGISTER SUMMARY - PPE (WDV)					5																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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WC041 Kannaland - 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>										
<b>Water:</b>	1									
Piped water inside dwelling		-	-	-	-	-	-	4 880	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)		-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	4 880	-	-
<b>Total number of households</b>	5									
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	4 880	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	4 430	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	4 430	-	-
<b>Total number of households</b>	5									
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	4 430	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	462	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	2 235	-	-
<b>Total number of households</b>	5									
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	2 697	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	4 770	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	4 770	-	-
<b>Total number of households</b>	5									
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8							4 770	-	-
Water (6 kilolitres per indigent household per month)		-	-	-	3 091	459	459	2 300	3 647	3 848
Sanitation (free sanitation service to indigent households)		-	-	-	3 116	2 221	2 221	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	260	1 462	1 462	2 150	2 270	2 395
Refuse (removed once a week for indigent households)		-	-	-	3 845	3 806	3 806	4 000	4 100	4 326
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>					10 312	7 950	7 950	8 450	10 017	10 568
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates: exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		2 837	3 280	3 772	4 087	4 087	4 087	2 555	2 721	2 899
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	3 000	3 180	3 371
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	2 837	3 280	3 772	4 087	4 087	4 087	5 555	5 901	6 270

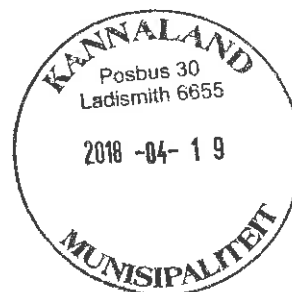






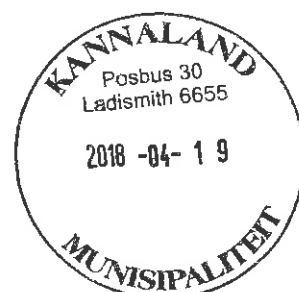
WC041 Kannaland - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

V0041 Rainland - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
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>REVENUE ITEMS:</b>											
<b>Property rates</b>											
Total Property Rates	6	15 971	17 278	18 672	20 042	20 089	20 089	20 089	22 668	23 712	24 829
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		2 837	3 280	3 772	4 087	4 087	4 087	4 087	2 556	2 721	2 899
Net Property Rates		13 135	13 998	14 900	15 956	16 003	16 003	16 003	20 113	20 991	21 930
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6	34 658	38 800	41 853	44 685	42 563	42 563	42 563	48 728	51 438	54 236
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	260	1 462	1 462	1 462	-	-	-
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		34 658	38 800	41 853	44 425	41 101	41 101	41 101	48 728	51 438	54 236
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	6	13 775	11 143	12 003	14 420	12 430	12 430	12 430	16 124	17 011	17 947
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	3 091	459	459	459	-	-	-
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		13 775	11 143	12 003	11 329	11 971	11 971	11 971	16 124	17 011	17 947
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue		5 161	5 733	5 832	10 860	8 587	8 587	8 587	11 401	12 028	12 690
less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	3 116	2 221	2 221	2 221	3 000	3 180	3 371
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		5 161	5 733	5 832	7 744	6 366	6 366	6 366	8 401	8 848	9 319
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6	4 846	4 826	5 353	9 605	9 760	9 760	9 760	10 170	10 729	11 320
Total landfill revenue		-	-	-	-	-	-	-	20	21	22
less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	3 845	3 808	3 808	3 808	-	-	-
Net Service charges - refuse revenue		4 846	4 826	5 353	5 760	5 952	5 952	5 952	10 150	10 708	11 300
<b>Other Revenue by source</b>											
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Other Revenue		-	-	-	120	50	50	50	-	-	-
		-	-	-	40	40	40	40	-	-	-
		-	-	-	5	5	5	5	-	-	-
		-	-	-	-	-	-	-	1 074	1 068	1 217
		-	-	-	12	22	22	22	-	-	-
		-	-	-	108	108	108	108	8 590	10 602	10 678
		-	-	-	-	-	-	-	337	357	378
		-	-	-	500	120	120	120	465	500	550
		12	252	1 163	9	10	10	10	-	-	-
Total 'Other' Revenue	3	4 841	6 317	6 787	-	-	-	-	-	-	-
	1	4 853	6 569	7 949	793	354	354	354	10 466	12 526	12 822
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	43 725	50 741	47 710	33 567	34 084	34 084	34 084	36 771	37 625	39 631
Pension and UIF Contributions		-	-	-	4 210	4 053	4 053	4 053	6 197	6 532	6 879
Medical Aid Contributions		-	-	-	1 745	1 403	1 403	1 403	3 883	3 834	4 022
Overtime		-	-	-	878	1 228	1 228	1 228	2 163	2 287	2 398
Performance Bonus		-	-	-	-	-	-	-	3 034	3 190	3 356
Motor Vehicle Allowance		-	-	-	-	-	-	-	2 027	2 128	2 233
Cellphone Allowance		-	-	-	1 660	2 412	2 412	2 412	114	117	120
Housing Allowances		-	-	-	172	110	110	110	364	383	403
Other benefits and allowances		-	-	-	327	202	202	202	363	382	403
Payments in lieu of leave		-	-	-	1 862	2 727	2 727	2 727	433	457	482
Long service awards		-	-	-	771	564	564	564	163	159	156
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
Less: Employees costs capitalised to PPE	sub-total	43 725	50 741	47 710	45 190	47 485	47 485	47 485	55 311	57 085	60 086
Total Employee related costs	1	43 725	50 741	47 710	45 190	47 485	47 485	47 485	96	96	96
<b>Contributions recognised - capital</b>											
List contributions by contract		-	-	-	-	-	-	-	-	-	-
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-





<b>Depreciation &amp; asset impairment</b>										
Depreciation of Property, Plant & Equipment	10 926	11 822	11 501	10 549	11 581	11 581	11 581	10 633	11 174	11 716
Lease amortisation	2 506	17	3 578	-	-	-	-	28	31	32
Capital asset impairment	-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-	-
<b>Total Depreciation &amp; asset impairment</b>	<b>13 432</b>	<b>11 839</b>	<b>15 077</b>	<b>10 549</b>	<b>11 581</b>	<b>11 581</b>	<b>11 581</b>	<b>10 661</b>	<b>11 205</b>	<b>11 747</b>
<b>Bulk purchases</b>										
Electricity Bulk Purchases	24 789	27 963	26 199	30 264	29 064	29 064	29 064	31 459	33 189	35 014
Water Bulk Purchases	607	203	359	700	480	480	480	800	844	890
<b>Total bulk purchases</b>	<b>25 396</b>	<b>28 165</b>	<b>26 558</b>	<b>30 964</b>	<b>29 544</b>	<b>29 544</b>	<b>29 544</b>	<b>32 259</b>	<b>34 033</b>	<b>35 905</b>
<b>Transfers and grants</b>										
Cash transfers and grants	-	-	-	-	-	-	-	911	440	110
Non-cash transfers and grants	-	-	-	-	-	-	-	2 215	2 215	2 647
<b>Total transfers and grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 126</b>	<b>2 655</b>	<b>2 757</b>
<b>Contracted services</b>										
List services provided by contract	10 202	18 951	16 012	-	-	-	-	8 280	7 767	7 167
<b>sub-total</b>	<b>10 202</b>	<b>18 951</b>	<b>16 012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 280</b>	<b>7 767</b>	<b>7 167</b>
<b>Allocations to organs of state:</b>										
Electricity	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total contracted services</b>	<b>10 202</b>	<b>18 951</b>	<b>16 012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 280</b>	<b>7 767</b>	<b>7 167</b>
<b>Other Expenditure By Type</b>										
Collection costs	-	-	-	-	-	-	-	580	612	645
Contributions to 'other' provisions	-	-	-	-	-	-	-	950	850	850
Consultant fees	-	-	-	-	-	-	-	-	-	-
Audit fees	-	-	-	-	-	-	-	1 500	1 600	1 750
General expenses	-	-	-	-	-	-	-	-	-	-
List Other Expenditure by Type	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	577	120	133
-	-	-	-	-	-	-	-	48	58	58
-	-	-	-	-	-	-	-	279	315	323
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	7 678	8 751	9 377
<b>22 941</b>	<b>24 419</b>	<b>17 946</b>	<b>21 277</b>	<b>29 665</b>	<b>21 277</b>	<b>29 665</b>	<b>11 611</b>	<b>12 306</b>	<b>13 135</b>	<b>13 135</b>
<b>133</b>	<b>133</b>	<b>133</b>	<b>133</b>	<b>133</b>	<b>133</b>	<b>133</b>	<b>133</b>	<b>133</b>	<b>133</b>	<b>133</b>
<b>Total 'Other' Expenditure</b>	<b>22 941</b>	<b>24 552</b>	<b>17 946</b>	<b>21 277</b>	<b>29 665</b>	<b>21 277</b>	<b>29 665</b>	<b>11 611</b>	<b>12 306</b>	<b>13 135</b>
<b>by Expenditure Item</b>										
Employee related costs	-	-	-	14 838	14 111	14 111	14 111	17 662	18 639	19 648
Other materials	-	-	-	2 446	2 551	2 551	2 551	2 945	3 135	3 329
Contracted Services	-	-	-	755	753	753	753	1 280	1 370	1 500
Other Expenditure	-	-	-	1 661	1 943	1 943	1 943	1 684	1 806	1 931
<b>Total Repairs and Maintenance Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 700</b>	<b>19 359</b>	<b>19 359</b>	<b>19 359</b>	<b>23 571</b>	<b>24 950</b>	<b>26 408</b>





WC041 Kannaland - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - MUNICIPAL MANAGER	Vote 2 - CORPORATE SERVICES	Vote 3 - FINANCIAL SERVICES	Vote 4 - TECHNICAL SERVICES	Vote 5 - CALITZDORP SPA	Vote 6 - [NAME OF VOTE 6]	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	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
<b>R thousand</b>	<b>1</b>																
<b>Revenue By Source</b>																	
Property rates		-	-	20 113	-	-	-	-	-	-	-	-	-	-	-	-	20 113
Service charges - electricity revenue		-	-	-	46 578	-	-	-	-	-	-	-	-	-	-	-	46 578
Service charges - water revenue		-	-	-	13 824	-	-	-	-	-	-	-	-	-	-	-	13 824
Service charges - sanitation revenue		-	-	-	8 401	-	-	-	-	-	-	-	-	-	-	-	8 401
Service charges - refuse revenue		-	-	-	6 190	-	-	-	-	-	-	-	-	-	-	-	6 190
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		240	669	-	-	-	-	-	-	-	-	-	-	-	-	-	909
Interest earned - external investments		-	-	500	-	-	-	-	-	-	-	-	-	-	-	-	500
Interest earned - outstanding debtors		-	-	1 339	3 988	-	-	-	-	-	-	-	-	-	-	-	5 327
Dividends received		-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	3
Fines, penalties and forfeits		-	8 486	-	-	-	-	-	-	-	-	-	-	-	-	-	8 486
Licences and permits		-	152	-	-	-	-	-	-	-	-	-	-	-	-	-	152
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	802	9 664	-	-	-	-	-	-	-	-	-	-	-	-	10 466
Transfers and subsidies		25 957	2 571	2 905	1 613	-	-	-	-	-	-	-	-	-	-	-	33 146
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>26 197</b>	<b>12 780</b>	<b>34 524</b>	<b>30 584</b>	-	-	-	-	-	-	-	-	-	-	-	<b>154 096</b>
<b>Expenditure By Type</b>																	
Employee related costs		1 128	20 257	15 041	18 790	-	-	-	-	-	-	-	-	-	-	-	55 215
Remuneration of councillors		3 053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 053
Debt impairment		-	4 200	5 400	13 191	-	-	-	-	-	-	-	-	-	-	-	22 791
Depreciation & asset impairment		3 852	1 207	1 750	3 852	-	-	-	-	-	-	-	-	-	-	-	10 661
Finance charges		32	165	40	185	-	-	-	-	-	-	-	-	-	-	-	422
Bulk purchases		-	-	-	32 259	-	-	-	-	-	-	-	-	-	-	-	32 259
Other materials		180	804	570	1 500	-	-	-	-	-	-	-	-	-	-	-	3 054
Contracted services		2 790	1 200	4 080	210	-	-	-	-	-	-	-	-	-	-	-	8 280
Transfers and subsidies		110	110	2 906	-	-	-	-	-	-	-	-	-	-	-	-	3 126
Other expenditure		2 112	4 546	2 842	2 112	-	-	-	-	-	-	-	-	-	-	-	11 611
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>13 256</b>	<b>32 489</b>	<b>32 629</b>	<b>72 098</b>	-	-	-	-	-	-	-	-	-	-	-	<b>150 471</b>
<b>Surplus/(Deficit)</b>		<b>12 941</b>	<b>(19 708)</b>	<b>1 895</b>	<b>8 497</b>	-	-	-	-	-	-	-	-	-	-	-	<b>3 625</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	44 648	-	-	-	-	-	-	-	-	-	-	-	44 648
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>12 941</b>	<b>(19 708)</b>	<b>1 895</b>	<b>53 145</b>	-	-	-	-	-	-	-	-	-	-	-	<b>48 273</b>





**WC041 Kannaland - Supporting Table SA3 Supporting detail to '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
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits		5 212	-	-	-	-	-	-	-	-	-
Other current investments		-	-	-	-	-	-	-	-	-	-
<b>Total Call investment deposits</b>	2	5 212	-	-	-	-	-	-	-	-	-
<b>Consumer debtors</b>											
Consumer debtors		18 256	13 183	4 094	52 399	62 957	62 957	62 957	78 962	82 208	86 714
Less: Provision for debt impairment		-	-	-	-	-	-	-	(18 591)	(19 614)	(20 691)
<b>Total Consumer debtors</b>	2	18 256	13 183	4 094	52 399	62 957	62 957	62 957	60 391	62 595	66 023
<b>Debt impairment provision</b>											
Balance at the beginning of the year		-	-	-	-	-	-	-	-	-	-
Contributions to the provision		-	-	-	-	-	-	-	-	-	-
Bad debts written off		-	-	-	-	-	-	-	-	-	-
<b>Balance at end of year</b>		-	-	-	-	-	-	-	-	-	-
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		291 429	303 758	311 597	324 009	314 860	313 828	313 828	358 476	418 305	476 564
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		-	-	-	-	1 032	-	-	10 661	11 205	11 747
<b>Total Property, plant and equipment (PPE)</b>	2	291 429	303 758	311 597	324 009	313 828	313 828	313 828	347 815	407 100	464 817
<b>LIABILITIES</b>											
<b>Liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		686	1 500	514	1 500	720	720	720	512	500	485
<b>Total Current liabilities - Borrowing</b>		686	1 500	514	1 500	720	720	720	512	500	485
<b>Trade and other payables</b>											
Trade and other creditors		52 409	68 364	45 049	58 886	45 676	36 582	36 582	33 237	28 435	22 594
Unspent conditional transfers		10 850	17 237	10 279	-	10 279	10 279	10 279	10 279	9 279	8 279
VAT		-	-	-	-	(1 414)	-	-	-	-	-
<b>Total Trade and other payables</b>	2	63 259	85 601	55 328	58 886	54 541	46 861	46 861	43 516	37 715	30 873
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	7 848	1 862	2 391	1 862	1 862	1 862	1 862	1 483	1 050	561
Finance leases (including PPP asset element)		921	126	-	126	126	126	126	320	310	300
<b>Total Non current liabilities - Borrowing</b>		8 770	1 988	2 391	1 988	1 988	1 988	1 988	1 803	1 360	861
<b>Provisions - non-current</b>											
Retirement benefits		11 665	12 397	12 516	12 397	14 397	14 397	14 397	12 847	12 847	12 847
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	15 718	22 801	22 801	22 801	23 201	23 805	23 805
Other		25 982	15 729	22 802	-	-	-	-	-	-	-
<b>Total Provisions - non-current</b>		37 647	28 126	35 318	28 115	37 198	37 198	37 198	36 048	36 652	36 652
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		203 317	214 635	220 714	260 287	263 763	263 763	263 763	261 750	324 937	391 991
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		203 317	214 635	220 714	260 287	263 763	263 763	263 763	261 750	324 937	391 991
Transfers/(Deficit)		14 927	6 224	7 862	34 825	19 938	28 325	19 938	48 273	64 975	64 424
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	7 704	7 122	15 510	16 305	3 556	5 554
<b>Accumulated Surplus/(Deficit)</b>	1	218 244	220 859	228 575	295 112	291 405	299 211	299 211	326 327	393 468	461 969
<b>Reserves</b>											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	218 244	220 859	228 575	295 112	291 405	299 211	299 211	326 327	393 468	461 969

**Total capital expenditure includes expenditure on nationally significant priorities:**

Provision of basic services

**References**

1. Must reconcile with Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Must reconcile with Table A6 Budgeted Financial Position
3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases
4. Borrowing must reconcile to Table A17







WC041 Kannaland - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	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
KPA 1: RELIABLE INFRASTRUCTURE	SO 1: To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens									44 648	59 828	58 260
KPA 2: SERVICE DELIVERY	SO 2: Provide for the needs of indigent households through improved services									78 982	82 208	86 714
KPA 3: SAFE COMMUNITIES	SO3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire and disaster risks									6 638	9 092	9 602
KPA 4: SOCIO ECONOMIC DEVELOPMENT	SO 4: To facilitate economic growth and social and community development									26 422	28 402	30 220
KPA 5: EFFECTIVE AND EFFICIENT GOVERNANCE	SO 5: To promote efficient and effective governance with high levels of stakeholders									430		
KPA 6: EFFICIENT WORKFORCE	SO 6: To enable education and skills development to equip people with economic skills									3 854	2 809	2 942
KPA 7: FINANCIAL SUSTAINABILITY	SO 7: To strive towards a financially sustainable municipality									35 771	38 528	40 026
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	-	-	-	-	-	-	198 745	220 867	227 763
References												



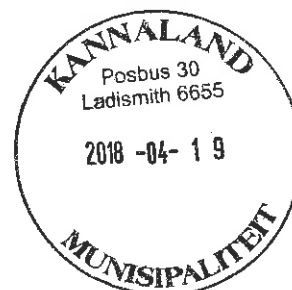



WC041 Kannaland - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Supporting Table GAO Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	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
KPA 1: RELIABLE INFRASTRUCTURE	SO 1: To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens											
KPA 2: SERVICE DELIVERY	SO 2: Provide for the needs of indigent households through improved services									71 476	75 266	79 341
KPA 3: SAFE COMMUNITIES	SO3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire									8 533	8 998	9 486
KPA 4: SOCIO ECONOMIC DEVELOPMENT	SO 4: To facilitate economic growth and social and community development									27 985	29 460	31 129
KPA 5: EFFECTIVE AND EFFICIENT GOVERNANCE	SO 5: To promote efficient and effective governance with high levels of stakeholders participation									2 363	2 092	2 208
KPA 6: EFFICIENT WORKFORCE	SO 6: To enable education and skills development to equip people with economic skills									9 378	9 615	9 346
KPA 7: FINANCIAL SUSTAINABILITY	SO 7: To strive towards a financially sustainable municipality									30 737	30 461	31 829
Allocations to other priorities												
Total Expenditure				1	-	-	-	-	-	150 471	155 892	163 339
References												

References

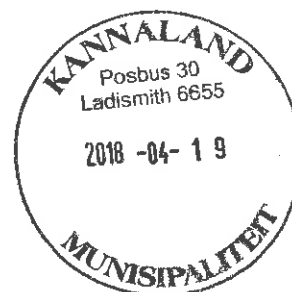
1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Balance of allocations not directly linked to an IDP strategic objective





WC041 Kannaland - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	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												
KPA 1: RELIABLE INFRASTRUCTURE	SO 1: To provide access to reliable infrastructure that will contribute to a higher quality of life for Kannaland citizens	A								44 648	59 828	58 260
KPA 2: SERVICE DELIVERY	SO 2: Provide for the needs of indigent households through improved services	B										
KPA 3: SAFE COMMUNITIES	SO3: To strive towards a safe community in Kannaland through the proactive management of traffic, environmental health, fire	C										
KPA 4: SOCIO ECONOMIC DEVELOPMENT	SO 4: To facilitate economic growth and social and community development	D										
KPA 5: EFFECTIVE AND EFFICIENT GOVERNANCE	SO 5: To promote efficient and effective governance with high levels of stakeholders participation	E										
KPA 6: EFFICIENT WORKFORCE	SO 6: To enable education and skills development to equip people with economic skills	F										
KPA 7: FINANCIAL VIABILITY	SO 7: To strive towards a financially sustainable municipality	G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	-	-	-	-	-	-	44 648	59 828	58 260

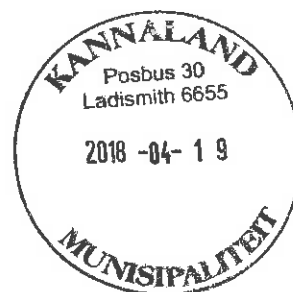




**WC041 Kannaland - Supporting Table SA7 Measureable performance objectives**

[illegible]

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s







WC041 Kannaland - Entities measureable performance objectives

Description	Unit of measurement	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
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
Insert measure/s description										
Entity 3 - (name of entity)										
Insert measure/s description										
And so on for the rest of the Entities										



8



WC041 Kannaland - Supporting Table SA8 Performance indicators and benchmarks

WC041 Kalland - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	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>Borrowing Management</b>											
Credit Rating	Interest & Principal Paid /Operating Expenditure	3,6%	6,1%	3,5%	0,6%	3,5%	3,7%	3,5%	0,8%	0,7%	0,7%
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing /Own Revenue	5,6%	10,8%	5,4%	0,8%	5,1%	5,1%	5,1%	0,9%	0,9%	0,9%
Capital Charges to Own Revenue	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowed funding of 'own' capital expenditure											
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	0,6	0,4	0,2	1,0	1,3	1,5	1,5	1,4	1,6	2,1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,6	0,4	0,2	1,0	1,3	1,5	1,5	1,4	1,6	2,1
Liquidity Ratio	Monetary Assets/Current Liabilities	0,1	0,0	0,0	0,0	0,0	0,0	0,0	-	-	-
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		77,9%	100,5%	88,3%	100,0%	88,7%	88,7%	88,7%	81,9%	80,2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		77,9%	100,5%	88,3%	100,0%	88,7%	88,7%	88,7%	81,9%	80,2%	80,1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	27,4%	21,6%	6,8%	45,7%	52,1%	52,1%	52,1%	39,2%	38,9%	39,0%
Longstanding Debtors Recovered											
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		1398,9%	2058,4%	16241 0%	1463,0%	827,1%	662,4%	662,4%	358,9%	192,2%	105 0%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	38,5%	37,2%	33,0%	34,7%	35,2%	35,2%	35,2%	35,8%	35,4%	35,4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0,0%	0,0%	0,0%	37,7%	37,8%	37,8%		37,7%	37,3%	37,3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0,0%	0,0%	0,0%	15,1%	14,4%	14,4%		15,3%	15,5%	15,6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15,4%	12,3%	13,3%	8,7%	9,2%	9,2%	9,2%	7,2%	7,2%	7,2%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	7,7	12,1	22,9	11,6	11,6	11,6	22,8	17,7	17,7	18,6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	43,3%	39,5%	12,1%	69,7%	85,7%	85,7%	85,7%	62,9%	62,6%	62,7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,4	0,3	0,0	0,5	0,6	0,7	0,6	0,9	1,3	1,9

**References**

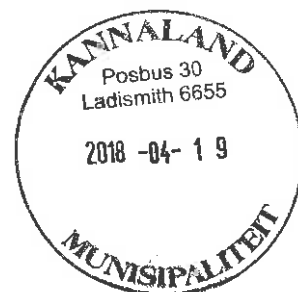
1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

**Calculation data**

Debtors > 90 days  
Monthly fixed operational expenditure  
Fixed operational expenditure % assumption  
Own capex  
Borrowing

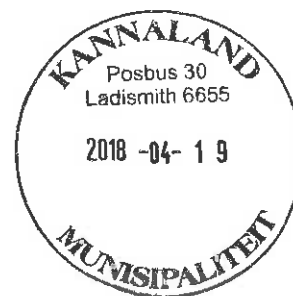
8 547	10 860	10 914	8 583	8 591	8 312	8 591	10 673	11 035	11 523
40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%
(10)	(216)	-	-	4 000	4 000	4 000	-	-	-

8



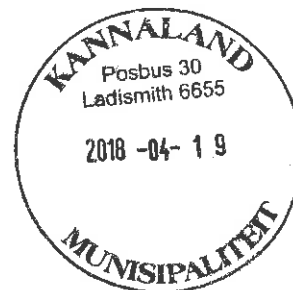


Source: ICRD4 Kannaland - Supporting Table S49 Social, economic and demographic statistics and assumptions

[illegible]



**Detail on the provision of municipal services for A10**

[illegible]



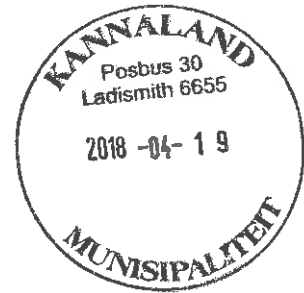






Number of FHS receiving this type of FHS		Other (Rural)									
Number of FHS receiving this type of FHS		Other (Rural)									
Total cost of FHS - Beneficiary for Informal Settlements		Total cost of FHS - Beneficiary for Informal Settlements									
List type of FHS service		List type of FHS service									
Water	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
Sanitation	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
Refuse Removal	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1
	Number of FHS receiving this type of FHS	1	1	1	1	1	1	1	1	1	1

8





WC041 Kannaland Supporting Table SA10 Funding measurement

Description	MFMA section	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 2019/20	Budget Year 2020/21
<b>Funding measures</b>												
Cash equivalents at the year end - R'000	18(1)(b)	1	3 747	3 321	277	4 025	5 522	5 522	5 522	9 260	14 764	21 520
Cash - investments at the year end less applications - R'000	18(1)(b)	2	(32 477)	(57 754)	(48 206)	(53)	1 851	10 955	11 021	3 027	9 438	18 837
Cash year end monthly employee/supplier payments	18(1)(b)	3	0.4	0.3	0.0	0.5	0.6	0.7	0.6	0.8	1.3	1.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	14 827	6 224	7 852	34 825	19 838	28 325	19 838	46 273	94 975	64 424
Service charge rev % change - macro CPIX target exclusive	18(1)(a)	5	N.A.	(1.9%)	1.4%	0.6%	(10.5%)	(6.0%)	(6.0%)	10.8%	(1.9%)	(8.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)(a)	6	70.1%	83.1%	70.0%	96.0%	80.1%	80.1%	80.1%	78.0%	76.7%	76.6%
Debt impairment expense as a % of total billable revenue	18(1)(a)	7	10.0%	24.5%	34.2%	17.0%	17.8%	17.8%	17.8%	24.0%	24.3%	24.3%
Capital payments % of capital expenditure	18(1)(c)	8	0.0%	0.0%	0.0%	138.2%	62.2%	62.2%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl transfers)	18(1)(c)	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govd. legislated/gazetted allocations	18(1)(a)	10								99.5%	99.0%	101.9%
Current consumer debtors % change - inc/(dec)	18(1)(a)	11	N.A.	(5.2%)	(6.5%)	510.7%	17.7%	0.0%	0.0%	(13.8%)	3.6%	5.5%
Long term receivables % change - inc/(dec)	18(1)(a)	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(v)	13	0.0%	0.0%	0.0%	5.1%	6.2%	6.2%	7.5%	6.1%	5.7%	5.7%
Asset/renewal % of capital budget	20(1)(v)	14	0.0%	0.0%	0.0%	22.4%	14.4%	14.4%	0.0%	0.0%	0.0%	0.0%

**References**

- Positive cash balances indicative of minimum compliance - subject to 2
- Deduct cash and investment applications (defined) from cash balances
- Indicative of sufficient liquidity to meet average monthly operating payments
- Indicative of funded operational requirements
- Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
- Realistic average cash collection forecasts as % of annual billed revenue
- Realistic average increase in debt impairment (doubtful debt) provision
- Indicative of planned capital expenditure level & cash payment timing
- Indicative of compliance with borrowing only for the capital budget - should not exceed 100% unless refinancing
- Substantiation of National/Provincial allocations included in budget
- Indicative of realistic current arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
- Indicative of realistic long term arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
- Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
- Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

<b>Supporting indicators</b>												
% inc total service charges (incl prop rates)	18(1)(a)		4.1%	7.4%	6.5%	(4.5%)	0.0%	0.0%	0.0%	15.8%	4.1%	5.2%
% inc Property Tax	18(1)(a)		8.6%	6.4%	7.1%	0.3%	0.0%	0.0%	0.0%	25.7%	4.4%	4.5%
% inc Service charges - electricity revenue	18(1)(a)		12.0%	8.1%	5.9%	(7.5%)	0.0%	0.0%	0.0%	13.3%	5.0%	5.4%
% inc Service charges - water revenue	18(1)(a)		(18.1%)	7.7%	(6.0%)	5.7%	0.0%	0.0%	0.0%	15.5%	(3.3%)	5.9%
% inc Service charges - sanitation revenue	18(1)(a)		11.1%	1.7%	32.8%	(17.8%)	0.0%	0.0%	0.0%	32.0%	6.3%	5.3%
% inc Service charges - refuse revenue	18(1)(a)		(0.4%)	10.5%	7.6%	3.3%	0.0%	0.0%	0.0%	4.0%	7.4%	5.5%
% inc in Service charges - other	18(1)(a)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)(a)		71 574	74 501	80 041	85 214	81 393	81 393	81 393	95 107	99 023	104 205
Service charges			71 574	74 501	80 041	85 214	81 393	81 393	81 393	95 107	99 023	104 205
Property rates			13 135	13 956	14 900	15 956	16 003	16 003	16 003	20 113	20 991	21 530
Service charges - electricity revenue			34 658	38 800	41 953	44 425	41 101	41 101	41 101	46 578	49 169	51 841
Service charges - water revenue			13 775	11 143	12 003	11 329	11 971	11 971	11 971	13 624	13 384	14 069
Service charges - sanitation revenue			5 161	5 733	5 832	7 744	6 366	6 366	6 366	8 401	8 848	9 319
Service charges - refuse removal			4 846	4 826	5 535	5 760	5 952	5 952	5 952	6 190	6 651	7 016
Service charges - other			271	253	484	308	468	468	468	909	1 013	1 108
Rental of facilities and equipment			-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding	18(1)(a)		58 251	77 175	70 716	83 989	74 763	74 763	74 763	84 723	97 609	102 372
Cash receipts from ratepayers	18(1)(a)		83 043	92 068	101 065	97 425	93 544	93 544	93 544	120 447	127 280	133 661
Ratepayer & Other revenue	18(1)(a)		(17 991)	(1 615)	(19 741)	49 838	60 392	60 392	60 392	79 796	83 064	83 518
Change in consumer debtors (current and non-current)			61 333	77 539	65 497	63 110	62 719	62 719	62 719	44 648	59 828	58 260
Operating and Capital Grant Revenue	18(1)(a)		-	-	-	22 282	34 781	34 781	34 781	-	-	-
Capital expenditure - total	20(1)(v)		-	-	-	5 000	5 000	5 000	5 000	-	-	-
Capital expenditure - renewal	20(1)(v)		-	-	-	-	-	-	-	-	-	-

**Supporting benchmarks**

List operating grants

**DoRA capital**

List capital grants

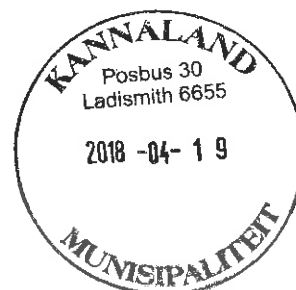
<b>Trend</b>			(17 991)	(1 615)	(19 741)	60 392	789	2 204	3 428	-	-	-
Change in consumer debtors (current and non-current)			113 705	136 278	144 446	130 337	134 764	134 764	134 764	154 096	161 039	169 503
Total Operating Revenue			131 227	164 896	159 548	128 312	136 478	128 090	136 478	150 471	155 892	163 339
Total Operating Expenditure			(17 522)	(28 618)	(15 102)	4 025	(1 714)	6 674	(1 714)	3 625	5 147	6 164
Operating Performance Surplus/(Deficit)										8 260		
<b>Revenue</b>												
% Increase in Total Operating Revenue			19.9%	8.0%	(8.8%)	3.4%	0.0%	0.0%	0.0%	14.3%	4.5%	5.3%
% Increase in Property Rates Revenue			8.6%	6.4%	7.1%	0.3%	0.0%	0.0%	0.0%	25.7%	4.4%	4.5%
% Increase in Electricity Revenue			12.0%	8.1%	5.9%	(7.5%)	0.0%	0.0%	0.0%	13.3%	5.0%	5.4%
% Increase in Electricity Revenue			4.1%	7.4%	6.5%	(4.5%)	0.0%	0.0%	0.0%	15.8%	4.1%	5.2%
<b>Expenditure</b>												
% Increase in Total Operating Expenditure			25.7%	(3.2%)	(20.8%)	8.0%	(5.1%)	0.0%	0.0%	18.3%	3.2%	5.2%
% Increase in Employee Costs			16.0%	(6.0%)	(5.3%)	5.1%	0.0%	0.0%	0.0%	8.2%	5.5%	5.5%
% Increase in Electricity Bulk Purchases			12.8%	(6.3%)	15.5%	(0.9%)	0.0%	0.0%	0.0%	0	0	0
Average Cost Per Budgeted Employee Position (Remuneration)				263416.8418	0	0	0	0	0	0	0	0
Average Cost Per Councilor (Remuneration)				0	0	0	0	0	0	0	0	0
R&M % of PPE			0.0%	0.0%	0.0%	6.1%	6.2%	6.2%	6.2%	6.8%	6.1%	5.7%
Asset Renewal and R&M as a % of PPE			0.0%	0.0%	0.0%	160.0%	100.0%	100.0%	100.0%	152.0%	88.0%	85.0%
Debt Impairment % of Total Billable Revenue			10.0%	24.5%	34.2%	17.0%	17.8%	17.8%	17.8%	24.0%	24.3%	24.3%
<b>Capital Revenue</b>												
Internally Funded & Other (R'000)			-	-	-	-	-	-	-	-	-	-
Borrowing (R'000)			-	-	-	22 282	34 781	34 781	34 781	44 648	59 828	58 260
Grant Funding and Other (R'000)			-	-	-	-	-	-	-	-	-	-
Internally Generated Funds % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Capital Expenditure</b>												
Total Capital Programme (R'000)			-	-	-	22 282	34 781	34 781	34 781	44 648	59 828	58 260
Asset Renewal			-	-	-	5 000	5 000	5 000	5 000	-	-	-
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	22.4%	14.4%	14.4%	0.0%	0.0%	0.0%	0.0%
Cash			70.1%	83.1%	70.0%	96.0%	80.1%	80.1%	80.1%	78.6%	76.7%	76.6%
Cash Receipts % of Rate Payer & Other			0	0	0	0	0	0	0	0	0	0
Cash Coverage Ratio												
<b>Borrowing</b>												
Credit Rating (2006/10)			3.6%	6.1%	3.5%	0.6%	3.5%	3.7%	3.5%	0.8%	0.7%	0.7%
Capital Charges to Operating			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure												
<b>Reserves</b>												
Surplus/(Deficit)			(32 477)	(57 754)	(48 206)	(53)	1 851	10 955	11 021	3 027	9 438	18 837
Free Services			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			3.3%	3.5%	3.7%	4.2%	4.4%	4.4%	4.4%	4.8%	4.6%	4.7%
<b>High Level Outcome of Funding Compliance</b>												
Total Operating Revenue			113 705	136 278	144 446	130 337	134 764	134 764	134 764	154 096	161 039	169 503
Total Operating Expenditure			131 227	164 896	159 548	128 312	136 478	128 090	136 478	150 471	155 892	163 339
Surplus/(Deficit) Budgeted Operating Statement			(17 522)	(28 618)	(15 102)	4 025	(1 714)	6 674	(1 714)	3 625	5 147	6 164
Surplus/(Deficit) Considering Reserves and Cash Backing			(32 477)	(57 754)	(48 206)	(53)	1 851	10 955	11 021	3 027	9 438	18 837
MTREF Funded (1) / Unfunded (0)			15	0	0	0	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗			15	✗	✗	✗	✓	✓	✓	✓	✓	✓

KANNALAND  
Posbus 30  
Ladismith 6655  
2018-04-19  
MUNICIPALITY



**WC041 Kannaland - Supporting Table SA11 Property rates summary**

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>Valuation:</b>	1									
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mths)										
No. of properties	5									
No. of sectional title values	5									
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations										
No. of valuation roll amendments										
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)										
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
<b>Total valuation reductions:</b>		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
<b>Rate revenue:</b>										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
<b>Total rebates, exemptns, reductns, discs (R'000)</b>		-	-	-	-	-	-	-	-	-

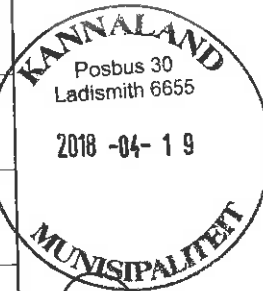






WC041 Kannaland - Supporting Table SA12a Property rates by category (current year)

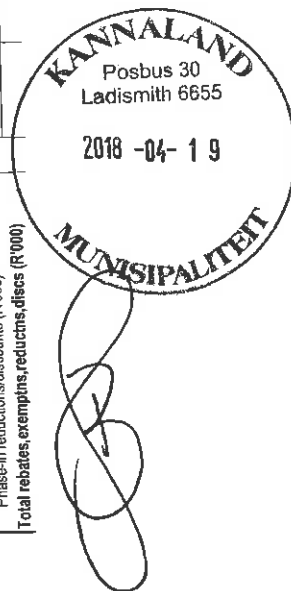
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit areas	Mining Props.
<b>Current Year 2017/18</b>																	
<b>Valuation:</b>																	
No. of properties																	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation (select)																	
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)																	
<b>Total valuation reductions:</b>	2																
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
<b>Ratios:</b>																	
Average rate	3																
Rate revenue budget (R '000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
<b>Total rebates, exemptions, reductions, discounts (R'000)</b>																	





WC041 Kannaland - Supporting Table SA12b Property rates by category (budget year)

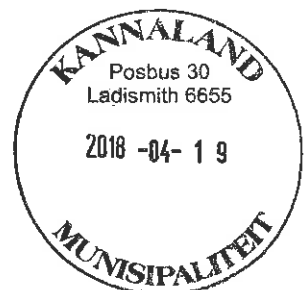
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit areas	Mining Props.
<b>Budget Year 2018/19</b>																	
<b>Valuation:</b>																	
No. of properties																	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation (select)																	
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Fiat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
<b>Valuation reductions:</b>																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15 000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)																	
<b>Total valuation reductions:</b>																	
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
<b>Rating:</b>																	
Average rate	3																
Rate revenue budget (R'000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)																	
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
<b>Total rebates, exemptions, reductions, discounts (R'000)</b>																	





WC041 Kannaland - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2018/19 Medium Term Revenue & Expenditure Framework			
			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Current Year 2017/18
<b>Property rates (rate in the Rand)</b>	1					
Residential properties						
Residential properties - vacant land						
Formal/informal settlements						
Small holdings						
Farm properties - used						
Farm properties - not used						
Industrial properties						
Business and commercial properties						
Communal land - residential						
Communal land - small holdings						
Communal land - farm property						
Communal land - business and commercial						
Communal land - other						
State-owned properties						
Municipal properties						
Public service infrastructure						
Privately owned towns serviced by the owner						
State trust land						
Resilient and redistribution properties						
Protected areas						
National monuments properties						
<b>Exemptions, reductions and rebates (Rands)</b>						
<b>Residential properties</b>						
R15 000 threshold rebate						
General residential rebate						
Indigent rebate or exemption						
Pensioners/social grants rebate or exemption						
Temporary relief rebate or exemption						
Bona fide farmers rebate or exemption						
<b>Other rebates or exemptions</b>						
<b>Water tariffs</b>	2					
<b>Domestic</b>						
Basic charge/flat fee (Rands/month)						
Service point - vacant land (Rands/month)						
Water usage - flat rate tariff (c/k)						
Water usage - life line tariff						
Water usage - Block 1 (c/k)						
Water usage - Block 2 (c/k)						
Water usage - Block 3 (c/k)						
Water usage - Block 4 (c/k)						
<b>Other</b>						
<b>Waste water tariffs</b>	2					
<b>Domestic</b>						
Basic charge/flat fee (Rands/month)						
Service point - vacant land (Rands/month)						
Waste water - flat rate tariff (c/k)						
Volumetric charge - Block 1 (c/k)						
Volumetric charge - Block 2 (c/k)						
Volumetric charge - Block 3 (c/k)						



Volumetric charge - Block 4 (c/k)

**Other**

**Electricity tariffs**

**Domestic**

Basic charge/fixd fee (Rands/month)

Service point - vacant land (Rands/month)

FBE

Life-line tariff - meter

Life-line tariff - prepaid

Flat rate tariff - meter (c/kwh)

Flat rate tariff - prepaid (c/kwh)

Meter - IBT Block 1 (c/kwh)

Meter - IBT Block 2 (c/kwh)

Meter - IBT Block 3 (c/kwh)

Meter - IBT Block 4 (c/kwh)

Meter - IBT Block 5 (c/kwh)

Prepaid - IBT Block 1 (c/kwh)

Prepaid - IBT Block 2 (c/kwh)

Prepaid - IBT Block 3 (c/kwh)

Prepaid - IBT Block 4 (c/kwh)

Prepaid - IBT Block 5 (c/kwh)

**Other**

**Waste management tariffs**

**Domestic**

Street cleaning charge

Basic charge/fixd fee

80l bin - once a week

250l bin - once a week

(fill in structure)

2

(how is this targeted?)  
(describe structure)  
(describe structure)

(fill in thresholds)

(fill in thresholds)

(fill in thresholds)

(fill in thresholds)

(fill in thresholds)

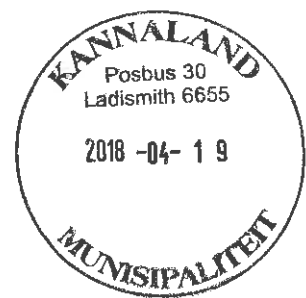
(fill in thresholds)

(fill in thresholds)

(fill in thresholds)

2

*(Handwritten signature)*

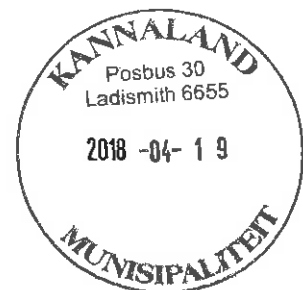






WC041 Kannaland - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework	
							Budget Year 2018/19	Budget Year +1 2019/20
Exemptions, reductions and rebates (Rands) Improved Residential Properties Improved Residential Properties value <70001 Qualified Pensioners / Disabled persons Social Entities Registered Church Properties - Religious Purposes		Exemption on valuation	15 000	15 000	15 000	15 000	15 000	
		100% Rebate	40 000	40 000	70 000	70 000	70 000	
		30% Rebate on levy						
		80% Rebate on levy						
		100% Rebate						
<u>Water tariffs</u> (Insert blocks as applicable)		0 - 6 kl	4	4	4	5	5	
		7 - 15 kl	4	5	5	5	6	
		16 - 20 kl	7	7	8	8	9	
		21 - 30 kl	8	9	9	10	11	
		Above 30 kl	9	10	11	12	13	
<u>Waste water tariffs</u> (Insert blocks as applicable)		(fill in thresholds)						
		(fill in thresholds)						
		(fill in thresholds)						
		(fill in thresholds)						
		(fill in thresholds)						
<u>Electricity tariffs</u> (Insert blocks as applicable)		(fill in structure)						
		(fill in structure)						
		(fill in structure)						
		(fill in structure)						
		(fill in structure)						
<u>Electricity tariffs</u> (Insert blocks as applicable)		(fill in structure)						
		(fill in structure)						
		(fill in structure)						
		(fill in structure)						
		(fill in structure)						

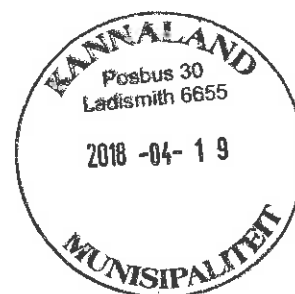





WC041 Kannaland - Supporting Table SA14 Household bills

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 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total large household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/decrease</b>											
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/decrease</b>											
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/decrease</b>											

References





WC041 Kannaland - Supporting Table SA15 Investment particulars by type

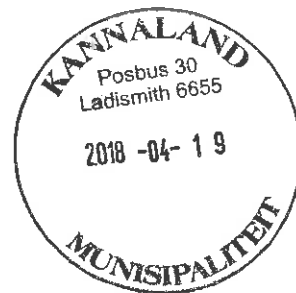
Investment type		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
<b>Parent municipality</b>											
Securities - National Government			-	-	-	-	-	-	-	-	-
Listed Corporate Bonds			-	-	-	-	-	-	-	-	-
Deposits - Bank			-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners			-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits			-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates			-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks			-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)			-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks			-	-	-	-	-	-	-	-	-
Municipal Bonds			-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>			-	-	-	-	-	-	-	-	-
<b>Entities</b>											
Securities - National Government			-	-	-	-	-	-	-	-	-
Listed Corporate Bonds			-	-	-	-	-	-	-	-	-
Deposits - Bank			-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners			-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits			-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates			-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks			-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)			-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks			-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>			-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>			-	-	-	-	-	-	-	-	-





WC041 Kannaland - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment		Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs	Months												
Name of Institution & Investment ID	1														
Parent municipality															
Municipality sub-total															
Entities															
Entities sub-total															
TOTAL INVESTMENTS AND INTEREST	1														





## WC041 Kannaland - Supporting Table SA17 Borrowing

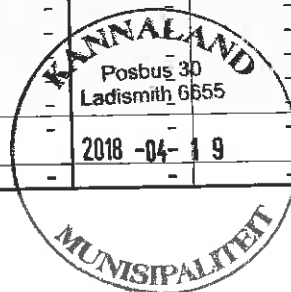
WC041 Kannaland - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
<b>Parent municipality</b>										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	-	-	-	-	-	-	-	-

<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-	-

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WC041 Kannaland - 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>										
National Government:		-	-	-	3 664	3 664	3 664	3 778	2 729	3 176
Local Government Equitable Share		-	-	-	-	-	-	-	-	-
RSC Levy Replacement		-	-	-	-	-	-	-	-	-
Finance Management		-	-	-	2 145	2 145	2 145	2 215	2 215	2 647
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Management		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme		-	-	-	-	-	-	-	-	-
Municipal Drought Relief		-	-	-	-	-	-	-	-	-
Electricity Demand Side Management		-	-	-	-	-	-	-	-	-
EPWP Incentive		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	1 519	1 519	1 519	1 563	514	529
<b>Provincial Government:</b>		-	-	-	4 623	10 150	10 150	3 332	3 102	111
Health subsidy		-	-	-	-	-	-	-	-	-
Ambulance subsidy		-	-	-	-	-	-	-	-	-
Housing		-	-	-	2 030	2 875	2 875	-	-	-
Sport and Recreation		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	2 593	7 275	7 275	3 332	3 102	111
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	24 523	26 103	26 103	26 422	28 402	30 220
[insert description]		-	-	-	24 523	26 103	26 103	26 422	28 402	30 220
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	-	-	-	32 810	39 916	39 916	33 532	34 233	33 507
<b>Capital Transfers and Grants</b>										
National Government:		-	-	-	30 801	27 509	27 509	44 648	59 828	58 260
Municipal Infrastructure Grant (MIG)		-	-	-	13 852	10 560	10 560	9 648	9 757	10 060
Public Transport and Systems		-	-	-	-	-	-	-	-	-
Rural Transport Services and Infrastructure		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure		-	-	-	15 949	8 949	8 949	25 000	47 000	45 000
Rural Households Infrastructure		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	1 000	8 000	8 000	10 000	3 071	3 200
<b>Provincial Government:</b>		-	-	-	-	3 800	3 800	-	-	-
Other capital transfers/grants [insert description]		-	-	-	-	3 800	3 800	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	-	-	-	30 801	31 309	31 309	44 648	59 828	58 260
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		-	-	-	63 610	71 226	71 226	78 180	94 061	91 767

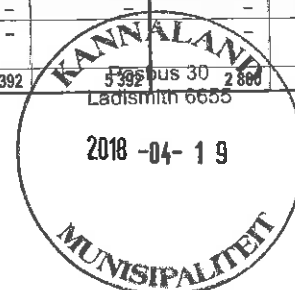
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WC041 Kannaland - Supporting Table SA19 Expenditure on transfers and grant programme

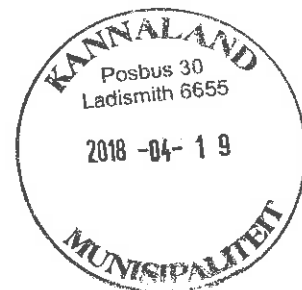
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>										
Local Government Equitable Share		-	-	-	-	-	-	-	-	-
RSC Levy Replacement		-	-	-	-	-	-	-	-	-
Finance Management		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Management		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme		-	-	-	-	-	-	-	-	-
Municipal Drought Relief		-	-	-	-	-	-	-	-	-
Electricity Demand Side Management		-	-	-	-	-	-	-	-	-
EPWP Incentive		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	2 810	2 810	111	111	111
<b>Provincial Government:</b>										
Health subsidy		-	-	-	-	-	-	-	-	-
Ambulance subsidy		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Sport and Recreation		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	2 810	2 810	111	111	111
<b>District Municipality:</b>										
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>					2 488	2 582	2 582	2 689	2 718	2 757
[insert description]		-	-	-	2 488	2 582	2 582	2 689	2 718	2 757
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		-	-	-	2 488	5 392	5 392	2 800	2 829	2 868
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>										
Municipal Infrastructure Grant (MIG)		-	-	-	-	-	-	-	-	-
Public Transport and Systems		-	-	-	-	-	-	-	-	-
Rural Transport Services and Infrastructure		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure		-	-	-	-	-	-	-	-	-
Rural Households Infrastructure		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership		-	-	-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>										
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	-	-	2 488	5 392	5 392	2 800	2 829	2 868





WC041 Kannaland - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

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										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		28 884	42 697	42 534	32 310	41 067	41 067	33 146	33 256	35 259
Conditions met - transferred to revenue		28 884	42 697	42 534	32 310	41 067	41 067	33 146	33 256	35 259
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		28 884	42 697	42 534	32 310	41 067	41 067	33 146	33 256	35 259
<b>Operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	22 282	34 791	34 791	44 648	59 828	58 260
Conditions met - transferred to revenue		-	-	-	22 282	34 791	34 791	44 648	59 828	58 260
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		-	-	-	22 282	34 791	34 791	44 648	59 828	58 260
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TRANSFERS AND GRANTS REVENUE</b>		28 884	42 697	42 534	54 592	75 858	75 858	77 794	93 084	93 519
<b>TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

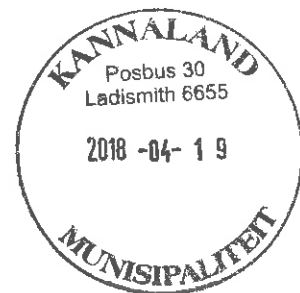






## WC041 Kannaland - Supporting Table SA21 Transfers and grants made by the municipality

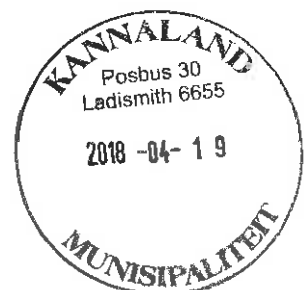
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
<u>Cash Transfers to other municipalities</u> <i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to other Organs of State</u> <i>Insert description</i>	3	-	-	-	-	-	-	-	111	111	111
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	111	111	111
<u>Cash Transfers to Organisations</u> <i>Insert description</i>		-	-	-	-	-	-	-	800	329	(1)
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	800	329	(1)
<u>Cash Transfers to Groups of Individuals</u> <i>Insert description</i>		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
<b>CASH TRANSFERS AND GRANTS</b>	6	-	-	-	-	-	-	-	911	440	110
<u>Non-Cash Transfers to other municipalities</u> <i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other Organs of State</u> <i>Insert description</i>	3	-	-	-	-	-	-	-	2 215	2 215	2 647
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	2 215	2 215	2 647
<u>Non-Cash Grants to Organisations</u> <i>Insert description</i>	4	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Groups of Individuals</u> <i>Insert description</i>	5	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
<b>NON-CASH TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	-	2 215	2 215	2 647
<b>TOTAL TRANSFERS AND GRANTS</b>	6	-	-	-	-	-	-	-	3 126	2 655	2 757



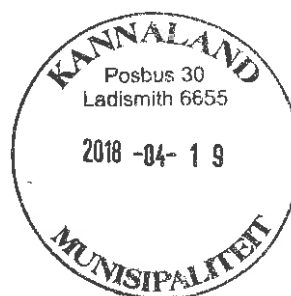
WC041 Kannaland - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	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		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		-	-	-	2 641	2 284	2 284	2 381	2 526	2 682
Pension and UIF Contributions		-	-	-	-	45	45	48	55	58
Medical Aid Contributions		-	-	-	-	27	27	-	-	-
Motor Vehicle Allowance		-	-	-	261	261	261	264	264	264
Cellphone Allowance		-	-	-	164	311	311	329	329	329
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		-	-	-	2 966	2 928	2 928	3 023	3 175	3 333
<b>% increase</b>	4	-	-	-	-	(1,3%)	-	3,2%	5,0%	5,0%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		-	-	-	3 904	2 957	2 957	3 181	3 363	3 540
Pension and UIF Contributions		-	-	-	175	175	175	209	222	233
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	507	-	-	410	424	445
Motor Vehicle Allowance	3	-	-	-	347	330	330	317	329	342
Cellphone Allowance	3	-	-	-	42	80	80	89	90	92
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		-	-	-	4 975	3 542	3 542	4 206	4 429	4 651
<b>% increase</b>	4	-	-	-	-	(28,8%)	-	18,7%	5,3%	5,0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		-	-	-	28 684	29 982	29 982	33 590	34 262	36 091
Pension and UIF Contributions		-	-	-	3 983	4 341	4 341	5 988	6 309	6 646
Medical Aid Contributions		-	-	-	1 745	2 099	2 099	3 683	3 834	4 022
Overtime		-	-	-	1 979	2 399	2 399	2 163	2 287	2 398
Performance Bonus		-	-	-	1 909	1 870	1 870	2 624	2 765	2 913
Motor Vehicle Allowance	3	-	-	-	1 159	1 891	1 891	1 710	1 798	1 891
Cellphone Allowance	3	-	-	-	137	64	64	26	27	28
Housing Allowances	3	-	-	-	345	172	172	364	383	403
Other benefits and allowances	3	-	-	-	526	867	867	363	382	403
Payments in lieu of leave		-	-	-	771	735	735	433	457	482
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		-	-	-	41 237	44 419	44 419	50 943	52 508	55 278
<b>% increase</b>	4	-	-	-	-	7,7%	-	14,7%	3,1%	5,3%
<b>Total Parent Municipality</b>		-	-	-	49 178	50 889	50 889	58 171	60 110	63 262
		-	-	-	-	3,5%	-	14,3%	3,3%	5,2%
<b>Board Members of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4	-	-	-	-	-	-	-	-	-





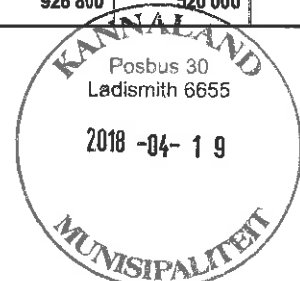
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4	-	-	-	-	-	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		-	-	-	49 178	50 889	50 889	58 171	60 110	63 262
<b>% increase</b>	4	-	-	-	-	3,5%	-	14,3%	3,3%	5,2%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	-	-	-	46 212	47 960	47 960	55 149	56 935	59 929





WC041 Kannaland - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		524 000	-	155 000	-	-	679 000
Chief Whip			-	-	-	-	-	-
Executive Mayor			760 000	-	47 000	-	-	807 000
Deputy Executive Mayor			353 000	-	47 000	-	-	400 000
Executive Committee			-	-	-	-	-	-
Total for all other councillors			744 300	48 200	344 000	-	-	1 136 500
<b>Total Councillors</b>	8	-	2 381 300	48 200	593 000			3 022 500
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 079 000	-	261 800	160 000	-	1 500 800
Chief Finance Officer			864 000	96 000	24 000	120 000	-	1 104 000
Technical Director			864 000	96 000	24 000	120 000	-	1 104 000
Corporate Director			864 000	96 000	24 000	120 000	-	1 104 000
Designation - 03			-	-	-	-	-	-
Designation - 04			-	-	-	-	-	-
List of each official with packages >= senior manager								
Designation - 05			-	-	-	-	-	-
Designation - 06			-	-	-	-	-	-
Designation - 07			-	-	-	-	-	-
Designation - 08			-	-	-	-	-	-
Designation - 09			-	-	-	-	-	-
Designation - 10			-	-	-	-	-	-
Designation - 11			-	-	-	-	-	-
Designation - 12			-	-	-	-	-	-
Designation - 13			-	-	-	-	-	-
Designation - 14			-	-	-	-	-	-
Designation - 15			-	-	-	-	-	-
<b>Total Senior Managers of the Municipality</b>	8,10	-	3 671 000	288 000	333 800	520 000		4 812 800
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								
Designation - 01			-	-	-	-	-	-
Designation - 02			-	-	-	-	-	-
Designation - 03			-	-	-	-	-	-
Designation - 04			-	-	-	-	-	-
Designation - 05			-	-	-	-	-	-
Designation - 06			-	-	-	-	-	-
Designation - 07			-	-	-	-	-	-
Designation - 08			-	-	-	-	-	-
Designation - 09			-	-	-	-	-	-
Designation - 10			-	-	-	-	-	-
Designation - 11			-	-	-	-	-	-
Designation - 12			-	-	-	-	-	-
Designation - 13			-	-	-	-	-	-
Designation - 14			-	-	-	-	-	-
Designation - 15			-	-	-	-	-	-
Designation - 16			-	-	-	-	-	-
Designation - 17			-	-	-	-	-	-
Designation - 18			-	-	-	-	-	-
Designation - 19			-	-	-	-	-	-
Designation - 20			-	-	-	-	-	-
Designation - 21			-	-	-	-	-	-
<b>Total for municipal entities</b>	8,10	-	-	-	-	-	-	-
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	-	6 052 300	336 200	926 800	520 000		7 835 300

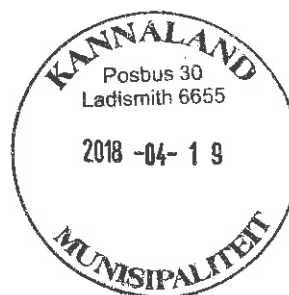






## WC041 Kannaland - Supporting Table SA24 Summary of personnel numbers

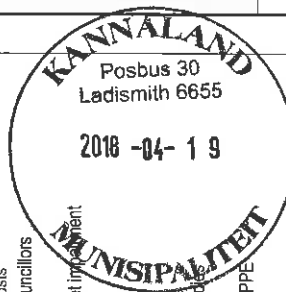
Summary of Personnel Numbers		Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)				-	11			11			
Board Members of municipal entities		4		-	7			7			
<b>Municipal employees</b>											
Municipal Manager and Senior Managers		5									
Other Managers		3		1	2		1	2			
Professionals		7		4	1		4	1			
Finance			-	114	49		116	51	-	-	-
Spatial/town planning				22	11		22	11			
Information Technology							1	1			
Roads				2	2		1	2			
Electricity					7			7			
Water				5	7		7	7			
Sanitation				13	3		13	3			
Refuse				8			8				
Other				22	2		22	2			
Technicians				42	17		42	18			
Finance				-	-		-	-			-
Spatial/town planning											
Information Technology											
Roads											
Electricity											
Water											
Sanitation											
Refuse											
Other											
Clerks (Clerical and administrative)				5	1		5	1			
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators				1			1				
Elementary Occupations											
<b>TOTAL PERSONNEL NUMBERS</b>		9	-	125	71	-	127	73	-	-	-
% increase							1,6%	2,8%		(100,0%)	(100,0%)
<b>Total municipal employees headcount</b>		6, 10									
Finance personnel headcount		8, 10									
Human Resources personnel headcount		8, 10									





WC041 Kannaland - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>																
Property rates		1 676	1 676	1 676	1 676	1 676	1 676	1 676	1 676	1 676	1 676	1 676	1 676	20 113	20 991	21 930
Service charges - electricity revenue		3 882	3 882	3 882	3 882	3 882	3 882	3 882	3 882	3 882	3 882	3 882	3 882	46 578	49 169	51 841
Service charges - water revenue		1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	13 824	13 364	14 039
Service charges - sanitation revenue		700	700	700	700	700	700	700	700	700	700	700	700	8 401	8 848	9 319
Service charges - refuse revenue		516	516	516	516	516	516	516	516	516	516	516	516	6 190	6 651	7 016
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		76	76	76	76	76	76	76	76	76	76	76	76	909	1 013	1 108
Interest earned - external investments		42	42	42	42	42	42	42	42	42	42	42	42	500	500	550
Interest earned - outstanding debtors		444	444	444	444	444	444	444	444	444	444	444	444	5 327	5 627	5 943
Dividends received		0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Fines, penalties and forfeits		707	707	707	707	707	707	707	707	707	707	707	707	8 486	8 931	9 432
Licences and permits		13	13	13	13	13	13	13	13	13	13	13	13	152	160	169
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		2 794	2 794	2 794	2 794	2 794	2 794	2 794	2 794	2 794	2 794	2 794	2 408	33 146	33 256	35 259
Other revenue		833	833	833	833	833	833	833	833	833	833	833	1 298	10 466	12 526	12 822
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>12 835</b>	<b>12 835</b>	<b>12 835</b>	<b>12 835</b>	<b>12 835</b>	<b>12 835</b>	<b>12 835</b>	<b>12 835</b>	<b>12 835</b>	<b>12 835</b>	<b>12 835</b>	<b>12 914</b>	<b>154 096</b>	<b>161 039</b>	<b>169 503</b>
<b>Expenditure By Type</b>																
Employee related costs		4 604	4 604	4 604	4 604	4 604	4 604	4 604	4 604	4 604	4 604	4 604	4 575	55 215	56 999	59 990
Remuneration of councillors		252	252	252	252	252	252	252	252	252	252	252	282	3 053	3 369	3 369
Debt impairment		1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	22 791	24 045	25 365
Depreciation & asset impairment		898	898	898	898	898	898	898	898	898	898	898	778	10 661	11 205	11 747
Finance charges		35	35	35	35	35	35	35	35	35	35	35	35	422	426	453
Bulk purchases		2 688	2 688	2 688	2 688	2 688	2 688	2 688	2 688	2 688	2 688	2 688	2 688	32 259	34 033	35 905
Other materials		254	254	254	254	254	254	254	254	254	254	254	255	3 054	3 250	3 452
Contracted services		751	751	751	751	751	751	751	751	751	751	751	21	8 280	7 767	7 167
Transfers and subsidies		233	233	233	233	233	233	233	233	233	233	233	559	3 126	2 655	2 757
Other expenditure		938	938	938	938	938	938	938	938	938	938	938	1 293	11 611	12 306	13 136
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>12 553</b>	<b>12 553</b>	<b>12 553</b>	<b>12 553</b>	<b>12 553</b>	<b>12 553</b>	<b>12 553</b>	<b>12 553</b>	<b>12 553</b>	<b>12 553</b>	<b>12 553</b>	<b>12 386</b>	<b>150 471</b>	<b>155 892</b>	<b>163 339</b>
<b>Surplus/(Deficit)</b>		<b>281</b>	<b>281</b>	<b>281</b>	<b>281</b>	<b>281</b>	<b>281</b>	<b>281</b>	<b>281</b>	<b>281</b>	<b>281</b>	<b>281</b>	<b>528</b>	<b>3 625</b>	<b>5 147</b>	<b>6 164</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(3 721)	(3 721)	(3 721)	(3 721)	(3 721)	(3 721)	(3 721)	(3 721)	(3 721)	(3 721)	(3 721)	85 576	44 648	59 828	58 280
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>86 104</b>	<b>48 273</b>	<b>64 975</b>	<b>64 424</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>(3 439)</b>	<b>86 104</b>	<b>48 273</b>	<b>64 975</b>	<b>64 424</b>





WC041 Kannaland - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

R thousand	Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
	<b>Revenue by Vote</b>																
	Vote 1 - MUNICIPAL MANAGER		2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	26 422	28 402	30 220
	Vote 2 - CORPORATE SERVICES		1 738	1 738	1 738	1 738	1 738	1 738	1 738	1 738	1 738	1 738	1 738	1 738	20 861	21 411	20 153
	Vote 3 - FINANCIAL SERVICES		2 986	2 986	2 986	2 986	2 986	2 986	2 986	2 986	2 986	2 986	2 986	3 065	35 916	38 231	41 947
	Vote 4 - TECHNICAL SERVICES		9 629	9 629	9 629	9 629	9 629	9 629	9 629	9 629	9 629	9 629	9 629	9 629	115 544	132 823	135 443
	Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Revenue by Vote</b>		<b>16 555</b>	<b>16 555</b>	<b>16 555</b>	<b>16 555</b>	<b>16 555</b>	<b>16 555</b>	<b>16 555</b>	<b>16 555</b>	<b>16 555</b>	<b>16 555</b>	<b>16 555</b>	<b>16 555</b>	<b>198 744</b>	<b>220 867</b>	<b>227 763</b>
	<b>Expenditure by Vote to be appropriated</b>																
	Vote 1 - MUNICIPAL MANAGER		1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	14 403	14 753	14 709
	Vote 2 - CORPORATE SERVICES		2 374	2 374	2 374	2 374	2 374	2 374	2 374	2 374	2 374	2 374	2 374	2 374	28 487	29 715	31 417
	Vote 3 - FINANCIAL SERVICES		2 258	2 258	2 258	2 258	2 258	2 258	2 258	2 258	2 258	2 258	2 258	3 053	27 885	29 089	30 431
	Vote 4 - TECHNICAL SERVICES		6 641	6 641	6 641	6 641	6 641	6 641	6 641	6 641	6 641	6 641	6 641	6 642	79 697	82 335	86 781
	Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Expenditure by Vote</b>		<b>12 473</b>	<b>12 473</b>	<b>12 473</b>	<b>12 473</b>	<b>12 473</b>	<b>12 473</b>	<b>12 473</b>	<b>12 473</b>	<b>12 473</b>	<b>12 473</b>	<b>12 473</b>	<b>13 269</b>	<b>150 471</b>	<b>155 892</b>	<b>163 339</b>
	<b>Surplus/(Deficit) before assoc.</b>		<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>3 365</b>	<b>48 273</b>	<b>64 975</b>	<b>64 424</b>
	Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Surplus/(Deficit)</b>		<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>3 365</b>	<b>48 273</b>	<b>64 975</b>	<b>64 424</b>

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MUNICIPALITY  
References



WC041 Kannaland - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

R thousand	Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
<b>Revenue - Functional</b>																		
<b>Governance and administration</b>																		
	Executive and council		5 308	5 308	5 308	5 308	5 308	5 308	5 308	5 308	5 308	5 308	5 308	5 387	63 776	68 078	73 785	
	Finance and administration		2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	26 422	28 402	30 220	
	Internal audit		3 106	3 106	3 106	3 106	3 106	3 106	3 106	3 106	3 106	3 106	3 106	3 185	37 354	39 676	43 565	
<b>Community and public safety</b>																		
	Community and social services		1 095	1 095	1 095	1 095	1 095	1 095	1 095	1 095	1 095	1 095	1 095	1 095	13 136	12 226	10 374	
	Sport and recreation		1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	1 093	13 116	12 204	10 352	
	Public safety		2	2	2	2	2	2	2	2	2	2	2	2	20	21	22	
	Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Economic and environmental services</b>																		
	Planning and development		654	654	654	654	654	654	654	654	654	654	654	654	7 851	8 254	8 690	
	Road transport		9	9	9	9	9	9	9	9	9	9	9	9	111	111	111	
	Environmental protection		645	645	645	645	645	645	645	645	645	645	645	645	7 740	8 143	8 579	
<b>Trading services</b>																		
	Energy sources		9 498	9 498	9 498	9 498	9 498	9 498	9 498	9 498	9 498	9 498	9 498	9 499	113 982	132 309	134 914	
	Water management		4 065	4 065	4 065	4 065	4 065	4 065	4 065	4 065	4 065	4 065	4 065	4 065	48 778	52 451	55 264	
	Waste water management		3 215	3 215	3 215	3 215	3 215	3 215	3 215	3 215	3 215	3 215	3 215	3 215	38 584	35 221	31 058	
	Waste management		1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	1 618	19 414	36 917	40 446	
	Other		600	600	600	600	600	600	600	600	600	600	600	600	7 205	7 721	8 146	
<b>Total Revenue - Functional</b>			16 555	16 555	16 555	16 555	16 555	16 555	16 555	16 555	16 555	16 555	16 555	16 635	198 744	220 867	227 763	
<b>Expenditure - Functional</b>																		
<b>Governance and administration</b>																		
	Executive and council		4 448	4 448	4 448	4 448	4 448	4 448	4 448	4 448	4 448	4 448	4 448	4 279	53 202	55 337	57 664	
	Finance and administration		1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 031	14 234	14 526	14 571		
	Internal audit		3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 247	3 248	38 969	40 810	43 094		
<b>Community and public safety</b>																		
	Community and social services		858	858	858	858	858	858	858	858	858	858	858	858	10 294	9 426	10 037	
	Sport and recreation		642	642	642	642	642	642	642	642	642	642	643	7 707	7 086	7 567		
	Public safety		22	22	22	22	22	22	22	22	22	22	22	22	267	293	310	
	Housing		193	193	193	193	193	193	193	193	193	193	193	193	2 320	2 047	2 160	
	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Economic and environmental services</b>																		
	Planning and development		1 261	1 261	1 261	1 261	1 261	1 261	1 261	1 261	1 261	1 261	1 261	1 261	15 135	15 470	16 297	
	Road transport		9	9	9	9	9	9	9	9	9	9	9	9	111	111	111	
	Environmental protection		1 252	1 252	1 252	1 252	1 252	1 252	1 252	1 252	1 252	1 252	1 252	1 252	15 024	15 359	16 186	
<b>Trading services</b>																		
	Energy sources		5 956	5 956	5 956	5 956	5 956	5 956	5 956	5 956	5 956	5 956	5 956	5 957	71 476	75 266	79 341	
	Water management		3 392	3 392	3 392	3 392	3 392	3 392	3 392	3 392	3 392	3 392	3 392	3 392	40 698	42 937	45 299	
	Waste water management		1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	1 224	14 688	15 494	16 345	
	Waste management		786	786	786	786	786	786	786	786	786	786	786	786	9 427	9 952	10 483	
	Other		555	555	555	555	555	555	555	555	555	555	555	555	6 663	6 884	7 214	
<b>Total Expenditure - Functional</b>			12 553	12 553	12 553	12 553	12 553	12 553	12 553	12 553	12 553	12 553	12 553	12 386	150 471	155 892	163 339	
<b>Surplus/(Deficit) before assoc.</b>			4 002	4 002	4 002	4 002	4 002	4 002	4 002	4 002	4 002	4 002	4 002	4 249	48 273	64 975	64 424	
<b>Share of surplus/(deficit) of associate</b>			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>			4 002	4 002	4 002	4 002	4 002	4 002	4 002	4 002	4 002	4 002	4 002	4 249	48 273	64 975	64 424	

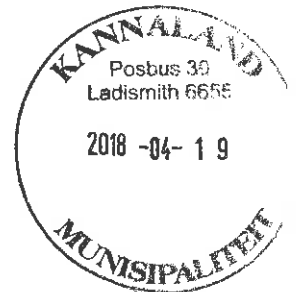






WC041 Kannaland - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

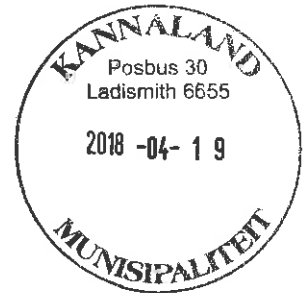
R thousand	Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
1	<b>Multi-year expenditure to be appropriated</b>																
	Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 4 - TECHNICAL SERVICES		2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	27 000	59 828	-
	Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>			2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	27 000	59 828	-
2	<b>Single-year expenditure to be appropriated</b>																
	Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 2 - CORPORATE SERVICES		265	265	265	265	265	265	265	265	265	265	265	265	3 176	-	-
	Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 4 - TECHNICAL SERVICES		1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	1 206	14 472	-	58 260
	Vote 5 - CALITZDORP SPA		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>			1 471	1 471	1 471	1 471	1 471	1 471	1 471	1 471	1 471	1 471	1 471	1 471	17 648	-	58 260
<b>Total Capital Expenditure</b>			3 721	3 721	3 721	3 721	3 721	3 721	3 721	3 721	3 721	3 721	3 721	3 721	44 648	59 828	58 260





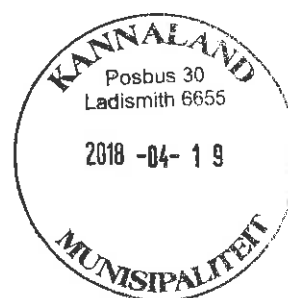
WC041 Kannaland - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

R thousand	Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
1	<b>Capital Expenditure - Functional</b>																
	<b>Governance and administration</b>																
	Executive and council																
	Finance and administration																
	Internal audit																
	<b>Community and public safety</b>		563	563	563	563	563	563	563	563	563	563	563	(3 012)	3 176		
	Community and social services		563	563	563	563	563	563	563	563	563	563	563	(6 189)	3 176		
	Sport and recreation																
	Public safety																
	Housing																
	Health																
	<b>Economic and environmental services</b>															9 757	10 060
	Planning and development																
2	<b>Trading services</b>																
	Road transport																
	Environmental protection																
	Energy sources																
	Water management																
	Waste water management																
	Waste management																
	<b>Other</b>		563	563	563	563	563	563	563	563	563	563	563	38 459	44 648	59 828	58 260
	<b>Total Capital Expenditure - Functional</b>		563	563	563	563	563	563	563	563	563	563	563	38 459	44 648	59 828	58 260
	<b>Funded by:</b>																
	National Government		(1 002)	(1 002)	(1 002)	(1 002)	(1 002)	(1 002)	(1 002)	(1 002)	(1 002)	(1 002)	(1 002)	55 666	44 648	59 828	58 260
	Provincial Government		334	334	334	334	334	334	334	334	334	334	334	(3 679)			
	District Municipality																
	Other transfers and grants		(623)	(623)	(623)	(623)	(623)	(623)	(623)	(623)	(623)	(623)	(623)	6 856			
	<b>Transfers recognised - capital</b>		(1 290)	(1 290)	(1 290)	(1 290)	(1 290)	(1 290)	(1 290)	(1 290)	(1 290)	(1 290)	(1 290)	58 843	44 648	59 828	58 260
	<b>Public contributions &amp; donations</b>		30	30	30	30	30	30	30	30	30	30	30	(334)			
	<b>Borrowing</b>		162	162	162	162	162	162	162	162	162	162	162	(1 778)			
	<b>Internally generated funds</b>		(716)	(716)	(716)	(716)	(716)	(716)	(716)	(716)	(716)	(716)	(716)	7 874			
	<b>Total Capital Funding</b>		(1 814)	(1 814)	(1 814)	(1 814)	(1 814)	(1 814)	(1 814)	(1 814)	(1 814)	(1 814)	(1 814)	64 605	44 648	59 828	58 260





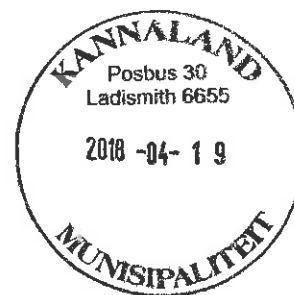
MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash Receipts by Source</b>															
Property rates	3 672	843	2 400	1 135	977	1 030	1 049	4 047	991	1 033	957	841	16 058	15 294	15 919
Service charges - electricity revenue	4 027	4 039	4 077	3 798	3 805	4 084	4 000	4 047	3 805	3 805	2 715	2 971	45 174	47 887	50 278
Service charges - water revenue	1 138	620	1 111	595	670	736	828	826	828	828	613	507	8 354	7 593	8 011
Service charges - sanitation revenue	769	396	409	414	416	410	405	405	405	449	352	69	4 824	5 075	5 339
Service charges - refuse revenue	322	317	309	312	311	310	305	305	249	359	290	71	3 450	3 760	3 957
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	66	66	66	66	66	66	66	66	66	66	66	184	909	1 013	1 108
Interest earned - external investments	42	42	42	42	42	42	42	42	42	42	42	42	500	500	560
Interest earned - outstanding debtors	250	250	250	250	250	250	250	250	250	250	250	184	2 934	5 627	5 943
Dividends received	-	0	0	0	0	0	0	0	0	0	0	1	3	3	3
Fines, penalties and forfeits	456	402	402	402	402	402	402	402	402	402	402	1 006	5 465	8 931	9 432
Licences and permits	240	240	240	240	240	240	240	240	240	240	240	85	2 640	160	169
Agency services	85	85	85	85	85	85	85	85	85	85	85	85	1 020	160	169
Transfer receipts - operational	13 159	112	112	112	10 806	112	112	112	7 643	567	112	644	33 146	33 256	35 259
Other revenue	567	567	567	567	567	567	567	567	567	567	567	567	6 806	8 095	8 143
<b>Cash Receipts by Source</b>	<b>24 762</b>	<b>8 079</b>	<b>9 070</b>	<b>8 018</b>	<b>18 637</b>	<b>8 454</b>	<b>8 349</b>	<b>8 325</b>	<b>15 487</b>	<b>8 242</b>	<b>8 681</b>	<b>7 161</b>	<b>131 305</b>	<b>136 994</b>	<b>144 138</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	5 078	3 805	3 805	3 805	3 805	3 020	3 805	3 805	2 302	3 805	3 805	3 805	44 648	59 628	59 260
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental allocations) (National / Provincial Departmental allocations) (National / Provincial Departmental allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>29 870</b>	<b>11 884</b>	<b>12 875</b>	<b>11 823</b>	<b>22 443</b>	<b>11 474</b>	<b>12 155</b>	<b>12 130</b>	<b>17 769</b>	<b>12 047</b>	<b>10 486</b>	<b>10 986</b>	<b>175 953</b>	<b>196 623</b>	<b>202 398</b>
<b>Cash Payments by Type</b>															
Employee related costs	4 504	4 504	4 504	4 504	4 504	4 504	4 504	4 504	4 504	4 504	4 504	4 473	55 245	57 031	60 025
Remuneration of councillors	252	252	252	252	252	252	252	252	252	252	252	252	3 023	3 175	3 333
Finance charges	35	35	35	35	35	35	35	35	35	35	35	35	422	426	453
Bulk purchases - Electricity	3 379	3 379	3 179	2 310	2 310	2 310	2 310	2 310	2 310	2 310	2 510	2 942	31 459	33 169	35 014
Bulk purchases - Water & Sewer	67	67	67	67	67	67	67	67	67	67	67	46	800	844	890
Other materials	254	254	254	254	254	254	254	254	254	254	254	255	3 054	3 250	3 452
Contracted services	2 282	2 282	2 282	2 282	2 282	16 250	4 262	4 262	4 262	4 262	8 002	2 870	53 658	68 575	66 556
Transfers and grants - other municipalities	88	49	49	49	49	49	49	49	49	49	49	10	595	614	221
Transfers and grants - other	1 938	1 938	1 938	1 938	1 938	1 938	1 938	1 938	1 938	1 938	1 938	1 938	23 251	23 485	25 007
Other expenditure	12 819	12 759	12 559	11 680	12 927	25 658	13 680	13 690	13 690	11 680	17 670	12 719	171 466	180 569	194 851
<b>Cash Payments by Type</b>	<b>12 819</b>	<b>12 759</b>	<b>12 559</b>	<b>11 680</b>	<b>12 927</b>	<b>25 658</b>	<b>13 680</b>	<b>13 690</b>	<b>13 690</b>	<b>11 680</b>	<b>17 670</b>	<b>12 719</b>	<b>171 466</b>	<b>180 569</b>	<b>194 851</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	60	60	60	60	60	60	60	60	60	60	60	60	720	720	720
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>12 879</b>	<b>12 819</b>	<b>12 619</b>	<b>11 740</b>	<b>12 987</b>	<b>25 718</b>	<b>13 740</b>	<b>13 750</b>	<b>13 750</b>	<b>11 740</b>	<b>17 670</b>	<b>12 779</b>	<b>172 216</b>	<b>181 289</b>	<b>195 571</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>16 991</b>	<b>(835)</b>	<b>256</b>	<b>73</b>	<b>9 461</b>	<b>(14 244)</b>	<b>(1 595)</b>	<b>(1 620)</b>	<b>4 019</b>	<b>267</b>	<b>(7 184)</b>	<b>(1 793)</b>	<b>3 738</b>	<b>5 533</b>	<b>6 728</b>
Cash/cash equivalents at the month/year begin:	5 522	22 514	21 579	21 635	21 909	31 370	17 126	15 531	13 910	17 930	19 227	11 043	5 522	9 260	14 794
Cash/cash equivalents at the month/year end:	22 514	21 579	21 635	21 909	31 370	17 126	15 531	13 910	17 930	18 227	11 043	9 260	9 260	14 794	21 520





## WC041 Kannaland - NOT REQUIRED - municipality does not have entities

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 million</b>										
<b>Financial Performance</b>										
Property rates		-	-	-	18	18	18	20	21	22
Service charges		-	-	-	90	81	81	75	78	82
Investment revenue		-	-	-	3	3	3	4	5	5
Transfers recognised - operational		-	-	-	33	40	40	34	34	34
Other own revenue		-	-	-	10	10	10	21	24	24
Contributions recognised - capital & contributed assets		-	-	-	31	31	31	45	60	58
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	185	183	183	199	221	225
Employee costs		-	-	-	46	48	48	55	57	60
Remuneration of Board Members		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		-	-	-	11	10	10	11	11	12
Finance charges		-	-	-	1	1	1	0	0	0
Materials and bulk purchases		-	-	-	34	32	32	35	37	39
Transfers and grants		-	-	-	2	5	5	3	3	3
Other expenditure		-	-	-	29	35	35	43	44	45
<b>Total Expenditure</b>		-	-	-	123	132	132	148	153	160
<b>Surplus/(Deficit)</b>		-	-	-	62	51	51	51	68	65
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>										
Transfers recognised - capital		-	-	-	(6)	6	6	2	2	2
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	(9)	(11)	(11)
<b>sources</b>		-	-	-	(6)	6	6	(6)	(9)	(9)
<b>Financial position</b>										
Total current assets		-	-	-	-	-	-	-	-	-
Total non current assets		-	-	-	22	35	35	44	59	58
Total current liabilities		-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-
Equity		-	-	-	-	-	-	-	-	-
<b>Cash flows</b>										
Net cash from (used) operating		-	-	-	(30)	(19)	(19)	(3)	(4)	(3)
Net cash from (used) investing		-	-	-	-	-	-	-	-	-
Net cash from (used) financing		-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>		-	-	-	-	-	-	-	-	-

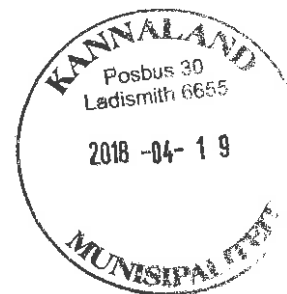






WC041 Kannaland - Supporting Table SA32 List of external mechanisms

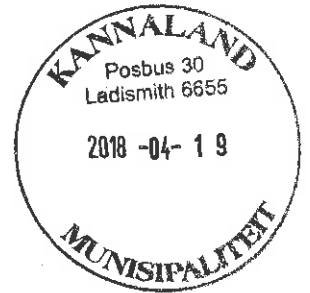
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand





WC041 Kannaland - Supporting Table SA33 Contracts having future budgetary implications

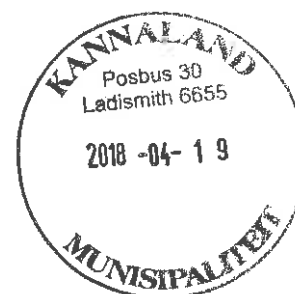
Description	Ref	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
				Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21								
R thousand	1,3	Total	Original Budget				Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:	2													
Revenue Obligation By Contract														
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Revenue Implication	2													
Expenditure Obligation By Contract														
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Expenditure Implication	2													
Capital Expenditure Obligation By Contract														
Contract 1														
Contract 2														
Contract 3 etc														
Total Capital Expenditure Implication														
Total Parent Expenditure Implication														
Entities:														
Revenue Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Revenue Implication	2													
Expenditure Obligation By Contract														
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Expenditure Implication	2													
Capital Expenditure Obligation By Contract														
Contract 1														
Contract 2														
Contract 3 etc														
Total Capital Expenditure Implication														
Total Entity Expenditure Implication														





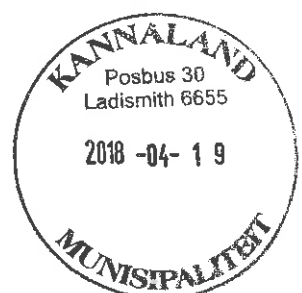
WC041 Kannaland - Supporting Table SA34a Capital expenditure on new assets by asset class

WC041 Kannaland - Supporting Table SA34a Capital expenditure on new assets by asset class										
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	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	-	-	7 949	10 749	10 749	35 751	50 071	48 200
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	8 000	8 000	2 000	3 071	3 200
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	8 000	8 000	2 000	3 071	3 200
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	0	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	3 600	3 600	23 751	20 000	15 000
Dams and Weirs		-	-	-	-	-	-	15 000	20 000	15 000
Boreholes		-	-	-	-	-	-	8 000	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	3 600	3 600	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	751	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	7 949	7 949	7 949	10 000	27 000	30 000
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	7 949	7 949	7 949	10 000	27 000	30 000
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-





<b>Community Assets</b>	-	-	-	1 000	29	29	-	-	-
Community Facilities	-	-	-	1 000	29	29	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Crematoriums/Crematoria	-	-	-	1 000	29	29	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depsos	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	(519)	(519)	(519)	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	(519)	(519)	(519)	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	(519)	(519)	(519)	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	-	-	8 431	19 259	19 259	35 751	50 071	48 200







WC041 Kannaland - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

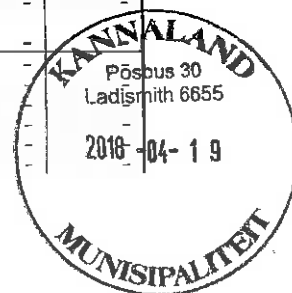
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	5 000	5 000	5 000	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	5 000	5 000	5 000	-	-	-
Dams and Weirs		-	-	-	5 000	5 000	5 000	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-

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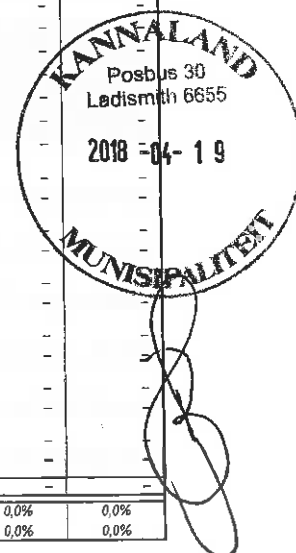
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2018





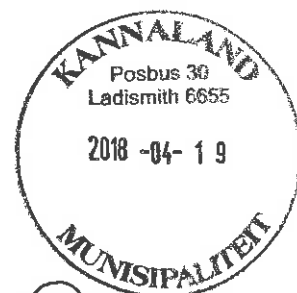
Testing Stations	-	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-	-
Land Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	-	-	-	5 000	5 000	5 000	-	-	-
Renewal of Existing Assets as % of total capex		0,0%	0,0%	0,0%	22,4%	14,4%	14,4%	0,0%	0,0%	0,0%
Renewal of Existing Assets as % of deprecn"		0,0%	0,0%	0,0%	46,2%	47,8%	47,8%	0,0%	0,0%	0,0%





WC041 Kannaland - Supporting Table SA34c Repairs and maintenance expenditure by asset class

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	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	16 953	16 360	16 360	19 902	21 009	22 150
Roads Infrastructure		-	-	-	2 401	2 551	2 551	3 573	3 769	3 976
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	2 401	2 551	2 551	3 573	3 769	3 976
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	3 932	3 758	3 758	4 991	5 265	5 555
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	3 932	3 758	3 758	4 991	5 265	5 555
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	4 864	4 489	4 489	5 179	5 462	5 761
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	4 864	4 489	4 489	5 179	5 462	5 761
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	3 087	2 994	2 994	3 254	3 439	3 614
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	3 087	2 994	2 994	3 254	3 439	3 614
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	2 689	2 589	2 589	2 906	3 073	3 243
Landfill Sites		-	-	-	2 689	2 589	2 589	2 906	3 073	3 243
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	450	520	520	426	452	488
Community Facilities		-	-	-	450	520	520	426	452	488
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	244	255	255	201	215	226





Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	206	268	268	225	247	262
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>									
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>									
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
				1 754	1 935	1 935	2 643	2 819	3 050
<b>Other assets</b>									
Operational Buildings	-	-	-	1 754	1 935	1 935	2 643	2 819	3 050
Municipal Offices	-	-	-	1 754	1 935	1 935	2 643	2 819	3 050
Pay/Expiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>									
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>									
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>									
Computer Equipment	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>									
Machinery and Equipment	-	-	-	-	-	-	-	-	-
				543	543	543	600	660	720
<b>Transport Assets</b>									
Transport Assets	-	-	-	543	543	543	600	660	720
<b>Libraries</b>									
Libraries	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>									
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
				19 700	19 358	19 358	23 571	24 950	26 408
<b>Total Repairs and Maintenance Expenditure</b>									
				1	-	-	-	-	-
				0,0%	0,0%	0,0%	6,1%	7,2%	6,5%
				0,0%	0,0%	0,0%	15,6%	14,2%	15,1%
				0,0%	0,0%	0,0%	7,5%	17,3%	16,6%
				0,0%	0,0%	0,0%	17,3%	16,6%	16,9%

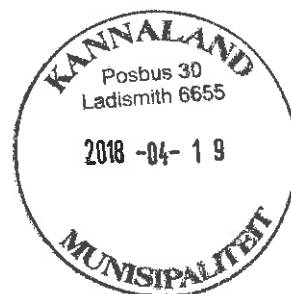






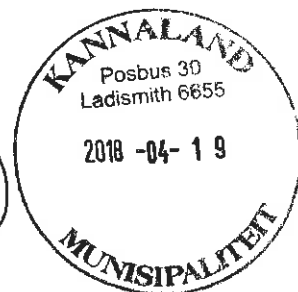
WC041 Kannaland - Supporting Table SA34d Depreciation by asset class

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						
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>										
<b>Roads Infrastructure</b>										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
<b>Storm water Infrastructure</b>										
Drainage Collection										
Storm water Conveyance										
Attenuation										
<b>Electrical Infrastructure</b>										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
<b>Water Supply Infrastructure</b>										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
<b>Sanitation Infrastructure</b>										
Pump Station										
Retreatment										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
<b>Solid Waste Infrastructure</b>										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
<b>Rail Infrastructure</b>										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
<b>Coastal Infrastructure</b>										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
<b>Information and Communication Infrastructure</b>										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>										
<b>Community Facilities</b>										
Halls										
Centres										
Circles										
Clinics/Core Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										





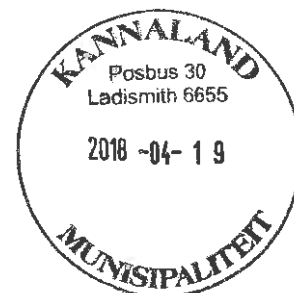
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Abolition Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	10 794	10 429	10 429	10 753	11 324	11 916
Biological or Cultivated Assets	-	-	-	10 794	10 429	10 429	10 753	11 324	11 916
<b>Intangible Assets</b>	-	-	-	18	30	30	28	31	32
Servitudes	-	-	-	18	30	30	28	31	32
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	-	-	10 812	10 459	10 459	10 781	11 355	11 947





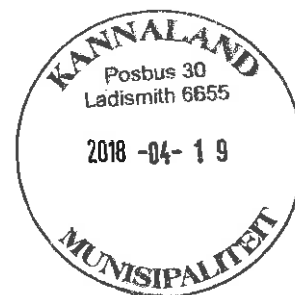
WC041 Kannaland - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

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	1									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>					5 189	5 396	5 396	5 418	9 757	10 060
Roads Infrastructure					1 169	1 396	1 396		9 757	10 060
Roads					1 169	1 396	1 396		9 757	10 060
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares					4 000	4 000	4 000	5 418		
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains					4 000	4 000	4 000	5 418		
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Retreatment										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
					3 405	4 879	4 879	3 176		
<b>Community Assets</b>										
Community Facilities										
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										





Capital Spares	-	-	-	3 405	4 879	4 879	3 176	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	3 405	4 879	4 879	3 176	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	257	257	257	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	257	257	257	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	257	257	257	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Libraries</b>	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	-	-	8 852	10 932	10 932	8 594	9 757	10 060
<b>Upgrading of Existing Assets as % of total capex</b>	0,0%	0,0%	0,0%	39,7%	30,3%	30,3%	19,4%	16,3%	17,3%
<b>Upgrading of Existing Assets as % of deprecia</b>	0,0%	0,0%	0,0%	81,8%	100,7%	100,7%	79,7%	85,9%	84,2%



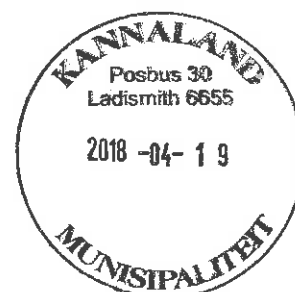




WC041 Kannaland - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
R thousand								
<b>Capital expenditure</b>	1							
Vote 1 - MUNICIPAL MANAGER		-	-	-				
Vote 2 - CORPORATE SERVICES		3 176	-	-				
Vote 3 - FINANCIAL SERVICES		-	-	-				
Vote 4 - TECHNICAL SERVICES		41 472	59 828	58 260				
Vote 5 - CALITZDORP SPA		-	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
<b>Total Capital Expenditure</b>		44 648	59 828	58 260	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - MUNICIPAL MANAGER								
Vote 2 - CORPORATE SERVICES								
Vote 3 - FINANCIAL SERVICES								
Vote 4 - TECHNICAL SERVICES								
Vote 5 - CALITZDORP SPA								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		44 648	59 828	58 260	-	-	-	-

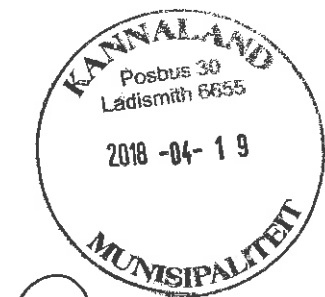
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WC041 Karmaland - Supporting Table SA36 Detailed capital budget

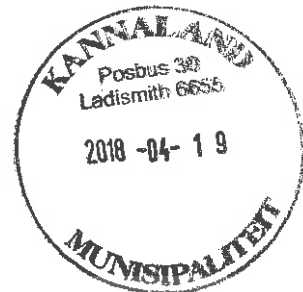
WC041 Kamaland - Supporting Table SA35 Detailed capital budget										2018/19 Medium Term Revenue & Expenditure Framework			Project Information			
Ref	Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
4	R thousand				6	3				Audited Outcome 2018/17	Current Year 2017/18 Full Year Forecast					
Parent municipality: List all capital projects grouped by Municipal Vote																
1																
Parent Capital expenditure																
Entities: List all capital projects grouped by Entity																
Entity A Water project A																
Entity B Electricity project B																
Entity Capital expenditure																
Total Capital expenditure																





WC041 Kannaland - Supporting Table SA37 Projects delayed from previous financial year/s					2018/19 Medium Term Revenue & Expenditure Framework									
R thousand	Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target		Current Year 2017/18		Budget Year +1		Budget Year +2
								Year to complete	Year	Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21
					Examples	Examples								

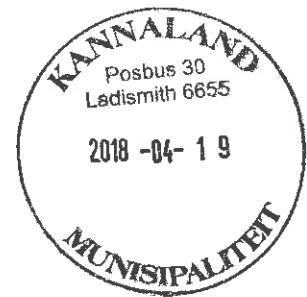
References





WC041 Kannaland - Supporting Table SA38 Consolidated detailed operational projects

WC041 Kannaaland - Supporting Table SA38 Consolidated detailed operational projects													2018/19 Medium Term Revenue & Expenditure Framework				Project Information	
Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes			Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location			
										Audited Outcome 2018/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19						
R thousand	4				6													
Parent municipality: List all operational projects grouped by Municipal Vote																		
Parent operational expenditure																		
Entity: List all operational projects grouped by Entity																		
Entity A Water project A																		
Entity B Electricity project B																		







# ANNEXURE 7



## ANNEXURE 8



## ANNEXURE 9



By-Laws







## **PROPERTY RATES BY-LAWS**

**CONCEPT FOR IMPLEMENTATION ON 1 JULY 2018**

**PROPERTY RATES BY-LAWS:**

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**KANNALAND MUNICIPALITY  
BY-LAW ON THE LEVYING OF  
PROPERTY RATES**

**DOCUMENT AND VERSION CONTROL**

**Version: Final 2018/2019**

**Date: 29 March 2018**

**Summary: This document describes the By-Law on the Levying of Property Rates that will be applicable to the Kannaland Municipality, with effect from 1 July 2015.**

**Municipal Manager: R STEVENS**

**Executive Mayor: M BARRY**

**Date: 2018/03/29**

**Date: 2018/03/29**

## **PROPERTY RATES BY-LAWS KANNALAND MUNICIPALITY**

### **LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT 6 OF 2004 BY-LAWS ADOPTED UNDER SECTION 6**

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The Kannaland Municipal Council has, under Section 6 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004), made the by-laws in the schedule hereto.

### **SCHEDULE**

#### **1. DEFINITIONS**

(1) In these by-laws, unless the context indicates otherwise-

**“accommodation establishment”** in relation to a property means the supply of overnight facilities to guests and tourist. A guest house can be an existing home from 3 or more rooms specifically designed to provide overnight accommodation

**“agent”**, in relation to the owner of a property, means a person appointed by the owner of the property-

- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
- (b) to make payments in respect of the property on behalf of the owner;

**“agricultural property”** means property that is used primarily for agricultural purposes, including the rearing, trading and hunting of game but, without derogating from section 9, the property for the purpose of eco-tourism and any portion thereof that is used for the hospitality of guests

**“agricultural rebate”**, a rebate granted in respect of agricultural properties which are solely used for agricultural purposes;

**“annually”** means once every financial year;

**“business”**, in relation to property, means the use of property for the activity of buying, selling or trading in commodities or services on or from a property and includes any office or other accommodation on the property, the use of which is

incidental to such activity, but does not include the business of agriculture, farming, or any other activity consisting of the cultivation of soils, the gathering in of crops, the rearing of livestock and the like;

**“category”** –

- (a) in relation to property, means a category of property determined in terms of section 8 of the Act; and
- (b) in relation to owners of property, means a category of owners determined in terms of section 15(2) of the Act;

**“conservation area / nature reserve”** – a protected area listed in terms of section 10 of the

Protected Areas Act, No 52 of 2003;

- (a) a **nature reserve** established in terms of the Nature and Environmental Conservation Ordinance, no 19 of 1974; or
- (b) any land which is zoned as open space zone II or III in terms of the Municipality's zoning scheme regulations, provided that such protected areas, nature reserves or land, with the exception of tourism facilities that may have been erected thereon, are exclusively utilised for the preservation of fauna and flora and the products of such land are not being traded for commercial gain.

**“date of valuation”** means the date determined by a municipality in terms of section 31(1) of the Act.

**“day”** means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday;

**“effective date”-**

- (a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32(1) of the Act; or
- (b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78(2)(b) of the Act;

**“exclusion”**, in relation to the municipality's rating power, means a restriction of that power

as provided for in section 17 of the Act;

**“exemption”**, in relation to the payment of a rate, means an exemption granted in terms of section 15 of the Act;

**“financial year”** means the period starting from 1 July in a year to 30 June of the next year and **“year”** shall have a corresponding meaning;

**“illegal use”**, means the use of a property in a manner that is inconsistent with or in contravention of the permitted use of the property;

**“improvement”**, means any building or structure on or under a property, but excluding anything that may not be taken into account in determining the market value of a property;

**“Income Tax Act”**, means the Income Tax Act, 1958 (Act No 58 of 1962);

**“indigent person”**, means a person described as such in the municipality's Indigent Policy;

**“industrial”**, in relation to property, means the use of a property for a branch of trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, including any office or other accommodation on the property, the use of which is incidental the use of such factory;

**“land reform beneficiary”**, relation to a property, means a person who-

- (a) acquired the property through-
  - (i) the Provision of Land and Assistance Act, 1993 (Act No 126 of 1993); or
  - (ii) the Restitution of Land Rights Act, 1994 (Act No 22 of 1994);
- (b) holds the property subject to the Communal Property Associations Act, 1996 (Act No 28 of 1996); or
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;

**“land tenure right”** means a land tenure right as defined in section 1 of the

Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991);

**“local community”**, in relation to a municipality—

- (a) means that body of persons comprising—
  - (i) the residents of the municipality;
  - (ii) the ratepayers of the municipality;
  - (ii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
  - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality;
- (b) includes, more specifically, the poor and other disadvantaged sections of such body of persons;

**“local municipality”** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

**“market value”**, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;

**“mining property”** means a property used for mining operations as defined in the Minerals and Petroleum Resources Development Act, 2002 (Act No 28 of 2002)

**“multiple purposes”**, in relation to property, means the use of a property for more than one purpose, subject to section 9

**“municipal council”** or **“council”** means the municipal council of Kannaland Municipality;

**“municipality”** means when referred thereto as –

- (a) an entity, Kannaland Municipality as a municipality described in Section 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), including a duly authorized official of Kannaland Municipality; and
- (b) a geographical area, the area of jurisdiction of Kannaland Municipality as determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998), and **Kannaland Municipality** shall have a

corresponding meaning;

**“municipal manager”** means the person appointed as such in terms of section 82 of the Local Government : Municipal Structures Act, 1998 (Act No 117 of 1998) in respect of Kannaland Municipality;

**“Municipal Finance Management Act”**, means the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003);

**“municipal properties”** means properties -

- (a) registered in the name of the municipality in a deeds registry;
- (b) publicly controlled by the municipality; or
- (c) registered in the name of the municipality at any time at the election of the Municipality due to an entitlement thereto, but excluding property held or controlled by the Municipality in a fiduciary or similar capacity, transferable to a third party at the election of such third party;

**“Municipal Structures Act”**, means the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998);

**“Municipal Systems Act”**, means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);

**“municipal valuer”** or **“valuer of the municipality”**, means a person designated as a municipal valuer in terms of section 33(1) of the Act;

**“nature reserve”** a protected area listed in terms of section 10 of the Protected Areas Act, No 52 of 2003.;

**“newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which the Act took effect, excluding a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date and any other property identified as such in terms of the Act;

**“occupier”**, in relation to a property, means a person in actual occupation of a property whether or not that person has a right to occupy the property;

**“office bearer”**, in relation to places of public worship, means the primary person who



officiates at services at that place of worship;

**“official residence”** in relation to places of public worship, means a single residential property registered in the office of the Registrar of Deeds in the name of a religious community or registered in the office of the Registrar of Deeds in the name of a trust established for the sole benefit of a religious community and used as a place of residence for an office bearer;

**“owner”**—

- (a) in relation to property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered; or
  - (bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;
  - (bB) in relating to a share in a share block company, the share block company as defined in the Share Block Control Act, 1980 (Act No. 59 of 1980);
  - (bC) in relation to buildings, other immovable structures and infrastructure referred to section in 17(1)(f), means the holder of the mining right or the mining permit.
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled” in terms of the Act, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
  - (i) A trustee, in the case of a property in a trust excluding state trust land;

- (ii) an executor or administrator, in the case of a property in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (iv) a judicial manager, in the case of a property in the estate of a person under judicial management;
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) an usufructuary or other person in whose name a usufruct or other personal servitude is registered in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or
- (viii) a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

**“permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of –

- (a) any restrictions imposed by –
  - (i) a condition of title;
  - (ii) a provision of a town planning or land use scheme; or
  - (iii) any legislation applicable to any specific property or properties; or
- (b) any alleviation of any such restrictions;

**“person”**, includes an organ of state;

**place of public worship**” means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is-

- (a) registered in the name of the religious community;
- (b) Registered in the name of a trust established for the sole benefit of a religious community;

or

(c) subject to a land tenure right;

**“prescribe”**, means prescribe by regulation in terms of section 83 of the Act;

**“private open space”** means any land which is in private ownership used primarily as a private site for play, rest or recreation without financial gain;

**“property”** means—

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) public service infrastructure;

**“property register”** means a register of properties referred to in section 23 of the Act;

**“protected area”** means an area that is or has to be listed in the register referred to in section 10 of the National Environmental Management: Protected Areas Act, 2003 (Act No 57 of 2003);

**“public benefit organisations”** means organisations approved in terms of section 30 (3) of the Income Tax Act;

**“public open space”** means land owned by the municipality, which is not leased on a long term basis, and which is set aside for the public as open area;

**“public service infrastructure”** means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services of labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams and water supply

reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;

- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communication system serving the public;
- (g) runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising any device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i).

**“public service purposes”**, in relation to the use of a property, means property owned and used by an organ of state for the rendering of the following services directly to the public:

- (a) hospitals and public clinics;
- (b) Schools, including pre-schools, early childhood development centres and further education and training colleges;
- (c) Libraries;
- (d) Police stations; or
- (e) Courts of law, but excludes property contemplated in the definition of “public service infrastructure”.

**“rate”** means a municipal rate on property envisaged in section 229(1)(a) of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996);

**“ratepayer”** means a person who is liable, in terms of the Act, for the payment of rates on property levied by the municipality;

**“rateable property”** means property on which the municipality may in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act;

**“ratio”**, in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

**“the rates policy”** means Council's rates policy in terms of section 3 of the Act;

**“rebate”**, in relation to a rate payable on a property, means a discount on the amount of the rate payable on the property;

**“reduction”**, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount;

**“residential”**, in relation to property, means a property having a suite of rooms which forms a living unit that is exclusively used for human habitation purposes or a multiple number of such units, but does not include a hotel, commune, accommodation establishment, guesthouse, boarding or lodging undertaking, hostel or suchlike properties;

**“residential property”** means a property included in a valuation roll in terms of section 48(2)(b) of the Act in respect of which the primary use or permitted use is for residential purposes without derogating from section 9

**“Sectional Titles Act”**, means the Sectional Titles Act, 1986 (Act No 95 of 1986);

**“sectional title scheme”**, means a scheme defined in section 1 of the Sectional Titles Act;

**“sectional title unit”**, means a unit defined in section 1 of the Sectional Titles Act;

**“specified public benefit activity”** means an activity listed in item 1 (welfare and humanitarian), item 2 (health care), item 4 (education and development), item 6 (cultural), item 7 (conservation, environment and animal welfare), item 9 (sport) of Part I of the Ninth Schedule to the Income Tax Act;

**“state-owned properties”** means properties owned by the State, which are not

included in the definition of public service infrastructure in the Act;

**“sewerage services”** includes water-borne-, conservancy tank removal.

**“the Act”** means the Local Government : Municipal Property Rates Act, 2004 (Act No. 6 of 2004).

**“unimproved property”** means property on which no immovable improvements have been erected : Provided that improvements for the supply of water, electricity, sewer and suchlike services to the property and negligible improvements shall be disregarded for purposes of determining whether or not property is unimproved;

**“urban conservation area”** means an area defined in the relevant Zoning Scheme Regulations as a “Conservation Area”, the aim of which is to retain the unique character or the aesthetical sensitive arrears of the Kannaland Municipality by the control of building design and building lines in the case of new buildings or even not built upon and also in the case of existing buildings to be replaced, altered or extended.

(1) Words and expressions to which a meaning has been assigned in the Act shall bear the same meaning in this policy.

(2) In this policy, a word or expression derived from a word or expression defined in subsection (1) shall have a corresponding meaning unless the context indicates that another meaning is intended.

**“vacant land”** means property on which no immovable improvements have been erected : Provided that improvements for the supply of water, electricity, sewer and suchlike services to the property and negligible improvements shall be disregarded for purposes of determining whether or not property is vacant;

## **2. RATES POLICY**

- (1) The Council must, by resolution, adopt a policy on the levying of rates on rateable property in the municipality.
- (2) The rates policy adopted by the Council must comply with the provisions of the Act.
- (3) The municipality must levy rates in accordance with the Act, these By-laws and the rates policy referred to in subsection (1).

### **3. RATES PRINCIPLES**

- (1) The rates levied by the municipality must comply with the following principles :
  - (a) All ratepayers within a specific category, as determined by the Council from time to time, must be treated equitably.
  - (b) A fair and transparent system of exemptions, rebates and reductions must be adopted and implemented by the municipality;
  - (c) Relief measures in respect of the payment of rates may not be granted on an individual basis, other than by way of exemption, rebate or reduction;
  - (d) Exemptions, rebates and reductions must be used to alleviate the rates burden on –
    - (i) the poor;
    - (ii) public benefit organisations; and
    - (iii) public service infrastructure.
  - (e) Provision must be made for the promotion of local, social and economic development.
- (2) In considering affordability, the total municipal services account and not only the rates account will be considered. The municipality will endeavour to limit the annual increase in revenue from property rates to the increase in the consumer price index, except when the approved Integrated Development Plan of the Municipality provides for a greater increase.

### **4. DETERMINATION OF RATES**

- (1) The Council may -
  - (a) by resolution supported by a majority of the members of the Council levy rates on rateable property in the municipality;
  - (b) from time to time by resolution amend such determination and determine the date on which such determination or amendment shall come into operation.
- (2) The council shall, in imposing the rates for each financial year, take cognisance of the aggregate burden of rates and service charges on property owners in the various categories of property ownership, and of the extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region.

## 5. CATEGORIES OF PROPERTY

- (1) For the purpose of levying different rates on different categories of property, the Council must -
  - (a) determine different categories of property; or
  - (b) provide criteria for determining different categories of property.
- (2) The different categories of property determined by the Council in terms of subsection (1)(a) or the criteria for determining different categories of property in terms of subsection (1)(b) must be specified in the rates policy adopted by the Council in terms of section 2(1).
- (3.1) The different categories of property determined by the Council in terms of subsection (1)(a) may include, but are not limited to the following :
  - (a) Residential properties.
  - (b) Industrial properties.
  - (c) Business and commercial properties.
  - (d) Accommodation establishments.
  - (e) Agriculture properties used for-
    - (i) agricultural purposes;
    - (ii) business and commercial purposes;
    - (iii) residential purposes;
    - (iv) eco-tourism, nature reserve or conservation; or
    - (v) trading in or hunting of game.
  - (f) Farm properties not used for any identified purpose;
  - (g) State-owned properties used to –
    - (i) provide local services;
    - (ii) provide provincial / national services.
  - (h) Municipal properties;
  - (i) Public service infrastructure;
    - (i) Public open spaces;
  - (j) Private open spaces;
  - (k) Privately owned towns serviced by the owner.
  - (l) Formal and informal settlements.
  - (m) Communal land as defined in the Communal Land Rights Act, 2004 (Act No 11 of 2004);
  - (n) State trust land.



- (o) Properties-
  - (i) acquired through the Provision of Land and Assistance Act, 1993 (Act No 126 of 1993) or the Restitution of Land Rights Act, 1994 (Act No 22 of 1994); or
  - (ii) subject to the Communal Property Associations Act, 1996 (Act No 28 of 1996).
- (p) Protected areas.
- (q) Properties on which national monuments are proclaimed.
- (r) Properties owned by public benefit organisations used for public benefit activities in terms of the Ninth Schedule to the Income Tax Act.
- (s) Properties used for multiple purposes. (t) Urban conservation areas.
- (v) Developed non-urban land. (w) Vacant land.
- (w) Place of Worship
- (y) Old Age Homes
- (z) Museum

(3.2) For all agricultural properties with mixed use, allocations shall be used to allocate the market value to the different portions and to rate the portions accordingly.

(3.3) Agricultural properties that are not used for bona fide farming, but are predominantly used as residential properties will be categorised as "residential", provided that they meet the definition of a residential property as described in this policy.

(3.4) Farms used predominantly for commercial or industrial purposes (such as truck depots, construction yards or factories) shall not qualify for any rebates or reductions.

(3.5) Should any doubt arise regarding the category to which a particular property or group of properties belong, the Council or a person or persons designated by the Council shall, after having considered representations by the person or persons having a direct interest in the property or properties, determine the category to which the property or properties concerned belong.

(4) The criteria for determining different categories of property in terms of

subsection (1)(b) may include, but are not limited to the following :

- (a) the actual use of the property;
- (b) the permitted use of the property;
- (c) the size of the property;
- (d) the geographical area in which the property is located.

- (5) Should any doubt arise regarding the category to which a particular property or group of properties belong, the Council or a person or persons designated by the Council shall, after having considered representations by the person or persons having a direct interest in the property or properties, determine the category to which the property or properties concerned belong?

## 6. CATEGORIES OF OWNERS

- (1) For the purpose of levying rates on different categories of property or for the purpose of granting exemptions, rebates or reductions, the Council must –
  - (a) determine different categories of owners of property; or
  - (b) provide criteria for determining different categories of owners of property.
- (2) The different categories of owners of property determined by the Council or the criteria for determining different categories of owners of property must be specified in the rates policy adopted by the Council.
- (3) The different categories of owners of property determined by the Council in terms of subsection (1)(a) may include, but are not limited to the following :
  - (a) indigent owners (income of owner of property);
  - (b) owners dependent on pensions or social grants;
  - (c) owners of property situated within an area affected by-
    - (i) a disaster within the meaning of the Disaster Management Act, 2002 (Act No 57 of 2002);
    - (ii) owners of property situated within an area affected by-
  - (d) any other serious adverse social or economic conditions;
  - (e) owners of residential properties with a market value lower than an amount determined by the municipality; or
  - (f) owners of agricultural properties who are *bona fide* farmers.
  - (g) registered nature reserves with Cape Nature

- (h) use of the property;
- (4) The criteria for determining different categories of owners of property in terms of subsection (1)(b) may include, but are not limited to the following criteria :
  - (a) income of owner of property;
  - (b) source of income of owner of property;
  - (c) occupation of owner of property;
  - (d) market value of the property;
  - (e) use of the property;
  - (f) disasters or other serious adverse social or economic condition.

## **7. PROPERTIES USED FOR MULTIPLE PURPOSES**

- (1) The Council must determine the criteria in terms of which multiple use properties must be rated.
- (2) The criteria determined by the Council in terms of subsection (1) must be specified in the rates policy adopted by the Council.
- (3) The criteria determined by the Council in terms of subsection (1) must be either–
  - (a) the permitted use of the property;
  - (b) the dominant use of the property; or
  - (c) the multiple uses of the property.
- (4) If the criterion set out in subsection (3)(c) is adopted by the Council, the rates levied on multiple use properties must be determined –
  - (a) by apportioning the market value of such a property to the different purposes for which the property is used; and
  - (b) by applying the relevant cent amount in the Rand to the corresponding apportioned market value.

## **8. LIABILITY FOR RATES**

Rates levied by a municipality on a property must be paid by the owner of the property, subject to section 9 of the Municipal Systems Act.

- (1) Rates shall be payable on a monthly basis by not later than the day of every month provided for in terms of the policy : Provided that rates may in terms of an agreement with the municipality be paid in full annually on or before 30 September of the year in which it is levied, provided that application be made for this alternative as provided

for in the rates policy.

- (2) In the event that a property has been transferred to a new owner and an interim valuation took place, the previous owner as well as the new owner will jointly and severally be liable for settling the interim rates account.
- (3) The levies payable in respect of properties which are to be transferred to or which will vest in the Municipality arising from developments, i.e. open spaces and roads, shall up to the date of transfer to the municipality be for the account of the developer, pro rated for any portion of a year.
- (4) Rates clearance certificates for property transfer purposes will only be valid for a period of 60 day; no extension of the period of validity of a rates clearance certificate will be granted.
- (5) Interest at 1% above the prime interest rate charged by the Municipality's principal bank from time to time shall be payable on all rates not paid on the specified date.
- (6) A person liable for a rate must furnish the municipality with that person's postal address"
- (7) In a case of agricultural property owned by more than one owner in undivided shares where the holding of such undivided shares was allowed before the commencement of the subdivision of the Agricultural Land Act (Act 70 of 1970) the municipality may consider the following options for determining the liability for rates.
  - (i) If the joint owners are all available, the issue of who is liable for rates will be dealt with in the context of whether they have entered into an agreement or not regarding payment of rates liabilities. Where the joint owners have a written agreement that a specific joint owner is liable for all the rates, the municipality will hold such a joint owner liable in respect of all the rates. A certified copy of the agreement must be submitted to the municipality. Where there is no agreement, the municipality will hold anyone of the joint owners responsible for the whole property.
  - (ii) If the joint owners are not traceable with the exception of one joint owner and such joint owner is occupying or using the entire property or a significant larger portion the municipality will hold that joint owner liable for the total rates bill.

- (iii) If the traceable joint owner is only using or occupying a small portion of the entire property, the municipality will hold that joint owner only responsible for his own undivided share in that property.

By Council Resolution number: **COUNCIL 12/02/18**, the municipality reverts to the option of holding each joint owner separately responsible for the property rates on their undivided share. Each owner will be billed individually on their share.

## 9. DIFFERENTIAL RATING

- (1) Different categories of properties may pay different rates in the rand based on the market value of their properties.
- (2) The criteria to be applied by the municipality for the levying of different rates for different categories of properties may include, but are not limited to the following:
  - (a) the nature of the property;
  - (b) the sensitivity of the property to rating;
  - (c) the extent to which the property has been developed;
  - (d) the promotion of social and economic development;
  - (e) the geographical location of the property.
- (3) For purposes of levying of different rates on different categories of properties, the method in terms of which different rates may be levied against different categories of property must be based on the following:
  - (a) setting a different cent amount in the Rand for each category of property;
  - (b) granting rebates for different categories of property; or
  - (c) granting reductions for different categories of property.
- (4) The rate payable by agricultural and public sector infrastructure properties will be equal to seventy five percent (75%) of the residential rate payable. The differential rate will be calculated as follows:
  - (a) a 5% differential due to the fact that the municipality does not provide municipal roads;
  - (b) a 5% differential due to the fact that the municipality does not provide sewerage services;

- (c) a 5% differential due to the fact that the municipality does not provide electricity services;
- (d) a 10% differential due to the fact that the municipality does not provide water services;
- (e) a 10% differential due to the fact that the municipality does not provide refuse removal services;
- (f) a 10% differential due to the fact that the farm owner supplies 1 to 10 houses to farm workers;
- (g) a 20% differential due to the fact that the farm owner supplies more than 10 houses to farm workers;
- (h) a 10% differential due to the fact that the owner supplies work opportunities for less than 10 permanent farm workers;
- (i) a 20% differential due to the fact that the farm owner supplies work opportunities for more than 10 permanent farm workers.

**1. ONLY ONE OF (F) & (G) CAN BE APPLICABLE**

**2. ONLY ONE OF (H) & (I) CAN BE APPLICABLE**

## **10. ZONING AND USAGE FOR RATES PURPOSES**

The rates tariffs on a property will be applicable for the zoning or usage of a property. Therefore, if a property is zoned as a business, the business tariff will apply.

## **11. EXEMPTIONS**

- (1) If the municipality chooses to exempt the owners of any specific category of property or any specific category of owners of property from the payment of rates, it must exercise its power in accordance with the criteria determined by the Council in terms of Section 3(3)(b)(ii) of the Act.
- (2) The criteria which must be determined by the Council in terms of Section 3(3)(b)(ii) and may include, but are not limited to the following :
  - (a) age of the owner of the property;
  - (b) income of the owner of the property;
  - (c) source of the income of the owner of the property;
  - (d) economic, physical and social condition of the property;

- (e) public service infrastructure;
  - (f) property use for specified public benefit activities;
  - (g) market value of the property;
  - (h) in respect of properties used for agricultural purposes, the criteria set out in section 3(4) of the Act.
- (3) To the extent to which the levying of rates on certain properties are impermissible in terms of section 17 of the Act and this policy provides for a rebate in respect of such a property, the rebate shall be deemed to be included in the exemption afforded by section 17 and shall not be allowed in addition thereto. This is an important part of the Council's indigent policy and is aimed primarily at alleviating poverty. All improved residential and informal properties with a market value less than R40 000 are exempted from paying rates, The R15 000 impermissible rates contemplated in terms of Section 17 of the Act is included in the R70 000 amount.
- (4) All vacant land properties does not qualify for the R15 000 impermissible rates Contemplated in terms of Section 17 of the Act.

## 12. REBATES

- (1) If the municipality chooses to grant a rebate to a specific category of property or to a specific category of owners of property from the payment of rates, it must exercise this power in accordance with the criteria determined by the Council in terms of section 3(3)(b)(iii) of the Act.
- (2) The criteria which must be determined by the Council in terms of section 3(3)(b)(iii) of the Act may include, but are not limited to the following :
- (a) age of the owner of the property;
  - (b) income of the owner of the property;
  - (c) nature of the property;
  - (d) ownership of the property;
  - (e) market value of the property;
  - (f) property used for specified public benefit activities;
  - (g) extent to which municipal services are provided to the property;
  - (h) extent to which the property contributes to local, social and economic development;
  - (i) in respect of properties used for agricultural purposes, the criteria set out in

section 3(4) of the Act.

### **13. REDUCTIONS**

- (1) If the municipality chooses to grant a reduction to a specific category of property or to a specific category of owners of property from the payment of rates, it must exercise this power in accordance with the criteria determined by the Council in terms of section 3(3)(b)(iii) of the Act.
- (2) The criteria which must be determined by the Council in terms of section 3(3)(b)(iii) of the Act may include, but are not limited to the following :
  - (a) fire damage;
  - (b) demolition;
  - (c) flood damage;
  - (d) earthquake;
  - (e) natural disasters.

### **14. PHASING-IN OF CERTAIN RATES**

Unless otherwise decided by the Council from time to time and subject to any other provisions hereof, the property owners who qualify for phasing-in discounts in terms of Section 21 of the Act shall be granted the minimum discounts provided for in Section 21 : Provided that such discounts shall not be allowed in addition to any rebates or reductions otherwise provided for in this policy in respect of the categories of properties concerned.

### **15. PROCESS OF GRANTING EXEMPTIONS, REBATES AND REDUCTIONS**

- (1) Applications for exemptions, rebates and reductions must be made in accordance with the procedures and within the time-limits determined by the Council and set out in the rates policy.
- (2) The municipality shall be entitled to refuse an application for an exemption, rebate or reduction if the details supplied in support of an application are incomplete, incorrect or false : Provided that if the incorrectness or falsity is detected after the application has been granted, the municipality may by notice in writing to the ratepayer withdraw the exemption, rebate or reduction with retrospective effect and the ratepayer shall on demand pay to the municipality all amounts he would otherwise have had to pay had it not been for the exemption, rebate or reduction.
- (3) Should an illegal use occur in respect of a property or any part thereof, such



property (or the registered owner thereof) shall not qualify for any rebate or reduction that may otherwise be applicable to such property or person.

#### **18. FREQUENCY OF VALUATIONS**

The municipality shall prepare a new valuation roll every 5 (five) years and a supplementary roll annually.

#### **17. RATES INCREASES**

- (1) Subject to and in conformity with the Act, the municipality may increase the rates it levies on property in the municipality.
- (2) The criteria which must be determined by the Council in terms of section 3(3)(b)(iv) of the Act may include, but are not limited to the following :
  - (a) priorities of the municipality reflected in its integrated development plan;
  - (b) the revenue needs of the municipality;
  - (c) the need for the management of rates increases;
  - (d) affordability of rates to ratepayers.

#### **18. CORRECTION OF ERRORS AND OMISSIONS**

- (1) In the event of any under-recovery of rates on a particular property, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll. In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.
- (2) In the event of any over-recovery of rates on a particular property, whether because of the rate applied or the valuation, the account concerned shall be rectified for the year in which the mistake is detected and for not more than the two preceding financial years, subject, however, to the provisions of the Institution of Legal Proceeding against Certain Organs of State Act, 2002 (Act No 40 of 2002).

**19. SHORT TITLE**

These By-Laws are called the Kannaland Municipality Property Rates By- Laws.

**20. COMMENCEMENT**

**ADOPTED BY RESOLUTION OF THE MUNICIPAL COUNCIL OF KANNALAND:**

Version 1 – 20 October 2010  
Version 2 – 31 May 2012  
Version 3 – 1 March 2013 (Guesthouses)  
Version 4 – 28 May 2014  
Version 4 – 27 May 2015  
Version 5 – 29 March 2018

**KANNALAND MUNICIPALITY**  
**REVENUE BY-LAWS**

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**KANNALAND MUNICIPALITY**

**REVENUE BY-LAWS**

**FOR IMPLEMENTATION ON 1 JULY 2018**

**KANNALAND MUNICIPALITY  
REVENUE BY-LAWS**

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**KANNALAND MUNICIPALITY  
REVENUE BY-LAW**

**DOCUMENT AND VERSION CONTROL**

**Version: Final 2014/2015**

**Date: 29 March 2018**

**Summary: This document describes the Revenue Buy-Law that will  
be applicable to the Kannaland Municipality, with effect from 1 July 2018**

**Municipal Manager: R STEVENS**

**Date: 2018.03.29**

**Executive Mayor: M BARRY**

**Date: 2018.03.29**

# KANNALAND MUNICIPALITY

## REVENUE BY-LAWS

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### **PART I: GENERAL**

#### SECTION 1: OBJECTIVE OF BY-LAWS

- (a) These by-laws are formulated and gazetted to give proper effect to the local municipality's policies on:
- tariffs;
  - rates;
  - credit control and debt collection; and
  - indigent management.
- (b) These by-laws must be read in conjunction with the policies referred to, and within the applicable provisions of the following legislation:
- (i) Water Services Act No. 108 of 1997;
  - (ii) Local Government: Municipal Systems Act No. 32 of 2000;
  - (iii) Local Government: Municipal Finance Management Act No. 56 of 2003;  
and
  - (iv) Local Government: Municipal Property Rates Act No. 6 of 2004.
- (c) The relevant sections of the legislation referred to above are appended to:
- (i) Part 9 of the tariffs policy;
  - (ii) Part 7 of the rates policy; and
  - (iii) Part 24 of the credit control and debt collection policy.
- (d) Copies of these policies, with the relevant annexures setting out the legal requirements and legal framework within which the by-laws must operate, appear on the municipality's website (address provided) and are available free of charge on application to the Office of the Municipal Manager (address provided).

## KANNALAND MUNICIPALITY REVENUE BY-LAWS

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### SECTION 2: DEFINITIONS

**"Accommodation establishment"** in relation to a property means the supply of overnight facilities to guests and tourist. A guest house can be an existing home from 3 or more rooms specifically designed to provide overnight accommodation.

**"Agent"** in relation to the owner of a property, shall mean a person appointed by the owner of the property to receive rental or other payments in respect of the property on behalf of the owner, or to make payments in respect of the property on behalf of the owner.

**"Agricultural property"** means property that is used primarily for agricultural purposes, including the rearing, trading and hunting of game but, without derogating from section 9, the property for the purpose of eco-tourism and any portion thereof that is used for the hospitality of guests"

**"Annual budget"** shall mean the budget approved by the municipal council for any particular financial year, and shall include any adjustments to such budget.

**"Basic municipal services"** shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment.

**"By-law"** shall mean legislation passed by the council of the municipality, and which shall be binding on the municipality and on the persons and institutions to which it applies.

**"Consumer price index"** shall mean the CPIX as determined and gazetted from time to time by the South Africa Bureau of Statistics.

**"Councillor"** shall mean a member of the council of the municipality.

## KANNALAND MUNICIPALITY REVENUE BY-LAWS

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**"Domestic consumer or user"** of municipal services shall mean the person or household which municipal services are rendered in respect of "residential property" as defined below.

**"date of valuation"** means the date determined by a municipality in terms of section 31(1) of the Act

**"day"** means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday;

**"effective date"**-

- (a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32(1) of the Act; or
- (b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78(2)(b) of the Act;

**"exclusion"**, in relation to the municipality's rating power, means a restriction of that power as provided for in section 17 of the Act;

**"Financial year"** shall mean the period starting from 1 July in any year and ending on 30 June on the following year.

**"Integrated development plan"** shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act 2000.

## KANNALAND MUNICIPALITY REVENUE BY-LAWS

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**"Land reform beneficiary"** in relation to a property, shall mean a person who acquired the property through the provision of Land and Assistance Act No. 126 of 1993 or the Restitution of Land Rights Act No. 22 of 1994, or who holds the property subject to the Communal Property Associations Act No. 29 of 1996, or who holds or acquires the property in terms of such other land tenure reform legislation as may be enacted.

**"land tenure right"**, means a land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991);

**"Local community"** or **"community"**, in relation to the municipality, shall mean that body of persons comprising the residents of the municipality, the ratepayers of the municipality, any civic organisations and non-governmental, private sector or labour organisations or bodies involved in local affairs within the municipality, and visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality.

**"mining property"** means a property used for mining operations as defined in the Minerals and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);

**"Market value"** in relation to a property shall mean the value of the property as determined in accordance with Section 46 of the Property Rates Act 2004.

**"multiple purposes"**, in relation to property, means the use of a property for more than one purpose, subject to section 9

**"Month"** means one of twelve months of a calendar year.

**"Municipality"** or **"municipal area"** shall, where appropriate, mean the geographic area, determined in terms of the Local Government: Municipal Demarcation Act No. 27 of 1998 as the municipal area pertaining to the municipality.

**"Municipal council"** or **"council"** shall mean the municipal council as referred to in Section 157(1) of the Constitution.



## KANNALAND MUNICIPALITY REVENUE BY-LAWS

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**"Municipal entity"** shall mean (a) a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation, and which operates under the ownership control of one or more municipalities; or (b) a service utility.

**"Municipal manager"** shall mean the person appointed in terms of Section 82 of the Municipal Structures Act, 1998.

**"Multiple purposes"** in relation to a property, shall mean the use of a property for more than one purpose.

**"Municipal service"** has the meaning assigned to it in terms of Section 1 of the Municipal Systems Act.

**"Municipal tariff"** shall mean a tariff for services which the municipality may set for the provision of a service to the local community, and may include a surcharge on such service. Tariffs for major services shall mean tariffs set for the supply and consumption or usage of electricity, water, sewerage and refuse removal, and minor tariffs shall mean all other tariffs, charges, fees, rentals or fines levied or imposed by the municipality in respect of other services supplied including services incidental to the provision of the major services.

**"Occupier"** in relation to a property, shall mean a person in actual occupation of the property, whether or not that person has a right to occupy the property.

**"office bearer"**, in relation to places of public worship, means the primary person who officiates at services at that place of worship;

**"official residence"** in relation to places of public worship, means a single residential property registered in the office of the Registrar of Deeds in the name of a religious

## KANNALAND MUNICIPALITY REVENUE BY-LAWS

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community or registered in the office of the Registrar of Deeds in the name of a trust established for the sole benefit of a religious community and used as a place of residence for an office bearer;

### **"Owner"**

- (a) in relation to a property referred to in paragraph (a) of the definition of "property", shall mean a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of "property", shall mean a person in whose name the right is registered;
- (bA) in relation to a time sharing interest contemplated in the Property Time-sharing

Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;

- (bB) in relating to a share in a share block company, the share block company as de-

fined in the Share Block Control Act, 1980 (Act No. 59 of 1980);

- (bC) in relation to buildings, other immovable structures and infrastructure referred to section in 17(1)(f), means the holder of the mining right or the mining permit.

(c) in relation to a land tenure right referred to in paragraph (c) of the definition of "property", shall mean a person in whose name the right is registered or to whom it was granted in terms of legislation; and

(d) in relation to public service infrastructure referred to in paragraph (d) of the definition of "property", shall mean the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled", provided that a

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person mentioned below may for the purposes of the Property Rates Act 2004 be regarded by the municipality as the owner of a property in the following cases:

- (i) a trustee, in the case of a property in a trust, but excluding state trust land;
- (ii) an executor or administrator, in the case of a property in a deceased estate;
- (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
- (iv) a judicial manager, in the case of a property in the estate of a person under judicial management;
- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of the municipality and is leased by it; and
- (vii) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or
- (viii) a buyer, in the case of a property sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of such buyer.

**“Permitted use”** in relation to a property, shall mean the limited purposes for which the property may be used in terms of any restrictions imposed by a condition of title, a provision of the municipality’s town planning or land use scheme, or any legislation applicable to any specific property or properties, or any alleviation of any such restrictions.

**“Person”** shall include an organ of state, and an “organ of state” shall mean an organ of state as defined in Section 239 of the Constitution.

**“place of public worship”** means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in

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which secular or religious education is the primary instructive medium: Provided that the property is-

- (a) registered in the name of the religious community;
- (b) Registered in the name of a trust established for the sole benefit of a religious community; or
- (c) subject to a land tenure right;

**"Property"** shall mean (a) immovable property registered in the name of a person, including in the case of a sectional title scheme a sectional title unit registered in the name of a person; (b) a right registered against immovable property in the name of the person, but excluding a mortgage bond registered against the property; (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; and (d) public service infrastructure.

**"Public service infrastructure"** shall mean publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme servicing the public;
- (c) power stations, power sub-stations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuel forming part of the scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges and lines forming part of a communication system serving the public

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- (g) runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;
- (h) breakwaters, seawalls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed; and
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i).

**“Publicly controlled”** shall mean owned by or otherwise under the control of an organ of state, including a public entity listed in the Public Finance Management Act No. 1 of 1999, a municipality, or a municipal entity.

**“Rate”** shall mean a municipal rate on property as envisaged in Section 229(1)(a) of the Constitution.

**“Rateable property”** shall mean property on which the municipality may in terms of Section 2 of the Property Rates Act 2004 levy a rate, but excluding property fully excluded from the levying of rates in terms of Section 17 of that Act.

**“ratio”**, in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;

**“Ratepayer”** shall mean a person who is liable to the municipality for the payment of

- (a) rates on property in the municipality;
- (b) any other tax, duty or levy imposed by the municipality; and/or

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(c) fees for services provided either by the municipality or in terms of a service delivery agreement.

**"Rebate"** in relation to a rate payable on a property, shall mean a discount granted in terms of Section 15 of the Property Rates Act 2004 on the amount of the rate payable on the property.

**"Residential property"** shall mean a property included in the valuation roll in terms of Section 48(2)(b) of the Property Rates Act 2004 as residential.

**"Sectional Titles Act"** shall mean the Sectional Titles Act No. 95 of 1986, and "sectional title scheme" shall mean a scheme defined in Section 1 of that Act; and "sectional title unit" shall mean a unit as defined in Section 1 of that Act.

**"Specified public benefit activity"** shall mean an activity listed in item 1 (welfare and humanitarian), item 2 (healthcare) and item 4 (education and development) of Part 1 of the ninth schedule to the Income Tax Act No. 58 of 1962.

**"State trust land"** shall mean land owned by the state and held in trust for persons communally inhabiting the land in terms of a traditional system of land tenure; over which land tenure rights have been registered or granted; or which is earmarked for disposal in terms of the Restitution of Land Rights Act No. 22 of 1994.

### PART II: TARIFFS

#### SECTION 3: OBJECTIVE

In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

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### SECTION 4: GENERAL PRINCIPLES

(a) Service tariffs imposed by the local municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the ability of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigency relief measures approved by the municipality from time to time).

(b) The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.

(c) Tariffs for the four major services rendered by the municipality, namely:

- electricity
- water
- sewerage (waste water)
- refuse removal (solids waste),

shall as far as possible recover the expenses associated with the rendering of each service concerned, and – where feasible – generate a modest surplus as determined in each annual budget. Such surplus shall be applied in relief of property rates or for the future capital expansion of the service concerned, or both.

(d) The tariff which a particular consumer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.

(e) The municipality shall develop, approve and at least annually review an indigency support programme for the municipal area. This programme shall set out clearly the municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.

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- (f) In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies. Such differentiation shall, however, at all times be reasonable, and shall be fully disclosed in each annual budget.
- (g) The municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of consumers or users shall be evident to all consumers or users of the service in question.
- (h) The municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all consumers and users affected by the tariff policy concerned.
- (i) The municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.
- (j) In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on consumers shall be proportionate to the quantity of the service which they consume.
- (k) In addition, the municipality shall levy monthly availability charges for the services concerned, and these charges shall be fixed for each type of property as determined in accordance with its appropriate policies. Generally, consumers of water and electricity shall therefore pay two charges: one, relatively minor, which is unrelated to the volume of consumption and is levied because of the availability of the service concerned; and another directly related to the consumption of the service in question.



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- (l) In considering the costing of its water, electricity and sewerage services, the municipality shall take due cognisance of the high capital cost of establishing and expanding such services, and of the resultant high fixed costs, as opposed to variable costs of operating these services.

In adopting what is fundamentally a two-part tariff structure, namely a fixed availability charge coupled with a charge based on consumption, the municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.

- (m) The municipality's tariffs for electricity services will be determined to ensure that those consumers who are mainly responsible for peak demand, and therefore for the incurring by the municipality of the associated demand charges from Eskom, will have to bear the costs associated with these charges. To this end the municipality shall therefore install demand meters to measure the maximum demand of such consumers during certain periods. Such consumers shall therefore pay the relevant demand charge as well as a service charge directly related to their actual consumption of electricity during the relevant metering period.

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### SECTION 5: CALCULATION OF TARIFFS FOR MAJOR SERVICES

In order to determine the tariffs which must be charged for the supply of the four major services, the municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:

- (a) Cost of bulk purchases in the case of water and electricity.
- (b) Distribution costs.
- (c) Distribution losses in the case of electricity and water.
- (d) Depreciation expenses.
- (e) Maintenance of infrastructure and other fixed assets.
- (f) Administration and service costs, including:
  - (i) service charges levied by other departments such as finance, human resources and legal services;
  - (ii) reasonable general overheads, such as the costs associated with the office of the municipal manager;
  - (iii) adequate contributions to the provisions for bad debts and obsolescence of stock;
  - (iv) all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area (note: the costs of the democratic process in the municipality – that is, all expenses associated with the political structures of the municipality – shall form part of the expenses to be financed from property rates and general revenues, and shall not be included in the costing of the major services of the municipality).

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- (g) The intended surplus to be generated for the financial year, such surplus to be applied:
  - (i) as an appropriation to capital reserves; and/or
  - (ii) generally in relief of rates and general services.
- (h) The cost of approved indigency relief measures.

#### SECTION 6: STRUCTURE OF TARIFFS

- (a) The municipality shall provide the first 50kWh of electricity per month and the first 6 kl of water per month free of charge to consumers who have registered as indigents in terms of the municipality's indigency relief programme. The municipality shall further consider relief in respect of the tariffs for sewerage and refuse removal for such registered indigents to the extent that the council deems such relief affordable in terms of each annual budget, but on the understanding that such relief shall not be less than a discount of 50% on the monthly amount billed for the service concerned.
- (b) Because water is a scarce national resource, and this municipality is committed to the prudent conservation of such resources, the tariff levied for domestic consumption of water shall escalate according to the volume of water consumed. The tariff for domestic consumption shall be based on monthly consumption of up to 6 kl (for non-indigents), more than 6 kl but not more than 15 kl, more than 15 kl but not more than 20 kl, more than 20 kl but not more than 30 kl, and more than 30 kl. Tariffs for non-domestic consumption shall be based on a single charge per kl consumed, irrespective of the volume of consumption concerned.

#### SECTION 7: ELECTRICITY

- (a) The various categories of electricity consumers, as set out in sub-section (c) below, shall be charged at the applicable tariffs, as approved by the council in each annual budget.

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- (b) Tariff adjustments shall be effective from 1 July each year or as soon as possible thereafter.
- (c) Categories of consumption and charges shall be as follows:
  - (i) With the single exception of registered indigents, all electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
  - (ii) All domestic electricity consumers of the municipality who are registered as indigents with the municipality shall receive free the first 50kWh (fifty) of electricity consumed per month.
  - (iii) All commercial, industrial and other non-domestic properties shall additionally be billed a monthly basic charge per meter installed and, where applicable, a demand charge appropriate to their respective levels of consumption.
  - (iv) A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.

### SECTION 8: WATER

- (a) The categories of water consumers as set out in sub-section (c) below shall be charged at the applicable tariffs, as approved by the council in each annual budget.
- (b) Tariff adjustments shall be effective from 1 July each year.
- (c) Categories of consumption and charges shall be:
  - (i) All domestic water consumers registered as indigents with the municipality shall receive free the first 6 (six) kl of water consumed per month. Thereafter a stepped tariff per kl as determined by the council from time to time shall be applicable on metered water consumption.

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- (ii) All other domestic consumers shall be charged for actual water consumption at a stepped tariff per kl as determined by the council from time to time.
- (v) A basic charge per water meter, as determined by the council from time to time, shall be charged on all water consumers, except registered indigents and consumers using prepaid meters.
- (vi) A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.

#### SECTION 9: REFUSE REMOVAL

- (a) The categories of refuse removal users as set out in sub-section (c) below shall be charged at the applicable tariffs, as approved by the council in each annual budget.
- (b) Tariff adjustments shall be effective from 1 July each year.
- (c) A separate fixed monthly refuse removal charge shall apply to each of the following categories of users, based on the costs of the service concerned:
  - (i) Domestic and other users (once weekly removal)
  - (ii) Business and other users (twice weekly removal)
  - (iii) Business and other (bulk consumers).
  - (iv) Domestic and other users (fortnight removal)
  - (v) Abattoir
- (d) Registered indigents may receive such discount on this charge as the council deems affordable when approving each annual budget, but on the understanding that such discount shall not be less than 40% of the monthly amount billed as a refuse removal charge.

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### SECTION 10: SEWERAGE

- (a) The categories of sewerage users as set out in sub-section (c) below shall be charged per month at the applicable tariff as approved by the council in each annual budget.
- (b) Tariff adjustments will be effective from 1 July each year.
- (c) Categories of usage and charges shall be:
  - (i) A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.
  - (ii) A fixed monthly charge based on the costs of the service shall be charged for bucket removal for domestic users. Registered indigents may receive such discount on this charge as the council deems affordable when approving each annual budget, but on the understanding that such discount shall not be less than 40% of the monthly amount billed for this service.
  - (iii) A fixed monthly charge based on the costs of the service shall be charged for domestic users. Registered indigents may receive such discount on this charge as the council deems affordable when approving each annual budget, but on the understanding that such discount shall not be less than 40% of the monthly amount billed for this service.
  - (iv) A fixed monthly charge based on the costs of the service per sewer point/toilet shall be charged to all businesses, industries and institutional users.
  - (v) An effluent fee shall further be payable by factories and other industrial users where the wastewater emanating from such users requires special purification measures by the municipality. Such fees shall be based on the toxic content of the wastewater concerned and the costs of the purification.

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### **SECTION 11: MINOR TARIFFS**

- (a) All minor tariffs shall be standardised within the municipal region.
- (b) All minor tariffs shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.
- (c) All minor tariffs over which the municipality has full control, and which are not directly related to the cost of a particular service, shall annually be adjusted at least in line with the prevailing consumer price index, unless there are compelling reasons why such adjustment should not be effected.
- (d) The following services shall be considered as subsidised services, and the tariffs levied shall cover 50% or as near as possible to 50% of the annual operating expenses budgeted for the service concerned:
  - (i) burials and cemeteries
  - (ii) rentals for the use of municipal sports facilities.
- (e) The following services shall be considered as community services, and no tariffs shall be levied for their use:
  - (i) municipal museum and art gallery
  - (ii) disposal of garden refuse at the municipal tip site
  - (iii) municipal lending library (except for fines set out below)
  - (iv) municipal botanical garden, and all other parks (excluding caravan parks) and open spaces.

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- (f) The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned:
- (i) maintenance of graves and garden of remembrance (cremations)
  - (ii) housing rentals
  - (iii) rentals for the use of municipal halls and other premises (subject to the proviso set out below)
  - (iv) building plan fees
  - (v) cleaning of stands
  - (vi) electricity, water, sewerage: new connection fees
  - (vii) Photostat copies and fees
  - (viii) clearance certificates.
- (g) The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget:
- (i) fines for loss or overdue library books
  - (ii) advertising sign fees
  - (iii) electricity, water: disconnection and reconnection fees
  - (iv) penalty and other charges imposed in terms of the approved policy on credit control and debt collection
  - (v) penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques.
- (h) Market-related rentals shall be levied for the lease of municipal properties.
- (i) In the case of rentals for the use of municipal halls and premises, if the municipal manager is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the municipal manager may waive 50% of the applicable rental.



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- (j) The municipal manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields, and in so determining shall be guided by the likelihood of the municipality's sustaining damages as a result of the use of the facilities concerned.

### **PART III: RATES**

#### **SECTION 12: OBJECTIVE**

- (a) In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the Property Rates Act, 2004 (No 6 of 2004) namely that:
- (i) the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
  - (ii) there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities;
  - (iii) revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices; and
  - (iv) it is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation, and which takes account of historical imbalances and the burden of rates on the poor.
- (b) In applying its rates policy, the council shall adhere to all the requirements of the Property Rates Act, 2004 (No 6 of 2004) including any regulations promulgated in terms of that Act.

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- (i) On the sale of any property in the municipal jurisdiction, the municipality will withhold the transfer until all rates, services and consumption charges are paid by withholding a rates clearance certificate as contemplated in section 118(1) of the Systems Act.
- (ii) The Municipality shall, wherever possible, issue a clearance certificate within ten working days of such request once all outstanding debts and administration fees have been paid in full.
- (iii) The above provisions do not apply in the case of transfers from National Government, Provincial Government or another municipality of residential property where the provisions of Section 118(4) of the Municipal Systems Act are applicable.
- (iv) Whereas section 118(1) effectively places an embargo on the transfer of immovable property until the council has obtained payment of all amounts owed to it for a period of two years prior the application for rates clearance, section 118(3) determines that an amount due for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over a mortgage bond registered against the property.
- (v) The Municipality shall collect two (2) months service charges in advance to cover the period for the transfer to be registered at the Deeds Office.

### **SECTION 14: IMPOSITION OF RATES**

- (a) The council shall as part of each annual operating budget component impose a rate in the rand on the market value of all ratable property as recorded in the municipality's valuation roll and supplementary valuation roll. Ratable property shall include any rights registered against such property, with the exception of a mortgage bond.
- (b) The council shall, in imposing the rate for each financial year, take proper cognizance of the aggregate burden of rates and service charges on representative property owners, in the various categories of property ownership,

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and of the extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region.

### SECTION 15: REBATES ON RATES

- (a) In imposing the rate in the rand for each annual operating budget component, the council shall grant the following rebates to the categories of properties and categories of owners indicated in sub-section (b) below, but the council reserves the right to amend these rebates if the circumstances of a particular annual budget so dictate.
- (b) In determining whether a property forms part of a particular category indicated below, the municipality shall have regard to the actual use to which the relevant property is put. In the case of vacant land not specifically included in any of the categories indicated below, the permitted use of the property shall determine into which category it falls.

<u>CATEGORY OF PROPERTY</u>	<u>REBATE TO BE GRANTED</u>
(i) Sites zoned for residential purposes and used for residential purposes only and of which the total valuation is R70,000.00 or less, will automatically be exempt from property rates	100%
(ii) Industrial properties	NONE
(iii) Business and commercial properties	NONE
(iv) Farm properties: residential component	75%
(v) Farm properties: business and commercial component	NONE
(vi) Farm properties: agricultural component	75%
(vii) Farm properties: used for no purpose	75%
(viii) Smallholdings: residential component	75%
(ix) Smallholdings: business and commercial component	NONE
(x) Smallholdings: industrial component	NONE

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(xi)	Smallholdings: agricultural component	75%
(xii)	State-owned properties: residential	NONE
(xiii)	State-owned properties: public service infrastructure	30%
(xiv)	State-owned properties: other	NONE
(xv)	Municipal properties: residential	NONE
(xvi)	Municipal properties: public service infrastructure	30%
(xvii)	Municipal properties: other	NONE
(xviii)	Formal and informal settlements: all properties with a ratable value of up to R70,000, will automatically be exempted from rates.	100%
(xix)	Formal and informal settlements: all properties with a ratable value of R70,000 or more	NONE
(xx)	Communal land	NONE
(xxi)	State trust land	NONE
(xxii)	Protected areas	100%
(xxiii)	Properties on which national monuments are situated, and where no business or commercial activities are conducted in respect of such monuments	100%
(xxiv)	Properties on which national monuments are situated, but where business or commercial activities are conducted in respect of such monuments	NONE
(xxv)	Properties owned by public benefit organizations and used to further the objectives of such organizations	80%
(xxvi)	The rate payable by agricultural and public sector infrastructure properties will be equal to seventy five percent (75%) of the residential rate payable. The differential rate will calculated as follows:	
	(a) a 5% differential due to the fact that the municipality does not provide municipal roads;	
	(b) a 5% differential due to the fact that the municipality does not provide sewerage services;	
	(c) a 5% differential due to the fact that the municipality does not provide electricity services;	

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- (d) a 10% differential due to the fact that the municipality does not provide water services;
- (e) a 10% differential due to the fact that the municipality does not provide refuse removal services;
- (f) a 10% differential due to the fact that the farm owner supplies 1 to 10 houses to farm workers;
- (g) a 20% differential due to the fact that the farm owner supplies more than 10 houses to farm workers;
- (h) a 10% differential due to the fact that the owner supplies work opportunities for less than 10 permanent farm workers;
- (i) a 20% differential due to the fact that the farm owner supplies work opportunities for more than 10 permanent farm workers.

### **1. ONLY ONE OF (F) & (G) CAN BE APPLICABLE**

### **2. ONLY ONE OF (H) & (I) CAN BE APPLICABLE**

- (c) In addition to the foregoing, the first R15 000 of the market value of residential properties and of properties used for multiple purposes provided one or more components of such property are used for residential purposes shall be exempt from rates.
- (d) Municipal properties shall include properties owned by municipal entities
- (e) Properties used for multiple purposes, other than those referred to in sub-section (b(i)) above, shall be rated on the value assigned to each component, and shall receive the rebate applicable to such component. Where one component on average represents 90% or more of the property's actual use, such property shall be rated as though it were used for that use only.
- (f) The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:

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<u>CATEGORY OF OWNERS</u>	<u>ADDITIONAL REBATES TO BE GRANTED</u>
(i) Property owners who are over 60 years of age, who are both the permanent occupants and the sole owners of the property.	30% of the rates based on the ratable value.
(ii) Owners of properties being developed for approved commercial or industrial usage	80% of the rates based on the ratable value until the development is completed,
(g) The council grants the above rebates in recognition of the following factors:	
(i) The inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or services which they produce.	
(ii) The need to accommodate indigents and less affluent pensioners.	
(iii) The services provided to the community by public service organisations.	
(iv) The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities.	
(v) The need to preserve the cultural heritage of the local community.	
(vi) The need to encourage the expansion of public service infrastructure.	
(vii) The indispensable contribution which property developers (especially in regard to commercial and industrial property development) make towards local economic development, and the continuing need to encourage such development.	
(g) The municipal manager shall ensure that the revenues forgone in respect of the foregoing rebates are appropriately disclosed in each annual operating budget	

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component and in the annual financial statements and annual report, and that such rebates are also clearly indicated on the rates accounts submitted to each property owner.

### **SECTION 16: FREQUENCY OF PAYMENTS**

Payments for rates shall be made monthly on or before the date specified in each monthly rate account, which date shall be the 15<sup>th</sup> day of the month concerned or if the 15<sup>th</sup> is not a business day, the business day immediately following the 15<sup>th</sup>.

### **SECTION 17: CORRECTION OF ERRORS AND OMISSIONS**

- (a) In the event of any under-recovery of rates on a particular property, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll. In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.
  
- (b) In the event of any over-recovery of rates on a particular property, whether because of the rate applied or the valuation, the account concerned shall be rectified for the year in which the mistake is detected and for not more than the two preceding financial years, subject, however, to the provisions of the Institution of Legal Proceeding against

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Certain Organs of State Act, 2002 (Act No 40 of 2002)

- (c) Where incorrect debits were raised or omitted levies regarding services, the accounts under query will be rectified for the year, in which the error was found or reported and two preceding financial years.

### **SECTION 18: FREQUENCY OF VALUATIONS**

The municipality shall prepare a new valuation roll every 5 (five) years and supplementary valuation rolls once yearly.



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### **PART IV: CREDIT CONTROL AND DEBT COLLECTION**

#### **SECTION 19: OBJECTIVE CONSTITUTIONAL OBLIGATIONS**

The council of the municipality, in adopting this policy on credit control and debt collection, recognises its constitutional obligations to develop the local economy and to provide acceptable services to its residents. It simultaneously acknowledges that it cannot fulfill these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies – in full from those residents who can afford to pay, and in accordance with its indigency relief measures for those who have registered as indigents in terms of the council's approved indigency management policy.

#### **SECTION 20: NOTICE OF DEFAULT AND INTENDED TERMINATION OR RESTRICTION OF SERVICES**

Within 2 (two) calendar days after each monthly due date for payment of municipal accounts for property rates and/or service charges, the municipal manager shall dispatch to every defaulting accountholder, that is, every accountholder who as at the date of the notice has not paid the monthly account in full or has not made an acceptable arrangement with the municipal manager for partial or late payment, a notice stating that unless full payment is received or an acceptable arrangement made with the municipal manager for partial or late payment, the municipal electricity or water supply or both such supplies to the property to which the account in arrears relates shall be terminated or restricted 5 (five) working days after the date of the notice concerned.

#### **SECTION 21: RECONNECTION OR REINSTATEMENT OF TERMINATED OR RESTRICTED SERVICES**

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- (a) Services to defaulting accountholders terminated or restricted in terms of Section 19 above shall be reconnected or reinstated by the municipal manager only when all the following conditions have been met:
- (i) the arrear account has been paid in full, including the interest raised on such account; or an acceptable arrangement has been made with the municipal manager for the payment of the arrear account, including the interest raised on such account;
  - (ii) the charge(s) for the notice sent in terms of Section 19 above and for the reconnection or reinstatement of the terminated or restricted service(s), as determined by the council from time to time, have been paid in full;
  - (iii) a service contract has been entered into with the municipality, as contemplated in Section 26 below; and
  - (iv) a cash deposit has been lodged with the municipal manager in compliance with Section 27
- (b) In the case of consumers using prepaid meters, but who have fallen into arrears with the remainder of their obligations to the municipality, no prepaid purchases shall be accepted until the outstanding arrears have been settled or an acceptable arrangement made for the payment of the arrear account, as contemplated above: such arrangement may entail the limitation of the amount of prepaid services which may be purchased until the arrears or a stated percentage of the arrears has been settled.

#### **SECTION 22: PERIODS FOR RECONNECTIONS OR REINSTATEMENTS**

The municipal manager shall reconnect or reinstate terminated or restricted services within 3 (three) working days after the date on which the conditions set out in Section 20 above have been met, unless the municipal manager is unable to do so because of circumstances beyond the control of the municipality.

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### SECTION 23: ILLEGAL RECONNECTIONS

- (a) The municipal manager shall, as soon as it comes to the notice of the municipal manager that any terminated or restricted service has been irregularly reconnected or reinstated, report such action to the South African Police Service, disconnect or restrict such service(s), and not reconnect or reinstate such service(s) until the arrear account, including the interest raised on such account, the charges for the notice sent in terms of Section 19 above and the charges for both the original and subsequent reconnection or reinstatement of the service(s) and the revised deposit have been paid in full, together with such penalty as may be determined by the council from time to time.
- (b) In addition, all metered consumption since the date of the illegal reconnection, or the estimated consumption if a reliable meter reading is not possible, shall also be paid full before any reconnection or reinstatement is considered.

### SECTION 24: RESTRICTION OF SERVICES

If the municipal manager is of the opinion that the termination of services, in the case of a particular property in respect of which the account is in arrear, is not in the best interests of the community – specifically because of the potential endangerment of the life of any person, whether resident in or outside the property concerned – the municipal manager may appropriately restrict rather than terminate the services in question.

### SECTION 25: SERVICES NOT RECONNECTED OR REINSTATED AFTER FOUR WEEKS

- (a) If services have been terminated or restricted in the case of a property in respect of which the account is in arrear, and the accountholder has not paid such arrears, including the interest raised on such account, or made an acceptable arrangement with the municipal manager for the payment of the arrear account,

## **KANNALAND MUNICIPALITY REVENUE BY-LAWS**

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including the interest raised on such account, within a period of 28 (twenty eight) calendar days after the date of termination or restriction of the service(s) concerned, the municipal manager shall forthwith hand such account over for collection and such further action as is deemed necessary to the municipality's attorneys or any debt collecting agency appointed by the council.

- (b) Such further action shall include if necessary the sale in execution of such property to recover arrear property rates and service charges (if the accountholder is also the owner of the property).
- (c) All legal expenses incurred by the municipality shall be for the account of the defaulting accountholder.

### **SECTION 26: ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS**

- (a) Allowing defaulting account holders to make arrangements for the payment of arrear accounts shall be at the discretion of the municipal manager.
- (b) Each defaulting accountholder must pay an arrear account in full or make arrangement for payment, according to the council resolution taken from time to time together with the interest raised on such account, and it shall be a condition for the conclusion of any arrangement that the accountholder is bound to pay every current municipal account in full and on time during the period over which such arrangement extends.
- (c) If an accountholder breaches any material term of an arrangement, the balance of the arrear account, together with the balance of interest raised on such account, shall immediately become due and payable to the municipality, and if the accountholder defaults on such payment, the municipal manager shall terminate or restrict services to the property in question and shall forthwith hand such account over for collection as envisaged in Section 24 above.

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- (d) An accountholder who has breached an arrangement as set out above shall not be allowed to make any further arrangements for the payment of arrear accounts, but shall be proceeded against, after the dispatch of the initial notice of default as envisaged in Section 19 above and failure by the accountholder to pay the arrear account, together with interest raised on such arrears as required in terms of such notice, as though such accountholder had breached a material term of an arrangement.

### **SECTION 27: SERVICE CONTRACT**

- (a) A service contract shall henceforth be entered into with the municipality for each property to which the municipality is expected to provide all or any of the following services:
- (i) electricity
  - (ii) water
  - (iii) refuse collection
  - (iv) sewerage.
- (b) Such contract shall set out the conditions on which services are provided and shall require the signatory to note the contents of the municipality's credit control and debt collection policy, a copy of which shall be provided to such signatory, as well as the provision of the Municipal Systems Act in regard to the municipality's right of access to property.
- (c) Where the signatory is not the owner of the property to which the services are to be provided, a properly executed letter from such owner indicating that the signatory is the lawful occupant of the property shall be attached to the service contract.
- (d) Current consumers and users of the municipality's services who have not entered in a service contract as envisaged above, must do so within 2 (two) years from the date on which the by-laws to implement the present policy are

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published, and failure to do so shall be considered as a default equivalent to non-payment in terms of Section 19 above.

### **SECTION 28: PAYMENT OF DEPOSITS**

Whenever a service contract is entered into in terms of Section 26 above, the signatory shall lodge a cash deposit with the municipality, such deposit will be determined in the annual budget of each financial year.

### **SECTION 29: ALLOCATION OF PART-PAYMENTS AND APPROPRIATION OF DEPOSITS**

- (a) If an accountholder pays only part of any municipal account due, the municipal manager shall allocate such payment as follows:
  - (i) to all unpaid charges levied by the municipality in respect of unacceptable cheques, notices, legal expenses and reconnections or reinstatements of services in respect of the account or property concerned;
- (b) This sequence of allocation shall be followed notwithstanding any instructions to the contrary given by the accountholder.
- (c) In the event of an accountholder's defaulting on the payment of an arrear account, as contemplated in Section 22, 24 and 25 above, the municipal manager shall forthwith appropriate as much of such deposit as is necessary to defray any costs incurred by the municipality and the arrear amount owing to the municipality in the same sequence that is applicable to the allocation of part payments, as contemplated above.

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### SECTION 30: QUERIES BY ACCOUNTHOLDERS

- (a) In the event of an accountholder in the view of the municipal manager reasonably querying any item or items on the monthly municipal account, no action shall be taken against the accountholder as contemplated in Section 19 above, provided
  - (i) the accountholder has paid by due date an amount equal to the monthly average monetary value of the three most recent unqueried accounts in respect of the service under query,
  - (ii) all unqueried balances on such account, and
  - (iii) such query is made in writing by the accountholder or is recorded in writing by the municipal manager on behalf of the accountholder on or before the due date for the payment of the relevant account.
- (b) Any query raised by an accountholder in the circumstances contemplated in Section 30 below shall not constitute a reasonable query for the purposes of the sub-section (a) above.

### SECTION 31: INABILITY TO READ METERS

- (a) If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible through any act or omission of the accountholder or owner of the property concerned, the municipal manager do not estimate the consumption.
- (b) The accountholder shall be liable for the initial payment of such surcharge(s) as though the surcharge were part of the service charge concerned, but the municipal manager shall reverse such surcharge(s) against the first account for which a meter reading is again obtained.



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### SECTION 32: DISHONoured AND OTHER UNACCEPTABLE CHEQUES

If an accountholder tenders a cheque which is subsequently dishonoured by or is found to be unacceptable to the accountholder's or the municipality's bankers, the municipal manager shall – in addition to taking the steps contemplated in these by-laws against defaulting accountholders – charge such accountholder the penalty charge for unacceptable cheques, as determined by the council from time to time, and such charge shall rank equally with the costs and expenses incurred by the municipality for purposes of determining the sequence of allocations and appropriations contemplated in Section 28 above.

### SECTION 33: INTEREST ON ARREARS AND OTHER PENALTY CHARGES

- (a) Interest shall be charged for a full month on all arrear amounts at the percentage determined by Council irrespective of when payment is made.
- (b) If the municipality uses more than one banking institution it shall for purposes of determining the interest on arrear accounts apply the overdraft rate offered by the institution with which its primary bank account is placed.
- (c) Interest shall be calculated on a daily basis. For purposes of determining arrear amounts, all amounts unpaid including interest previously raised and penalty charges, but excluding value added tax, shall be taken into account.
- (d) In considering each annual budget the council shall review the adequacy of its interest charges, and shall determine the following for the financial year concerned:
  - (i) charges for disconnection or restriction of services (Section 19)
  - (ii) charges for reconnection or reinstatement of services (Section 20)
  - (iii) charges for notices of default (Section 19)
  - (iv) penalty charges for illegal reconnections (Section 22)



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- (v) penalty charges for dishonoured and unacceptable cheques (Section 31).

#### SECTION 34: INDIGENCY MANAGEMENT

In regard to the payments expected from registered indigents, and the credit control and debt collection actions contemplated in respect of such residents, this part of the by-laws must be read in conjunction with the policies on indigency management.

#### SECTION 35: ARREARS WHICH HAVE ARISEN PRIOR TO THE ADOPTION OF THE PRESENT POLICY

- (a) The council shall separately consider arrears which arose prior to the adoption of the present by-laws, and shall advise accountholders of their respective obligations in regard to such arrears.
- (b) In determining such obligations, the council shall have regard to the quantum of such arrears, to the period over which the default occurred, and to whether the accountholder concerned has registered as an indigent in terms of the municipality's by-laws on indigency management.
- (c) The council shall further consider an incentive scheme to encourage accountholders to settle all or a stated percentage of these arrears.

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### **PART V: INDIGENCY MANAGEMENT**

#### **SECTION 36: OBJECTIVE**

Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for normal municipal services. The municipality therefore adopts its indigency management policy and attendant by-laws to ensure that these households have access to at least basic municipal services, and is guided in the formulation of this policy and by-laws by the national government's policy in this regard.

#### **SECTION 37: WHO QUALIFIES FOR INDIGENT SUPPORT**

- (a) Households where verified total gross monthly income of all occupants over 18 years of age does not exceed the total of two government old age pensions or such other amount as the council may from time to time determine, qualify for a subsidy on property rates and service charges for sewerage and refuse removal, and will additionally receive 6 kl of water per month and 50 kWh of electricity per month free of charge.
- (b) Only households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been accepted and entered into the register of indigents shall qualify for the above relief.
- (c) For a household to qualify for subsidies or rebates on the major service charges in terms of Section 37 below, the registered indigent must be the full-time occupant of the property concerned, and if not also the owner of the property concerned, may not own any other property, whether in or out of the municipal area.

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- (d) For a household to qualify for a rebate on rates, the registered indigent must be both the owner and fulltime occupant of the property concerned, and may not own any other property, whether in or out of the municipal area.
- (e) Indigency relief shall apply for a period not extending beyond the financial year in which the particular household is registered as indigent registration must be renewed in each registration programme if relief is to continue.
- (f) To register as an indigent, the relevant property owner or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies.
- (g) The municipal manager will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place.
- (h) Registration will take place on dates and at times and places determined by the council, but shall generally be undertaken during January and/or February each year.

### **SECTION 38: APPLICATION OF THE POLICY**

- (a) The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.
- (b) In respect of water, a 100% subsidy up to 6 kl per household per month will apply; however, if consumption exceeds 6 kl per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6 kl.

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- (c) In respect of electricity, a 100% subsidy up to 50 kWh per household per month will apply; however, if consumption exceeds 50 kWh per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 50 kWh.
- (d) In respect of sewerage charges and charges for household refuse removal, the relief granted shall not be less than a rebate of 50% on the monthly amount billed for the service concerned.
- (e) In respect of property rates, the rebate shall be 100% of the rates based on the rateable value up to R40 000.

### **SECTION 39: NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT**

- (a) When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions which are in the view of the municipal manager materially relevant to the receipt of indigency relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.
- (b) The onus is on each registered indigent to advise the municipal manager of such failure to comply.
- (c)
  - (i) if any household in receipt of indigency relief falls into arrears in respect of any amounts due by it to the municipality, the property owner or accountholder concerned must make immediate arrangements with the municipal manager to pay off these arrears owing within a reasonable time determined by the municipal manager in terms of the municipality's credit control and debt collection by-laws.

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- (ii) If these arrangements are not made, no subsidies will be paid or free services provided, and services may be terminated in terms of the municipality's credit control and debt collection by-laws.
- (d) The relief to indigents may be withdrawn at the discretion of the municipal manager if:
  - (i) a registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
  - (ii) any tampering with the installations of the municipality is detected.
- (e)
  - (i) If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the municipality with immediate effect all indigency relief received from the date of such fraudulent registration.
  - (ii) Moreover, such person may not again be considered for indigency relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanour is detected.
- (f) Indigency relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.

### **SECTION 40 TAMPERING OF METERS**

#### **Objective**

- (1) Section 97(1) (h) of the Act stipulates that a municipality's Credit Control and Debt Collection Policy must provide for matters relating to unauthorized consumption of services, theft and damages.

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- (2) The objective of this Policy is to provide in this policy an extension of Credit Control and Debt Collection Policy for the matters referred to in that section.

### **Unauthorized use of property of the Council**

- (3) No one may tamper with any municipal equipment or property.
- (4) An authorized officer must inspect the equipment and property of the municipality when he or she suspects:
- that any illegal connections were attached to such equipment or property, or
  - that any unauthorized consumption or use of services is taking place, or
  - any theft of such equipment on property, or
  - any damage to such equipment on property.

### **Municipality's right of access to premises**

- (5) In terms of section 101 of the Act the occupier of premises in a municipality must give an authorized officer access at all reasonable hours to the premises in order to read, inspect, repair, any meter or service connection for reticulation, or to stop or restrict the provision of any service.

### **Power to restrict or terminate supply of services**

- (6) Where the municipality has suffered any loss or damage as a result of any act contemplated in paragraph 4, a penalty approved by Council for damages or loss must be imposed on the owner /occupier of the premises concerned.
- (7) The owner/occupier must be notified of the amount of damage or loss by means of a notice which is hand delivered to the latest recorded address of the owner/occupier, and such notice must also stipulate the date on or before such amount must be paid to the municipality.
- (8) The Council shall reconnect or restore full levels of supply of any of the restricted or discontinued municipal services only after the reconnection fee and the full amount of the penalty, including the costs of such

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disconnection and reconnection, if any, have been paid in full. An agreement must be made to the owner/occupier for a monthly payment on the outstanding debt.

- (9) The right of the Council or any duty appointed agent to limit or discontinue water to any premises or customer, shall be subject to the provisions of sections 3 and 4 of the Water Service Act 1997 (Act 108 of 1997).

### **Illegal reconnections and/or tampering**

- (10) The Accounting Officer shall, as soon as it comes to the notice of the Accounting Officer that any terminated or restricted service has been irregularly reconnected or reinstated, institute one, some or all the following enforcement actions:

- Disconnect or restrict such service(s),
- Permanently remove such service(s),
- Require pre payment technology to be installed,
- Not reinstate such service(s) until the arrear account, including the interest raised on such amount, the charges for both the original and subsequent reconnection or reinstatement of the service(s) and the revised deposit and penalty have been paid in full,
- Laying criminal charges with the police,
- Cancel the contract.

### **Visiting Indigent Households**

- (11) All indigent households shall be visited by a person or firm delegated by council on a regular basis to investigate tampering and illegal connection cases and or to inspect the status of meter connections and restrictions and/or flow limiters.

**ADOPTED BY RESOLUTION OF THE MUNICIPAL COUNCIL OF KANNALAND;**

Version 1 – 30 May 2013

Version 2 – 28 May 2014

Version 2 – 29 March 2018

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