nelson mandela bay
MUNICIPALITY
PORT ELIZABETH | UITENHAGE | DESPATCH

2015/16 – 2017/18 BUDGET

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PART 1 – ANNUAL BUDGET

1.1 EXECUTIVE MAYOR'S REPORT

The Nelson Mandela Bay Municipality has completed its IDP Review Process for the 2015/16 Integrated Development Plan (IDP) strategically during a time when we, as a country, celebrate the 60th commemoration of the Freedom Charter. Although we have done so in line with the legislative requirements of the Municipal Finance Management Act (MFMA) and the Municipal Systems Act (MSA), the IDP is a five-year living document which correctly focuses mainly on the needs of our communities.

This is the last review of the current IDP cycle and I can confidently point out that the 2015/16 IDP Review Process is one more step towards a completely credible IDP. The central role played by our communities, Ward Committees, Ward Councillors, business formations and the NGOs is what is so vital in giving life to the IDP, as this gives concrete expression to the saying that together we can do more.

I am now expecting the administration to move with speed to qualitatively implement projects and programmes as a matter of priority. Business as usual is over as I expect managers to manage efficiently and employees to do their work diligently in the interest of those who depend on the municipality.

Working Together, We Can Do More!

COUNCILLOR DA JORDAAN
EXECUTIVE MAYOR

1.2 COUNCIL RESOLUTIONS

(a) The Executive Mayor recommends that the Council resolves that:

1. The annual budget of the Nelson Mandela Bay Municipality for the financial year 2015/16 and the indicative allocations for the projected outer years 2016/17 and 2017/18; and the multi-year and single year capital appropriations be approved for the purpose of complying with section 24(2) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, as set-out in the following tables:

   1.1 Budgeted Financial Performance (revenue and expenditure by standard classification); [Page 28]
   1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote); [Page 30]
   1.3 Budgeted Financial Performance (revenue by source and expenditure by type); [Page 31]
   1.4 and Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Page 34]

2. The budgeted financial position, budgeted cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:

   2.1 Budgeted Financial Position; [Page 36]
   2.2 Budgeted Cash Flows; [Page 38]
   2.3 Cash backed reserves and accumulated surplus reconciliation; [Page 39]
   2.4 Asset management; [Page 40]
   2.5 Basic service delivery measurement. [Page 43]

3. The consolidated budget that includes the financial impact of the municipal entity (Mandela Bay Development Agency) be noted.

4. The revised Integrated Development Plan (IDP) be approved, as reflected elsewhere in the agenda.

5. Tariffs be increased as follows with effect from 1 July 2015:

Property rates	-	9.5%
Water	-	13%
Sanitation	-	12%
Refuse	-	11%
Electricity	-	12.20%

6. Indicative tariffs for 2016/17 and 2017/18 be increased as follows:

	2016/17	2017/18
Property rates	10%	10.5%
Water	13%	13%
Sanitation	12%	13%
Refuse	12%	13%
Electricity	12.20%	12.20%

7. The City Manager, in conjunction with the relevant Acting/Executive Directors report by 11 June 2015 on their respective project plans, including the capacity to implement the 2015/16 to 2017/18 Capital Budget and Programme, so as to ensure the achievement of a minimum spending level of 95%.

8. The Executive Director: Electricity and Energy report on progress with the implementation of a strategy by 11 June 2015 to reduce electricity losses in the 2015/16 financial year, so as to achieve a minimum reduction of R50 million in bulk electricity purchases.

9. The Executive Director: Infrastructure and Engineering report on progress with the implementation of a strategy by 11 June 2015 to reduce water losses.

10. The Executive Director: Safety and Security report on progress with the implementation of a strategy by 11 June 2015 to collect outstanding traffic fines.

11. A moratorium be placed on the filling of vacant positions, including positions already advertised, but not yet filled, with immediate effect, except for the Electricity and Energy Directorate, Infrastructure and Engineering Directorate (Water, Sanitation, Roads and Stormwater) and Public Health Directorate (Waste Management).

12. The scarce skills allowances, currently paid to certain employees, be terminated with effect from 1 July 2015, in line with the TASK Implementation Collective Agreement.

13. The City Manager, in conjunction with the relevant Acting/Executive Directors, must ensure that expenditure is limited to the reduced Operating and Capital budgetary provisions in the 2015/16 MTREF.

14. Budget performance against the 2015/16 MTREF be strictly monitored and reported on a regular basis, and that the performance agreements of the City Manager and the Executive Directors be amended accordingly to facilitate the monitoring of performance against the approved Budget.

15. The City Manager, in conjunction with the relevant Acting/Executive Directors, must ensure that the Operational Efficiency Work Plan is fully implemented and adhered to.

16. The City Manager must ensure that reports on the implementation of the Operational Efficiency Work Plan are submitted to Council on a quarterly basis via the Budget and Treasury Standing Committee.

17. The Executive Director: Safety and Security report on progress with the implementation of a strategy by 11 June 2015 to limit contract security services to the reduced budgetary provisions in the 2015/16 MTREF, being R62,8 million in 2015/16, R68,7 million in 2016/17 and R75,2 million in 2017/18.

18. A review be undertaken of the policy framework governing the Ward Councillors' Discretionary Fund, in order to ensure effective utilisation of the Fund.

1.3 EXECUTIVE SUMMARY

The key service delivery priorities, as reflected in the IDP, informed the development of the Budget, including the need to maintain the Municipality's financial sustainability.

Specific revenue collection strategies to improve the collection of outstanding consumer debt are being implemented by the Municipality, such as the debt relief programme and securing external capacity to deal with revenue enhancement and the improvement of debt recovery.

Cost containment measures are also being implemented to further curb costs and to improve operational efficiency.

National Treasury's MFMA Circulars No. 48, 51, 54, 55, 58, 59, 66, 67, 70, 72 and 74 were used to guide the compilation of the 2015/16 MTREF.

The Municipality faced the following significant challenges during the compilation of the 2015/16 MTREF:

- Budgeting for a surplus on the Operating Budget;
- Fully implementing cost containment measures and removing non-core expenditure items;
- Maintaining revenue collection rates at the targeted levels;
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on municipal tariff increases. Continued high tariff increases may soon render municipal services financially unaffordable;
- Maintaining electricity and water losses at acceptable levels;
- A collective agreement to determine salary increases has not yet been concluded;
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of rates and tariff increases;
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure;
- Allocation of the required operating budget provision for staffing requirements, including the implementation of the Task Job Evaluation System and the associated maintenance phase;
- Depleted Capital Replacement Reserve, impacting on the Municipality's ability to fund capital expenditure from internal sources;
- Maintaining an acceptable cost coverage ratio;
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the municipality's declining cash position into account.

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- No loan funding is available to support the Capital Budget, in view of financial affordability considerations.
- No budget allocations have been made to programmes and projects, unless the respective programme and project plans have been submitted by the relevant Acting/Executive Directors.
- An assessment of the relative human resources capacity to implement the Budget.
- In accordance with Section 19 of the Municipal Finance Management Act, the relevant Acting/Executive Directors must submit comprehensive reports in relation to new projects, inter alia, dealing with the total project costs, funding sources, future operating budget implications and associated tariff implications, before Council finally approves the implementation of any new projects.

In view of the aforementioned, the following table represents a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 (Consolidated Overview of the 2015/16 MTREF)

R thousands	Adjustments Budget 2014/15	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Operating Revenue	8,277,494	8,874,926	9,690,332	10,692,057
Total Operating Expenditure	8,724,352	8,834,791	9,516,562	10,366,743
Surplus/(Deficit)	(446,858)	40,135	173,770	325,314
Total Capital Expenditure	1,467,888	1,557,889	1,516,694	1,585,893

Total operating revenue has increased by 7.2% or R597 million for the 2015/16 financial year, compared to the 2014/15 Adjustments Budget. For the two outer years, operational revenue increases by 9.2% and 10.3% respectively, resulting in a total revenue growth of R2.4 billion over the MTREF, when compared to the 2014/15 financial year.

Total operating expenditure for the 2015/16 financial year amounts to R8.8 billion, resulting in a budgeted surplus of R40.1 million. Compared to the 2014/15 Adjustments Budget, operational expenditure increased by 1.3% in the 2015/16 Budget; and increased by 7.7% and 8.9% for each of the respective outer years of the MTREF. The 2016/17 and 2017/18 budgets reflect operating surpluses of R173.8 million and R325.3 million respectively.

The major operating expenditure items for 2015/16 are employee related costs (25.75%), bulk electricity and water purchases (31.04%), general expenses (10.94%), grants and subsidies paid (5.75%), repairs and maintenance (5.94%) and depreciation (9.89%).

Funding for the 2015/16 Operating Budget is obtained from various sources, the major sources being service charges such as electricity, water, sanitation and refuse collection and disposal (54.28%), property rates (16.96%), grants and subsidies received from National and Provincial Governments (14.88%).

In order to support the 2015/16 Operating Budget, the following increase in rates and service charges are being proposed, with effect from 1 July 2015:

Property rates	-	9.50%
Water	-	13.00%
Sanitation	-	12.00%
Refuse	-	11.00%
Electricity	-	12.20%

The capital budget of R1.56 billion for 2015/16 is 6.1% more than the 2014/15 Adjustment Budget. This is mainly attributable to providing an amount of R70 million for the implementation of a new financial system , in lieu of achieving compliance with the Standard Chart of Accounts requirements. The Capital Budget decreases to R1.52 billion in the 2016/17 financial year and then increases to R1.59 billion in the 2017/18 financial year. The Capital Budget over the MTREF will be mainly funded from government grants and subsidies, as the Municipality has reached its prudential borrowing limits, whilst limited internal funding is available.

1.4 OPERATING REVENUE FRAMEWORK

The continued provision and expansion of municipal services is largely dependent on the Municipality generating sufficient revenues. Efficient and effective revenue management is thus of critical importance in ensuring the ongoing financial sustainability of the Municipality. Furthermore, in accordance with the MFMA, expenditure has to be limited to the realistically anticipated revenues.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard;
- Tariff Policies;
- The Property Rates Policy;
- The ATTP Policy and provision of free basic services;
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to provide for the maintenance and replacement of infrastructure, including the expansion of services;
- Ensuring fully cost reflective tariffs for trading services;
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Water bulk tariff increases as approved by the Department of Water Affairs (DWA);
- Efficient revenue management, targeting a 94% annual collection rate for property rates and service charges, after discounting the Assistance to the Poor (ATTP) subsidies;
- Growth in the revenue base.

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

Table 2 (Summary of main revenue sources)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	881,915	1,058,523	1,205,526	1,373,533	1,373,533	1,373,533	1,504,945	1,655,443	1,829,265
Property rates - penalties & collection charges									
Service charges - electricity revenue	2,711,116	2,819,880	2,872,553	3,182,151	3,127,151	3,127,151	3,519,222	3,948,567	4,430,292
Service charges - water revenue	288,576	430,698	505,420	558,220	565,220	565,220	639,699	722,860	816,832
Service charges - sanitation revenue	210,403	273,384	308,365	384,587	389,587	389,587	436,338	493,062	557,160
Service charges - refuse revenue	92,228	109,483	124,745	200,068	200,068	200,068	222,076	248,725	281,059
Service charges - other									
Rental of facilities and equipment	19,329	16,555	17,907	22,327	22,229	22,229	23,342	24,757	26,264
Interest earned - external investments	56,734	65,458	80,682	63,192	63,192	63,192	66,845	70,855	75,106
Interest earned - outstanding debtors	121,634	166,835	217,463	182,999	143,690	143,690	159,327	176,539	196,150
Dividends received									
Fines	25,655	28,892	12,808	36,836	10,797	10,797	11,861	12,569	13,319
Licences and permits	9,019	10,263	9,328	11,365	11,365	11,365	11,963	12,681	13,442
Agency services	1,397	1,909	2,095	1,575	2,202	2,202	2,428	2,574	2,729
Transfers recognised - operational	1,204,454	1,269,882	1,299,911	1,327,259	1,560,351	1,560,351	1,320,241	1,318,013	1,390,010
Other revenue	792,444	803,378	809,012	759,185	808,109	808,109	956,638	1,003,687	1,060,430
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	**6,414,906**	**7,055,139**	**7,465,815**	**8,103,298**	**8,277,494**	**8,277,494**	**8,874,926**	**9,690,332**	**10,692,057**

Table 3 (Mix of main revenue sources)

Description	Current Year		2015/16 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source								
Property rates	1,373,533	16.59	1,504,945	16.96	1,655,443	17.08	1,829,265	17.11
Service charges - electricity revenue	3,127,151	37.78	3,519,222	39.65	3,948,567	40.75	4,430,292	41.44
Service charges - water revenue	565,220	6.83	639,699	7.21	722,860	7.46	816,832	7.64
Service charges - sanitation revenue	389,587	4.71	436,338	4.92	493,062	5.09	557,160	5.21
Service charges - refuse revenue	200,068	2.42	222,076	2.50	248,725	2.57	281,059	2.63
Rental of facilities and equipment	22,229	0.27	23,342	0.26	24,757	0.26	26,264	0.25
Interest earned - external investments	63,192	0.76	66,845	0.75	70,855	0.73	75,106	0.70
Interest earned - outstanding debtors	143,690	1.74	159,327	1.80	176,539	1.82	196,150	1.83
Fines	10,797	0.13	11,861	0.13	12,569	0.13	13,319	0.12
Licences and permits	11,365	0.14	11,963	0.13	12,681	0.13	13,442	0.13
Agency services	2,202	0.03	2,428	0.03	2,574	0.03	2,729	0.03
Transfers recognised - operational	1,560,351	18.85	1,320,241	14.88	1,318,013	13.60	1,390,010	13.00
Other revenue	808,109	9.76	956,638	10.78	1,003,687	10.36	1,060,430	9.92
Total Revenue (excluding capital transfers and contributions)	**8,277,494**	**100.00**	**8,874,926**	**100.00**	**9,690,332**	**100.00**	**10,692,057**	**100.00**
Total Revenue from Rates and Service Charges	**5,655,560**	**68.32**	**6,322,280**	**71.24**	**7,068,656**	**72.95**	**7,914,607**	**74.02**

In the 2014/15 financial year, rates and service charges amounted to R5.7 billion or 68,3%. This increases to R6,3 billion, R7.1 billion and R7.9 billion in the 2015/16, 2016/17 and 2017/18 financial years, respectively. A significant trend is the increase in the total percentage of revenue generated from rates and service charges, which increases from 71.2% in 2015/16 to 74.0% in 2017/18. This growth is mainly attributable to increased electricity revenue, as a result of significant increases in the Eskom bulk electricity tariffs.

Property rates represent the second largest revenue source, amounting to 16.9% or R1,50 billion in 2015/16 and increasing to 17,1% or R1,83 billion in 2017/18.

Operating grants and transfers (third largest revenue source) amounted to R1,32 billion in the 2015/16 financial year and decreases to R1.31 billion in 2016/17. The year-on-year decrease for the 2015/16 financial year amounts to 15.4% and increases by 5.5% in 2017/18.

The fourth largest revenue source is ‘other revenue’ which consists of items such as building plan fees and disconnection and re-connection fees. Directorates are required to review these charges on an annual basis to ensure that they are cost reflective and market related, where applicable.

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

Table 4 (Operating Transfers and Grant Receipts)

Description	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:						
Operating Transfers and Grants						
National Government:	**969,135**	**924,835**	**924,835**	**1,024,702**	**983,340**	**1,039,005**
Local Government Equitable Share	761,606	761,606	761,606	774,616	789,729	834,568
Energy Efficiency and Demand Management	10,000	10,000	10,000	10,000	5,625	5,236
EPWP Incentive	13,439	13,439	13,439	8,664		
Public Transport Network Operations	130,000	60,000	60,000	150,000	150,000	157,500
Finance Management	1,250	1,250	1,250	1,050	1,050	1,050
Infrastructure Skills Development	8,000	8,000	8,000	9,000	12,000	12,806
Intergrated City Development	4,133	4,133	4,133	5,708	15,089	16,521
Municipal Disaster Recovery'						
Urban Settlements Development		25,700	25,700	51,317		
Municipal Human Settlements Capacity	37,707	37,707	37,707	9,847	9,847	11,324
LGSETA	3,000	3,000	3,000	4,500		
Off- Grid Electrification						
Municipal Disaster						
Water Demand Management						
Intergrated Public Transport System						
AFCON Cup						
Other						
Provincial Government:	**357,172**	**409,809**	**409,809**	**323,144**	**356,432**	**373,911**
Sport and Recreation	3,752	3,752	3,752	9,752	9,752	9,752
Health subsidy		3,772	3,772	1,957	624	800
Human Settlements Development	348,000	396,865	396,865	310,905	346,056	363,359
Housing Accreditation						
DRPW(Maintenance of Roads)	5,000	5,000	5,000	–		
Vuna Awards						
Swartkops Monitoring						
Elections Infrastructure						
SMME- Textile Hub DEAT						
Marine and Coastal Management	420	420	420	530		
Other						
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**

Description	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other grant providers:	**952**	**952**	**952**	**842**	**–**	**–**
Lotteries						
SALA/IDA	110	110	110			
EU Funding						
Groen Sebenza (SANBI)	842	842	842	842		
Other grant providers:						
HIV/Aids Columbia University Project						
Total Operating Transfers and Grants	**1,327,259**	**1,335,596**	**1,335,596**	**1,348,689**	**1,339,772**	**1,412,916**

The Municipality is faced with the significant challenge of providing services with its limited financial resources. Against this background, the Municipality has undertaken the tariff determination process relating to property rates and service charges as follows:

1.4.1 Property Rates

Property rates fund the costs associated with the provision of general services, such as recreational, library and roads and stormwater services.

The following provisions in the Draft Property Rates Policy are highlighted:

- The first R15,000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- 100% rebate will be granted to registered indigents in terms of the Indigent Policy.
- Pensioners, physically and mentally disabled property owners of rateable property may on submission of an application be granted a rebate. The rebate will be granted on a sliding scale basis with the income levels and corresponding percentage reductions being determined by Council in its annual budget. In this regard the following stipulations are relevant to the applicant:
  - (a) must be a natural person;
  - (b) be the owner of the property;
  - (c) occupy the property as his or her normal residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement;
  - (d) produce certified copy/ies of owner/s' bar-coded identity document;
  - (e) - *pensioners*: be at least 60 years of age on 1 July of the financial year concerned; or if the owner turns 60 during the year the rebate will be granted on a pro rata basis from the date on which the applicant turned 60;
    - *disabled*: be in receipt of disability grant / pension and submit proof and nature of disability e.g. letter from doctor with application.
  - (f) be in receipt of a total gross annual income (as defined in Part 2 of the policy), excluding medical aid contributions and child support/grant not exceeding a value as determined by Council in its annual budget; submit pension statements, previous 3 months (or the number of months determined necessary by the Chief Financial Officer) bank statements from all bank and investment accounts of owner and spouse, and proof of total gross annual income of any other persons living on the property (not just rental received). All documents provided must clearly state who it is for – documents

which do not reflect person's name or ID No. will not be considered;

(g) not be in receipt of an indigent subsidy;

(h) provide a certified affidavit declaring any assistance from any other sources. Assistance received from family members not residing on property, will not however be included in the calculation of total household income;

(i) provide a certified affidavit to explain any once-off monies received e.g. gifts, donations, etc; and

(j) ensure that his/her accounts are not in arrears (or arrangements made to pay all outstanding amounts) before applying for the rebate and continue to pay the rates account in full until rebate is granted as no interest will be reversed;

(k) a usufructuary will be regarded as the owner;

(l) the criteria of a natural person may be waived at the sole discretion of the municipality to allow for a property owned by a trust where the total number of beneficiaries meets all of the other requirements of this policy; and provided further that the gross monthly income of all persons residing on that property be added to the gross monthly income of the beneficiaries staying on that property;

(m) owners qualify for only one rebate per year, if financial circumstances change they can only apply for future years;

- Sporting organisations, the sole purpose of which is to use the property owned/leased by them for sporting purposes, whether for gain or not, may qualify for a rebate, with amateur bodies being granted 100% and professional bodies 40%. Any profits earned must be invested in the betterment of the organisation and not be for private gain. Audited financial statement must be provided, if however the sporting body does not have audited financial statement reasons therefore must be provided on the clubs official letterhead.
- If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.
- All accounts of the applicant must be up to date or arrangements must be made to pay any outstanding balances before any rebate will be granted. The applicant must continue to pay the rates account in full until the rebate is granted as no interest will be reversed.

A property rates increase of 9.5% is proposed as from 1 July 2015.

The proposed property rates increase is mainly influenced by the following:

- Employee related costs increased by 3.3%;
- Costs of servicing existing external borrowing to fund roads and stormwater infrastructure;
- Providing for debt impairment.

1.4.2 Sale of Water and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58, 66, 70 and 74, Municipalities are encouraged to review the level and structure of their water tariffs to ensure:

- Fully cost reflective water tariffs – tariffs should include the costs associated with bulk water purchases, the maintenance and renewal of purification plants, water networks and water reticulation expansion;
- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that water tariffs are fully cost reflective by 2014/15. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost

reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2015/16 MTREF. Furthermore, National Treasury has availed technical assistance relating to the determination of fully cost reflective tariffs.

A tariff increase of 13% is proposed as from 1 July 2015. The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 6.5%;
- The cost of bulk water purchases increased by 12.0%;
- Costs of servicing existing external borrowing to fund water infrastructure; and
- Providing for debt impairment.

The water tariff structure is designed in such a manner that higher levels of water consumption are progressively charged at a higher rate.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has determined that the Eskom bulk electricity tariff to municipalities would increase by 14.24% as from 1 July 2015. Considering the Eskom tariff increase, the Municipality's consumer tariffs will be increased by 12.20% on average to offset the additional electricity bulk purchase costs as from 1 July 2015, in line with the NERSA tariff guidelines.

The proposed tariff increases are mainly influenced by the following:

- Employee related costs increased by 5.7%;
- The cost of bulk electricity purchases increased by 14.24%;
- Repairs and maintenance of electricity infrastructure increased by 3.3%;
- Costs of servicing existing external borrowing to fund electricity infrastructure;
- Providing for debt impairment.

The proposed electricity tariff increases have been approved by NERSA.

1.4.4 Sanitation and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58, 66, 70 and 74, Municipalities are encouraged to review the level and structure of their sanitation tariffs to ensure:

- Fully cost reflective sanitation tariffs – tariffs should include the costs associated with maintenance and renewal of treatment plants, sanitation networks and sanitation infrastructure expansion;
- Sanitation tariffs are structured to protect basic levels of service; and
- Sanitation tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that sanitation tariffs are fully cost reflective by 2014/15. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2015/16 MTREF. Furthermore, National Treasury has availed technical assistance relating to the determination of fully cost reflective tariffs.

Sanitation charges are determined based on the volume of water consumed, which is appropriately reduced by the percentage of water discharged into the sewer system.

A tariff increase of 12% is proposed as from 1 July 2015. The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 9.5%;
- Costs of servicing existing external borrowing to fund sanitation infrastructure;
- Providing for debt impairment.

1.4.5 Refuse Collection and Disposal and Impact of Tariff Increases

National Treasury has urged municipalities to ensure that refuse tariffs are fully cost reflective by 2015. The tariffs should take into account the need to maintain a cash-backed reserve to cover the future costs of the rehabilitation of landfill sites. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2015/16 MTREF. Furthermore, National Treasury has availed technical assistance relating to the determination of fully cost reflective tariffs.

The refuse collection and disposal service is currently operating on a break even basis. A tariff increase of 11% is proposed for the refuse collection and disposal service, as from 1 July 2015.

The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by 11.6%;
- Costs of servicing existing external borrowing to fund refuse infrastructure;
- Providing for debt impairment.

1.4.6 Overall impact of tariff increases on households

The following table reflects the anticipated impact of the proposed tariff increases on a middle income and affordable range household, as well as an indigent household receiving free basic services.

It is to be noted that the overall impact of the proposed tariff increases on household bills has been maintained to between 11.5% and 11.9%, with indigent households increasing by 12%. The increase in household bills is largely influenced by the electricity tariff increase.

Table 5 (Table SA14 – Household bills)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
							% incr.			
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates (Erf: 1000m2 ; 150m2 improvements)	603.64	682.11	744.45	815.17	815.17	815.17	9.50%	892.61	981.87	1,084.97
Electricity: Basic levy										
Electricity: Consumption(1000 Kwh)	913.05	1,108.07	1,154.03	1,244.15	1,244.15	1,244.15	12.2%	1,395.94	1,566,24	1,757,32
0 - 350		319.57	341.94	367.21	367.21	367.21	12.2%	412.01	462.28	518.67
351 – 600		272.50	291.57	313.12	313.12	313.12	12.2%	351.32	394.18	442.27
601 - 900		451.50	451.50	415.59	415.59	415.59	12.2%	466.29	523.18	587.01
901 - 1000		64.50	69.02	148.23	148.23	148.23	12.2%	166.32	186.60	209.37
Water: Basic levy	20.94	23.66	26.74	29.95	29.95	29.95	13.0%	33.84	38.24	43.21
							% incr.			
Water: Consumption (30 Kl)	198.00	223.74	252.83	283.17	283.17	283.17	13.0%	319.98	361.58	408.59
Sanitation	141.33	159.70	180.46	202.12	202.12	202.12	12.0%	226.37	253.54	286.50
Refuse removal	54.02	61.04	68.98	77.26	77.26	77.26	11.0%	85.76	96.05	108.53
Other										
Sub-total	**1,930.98**	**2,258.33**	**2,427.49**	**2,651.82**	**2,651.82**	**2,651.82**	**11.4%**	**2,954.50**	**3,297.52**	**3,689.12**
VAT on Services	185.83	220.67	235.63	257.13	257.13	257.13		288.67	324.19	364.58
Total large household bill:	**2,116.81**	**2,479.00**	**2,663.12**	**2,908,95**	**2,908,95**	**2,908,95**	**11.5%**	**3,243.17**	**3,621.71**	**4,053.70**
% increase/-decrease	**16.4%**	**17.1%**	**7.4%**	**9.23%**	**9.23%**	**9.23%**		**11.5%**	**11.7%**	**11.9%**
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates rates (Erf: 300m2 ; 48m2 improvements)	156.40	176.73	192.88	211.20	211.20	211.20	9.5%	231.26	254.39	281.10
Electricity: Basic levy										
Electricity: Consumption (498 KwH)	454.69	480.89	514.55	552.58	552.58	552.58	12.2%	619.99	695.63	780.50
0 - 350		319.57	341.94	367.21	367.21	367.21	12.2%	412.00	462.27	518.67
351 -498		161.32	172.61	185.37	185.37	185.37	12.2%	207.99	233.36	261.83
Water: Basic levy	20.94	23.66	26.74	29.95	29.95	29.95	13.0%	33.84	38.24	43.21
Water: Consumption (25KL)	165.01	186.46	210.70	235.98	235.98	235.98	13.0%	266.66	301.32	340.50
Sanitation	117.78	133.09	150.39	168.44	168.44	168.44	12.0%	188.65	211.29	238.76
Refuse removal	54.02	61.04	68.98	77.26	77.26	77.26	11.0%	85.76	96.04	108.53
Other										
Sub-total	**968.84**	**1,061.88**	**1,164.24**	**1,275.41**	**1,275.41**	**1,275.41**	**11.8%**	**1,426.16**	**1,596.91**	**1,792.60**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
VAT on Services	113.74	123.92	135.99	148.99	148.99	148.99		167.29	187.96	211.61
Total small household bill:	**1,082.58**	**1,185.80**	**1,300.23**	**1,424.40**	**1,424.40**	**1,424.40**	**11.9%**	**1,593.45**	**1,784.87**	**2,004.21**
% increase/-decrease	**16.3%**	**9.5%**	**9.7%**	**9.6%**	**9.6%**	**9.6%**		**11.9%**	**12.0%**	**12.3%**
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates rates (Erf: 300m2 ; 48m2 improvements)	13.74	15.53	16.95	18.56	18.56	18.56	9.50%	20.32	22.36	24.70
Electricity: Basic levy										
Electricity: Consumption (60Kwh)	65.11	0	0	0	0	0	12.2%	0	0	0
Water: Basic levy	20.94	23.66	26.74	29.95	29.95	29.95	13.0%	33.84	38.24	43.21
Water: Consumption (6KL)	52.85	59.72	67.48	75.58	75.58	75.58	13.0%	85.41	96.51	109.05
Sanitation	51.87	58.61	66.23	74.18	74.18	74.18	12.0%	83.08	93.05	105.15
							% incr.			
Refuse removal	54.02	61.04	68.98	77.26	77.26	77.26	11.0%	85.76	96.04	108.53
Other										
Sub-total	**258.53**	**218.56**	**246.38**	**275.53**	**275.53**	**275.53**	**11.9%**	**308.41**	**346.20**	**390.64**
VAT on Services	34.27	28.42	32.12	35.98	35.98	35.98		40.33	45.34	51.23
Total small household bill:	**292.80**	**246.98**	**278.50**	**311.51**	**311.51**	**311.51**	**12.0%**	**348.74**	**391.54**	**441.87**
% increase/-decrease	**22.70%**	**-15.6%**	**12.8%**	**11.9%**	**11.9%**	**11.9%**		**12.0%**	**12.3%**	**12.9%**

The basis used for calculating the municipal accounts for the different categories of households is as follows:-

Description	Land (m²)	Improvements (m²)	Electricity (kwh)	Water (kl)
Household – Middle Income	1000m²	150m²	1000kwh	30kl
Household – Affordable Range	300m²	48m²	498kwh	25kl
Indigent Household receiving free services	300m²	48m²	75kwh	8kl

1.5 OPERATING EXPENDITURE FRAMEWORK

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

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA;
- A balanced budget approach by limiting operating expenditure to the operating revenue;
- The asset renewal strategy and the repairs and maintenance plan;
- Strict adherence to the principle of "*no budget allocations without a project implementation plan"*.

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

Table 6 (Summary of operating expenditure by standard classification item)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type									
Employee related costs	2,030,722	1,716,617	1,751,078	2,184,415	2,178,157	2,178,157	2,274,784	2,481,443	2,714,611
Remuneration of councillors	50,104	53,010	55,572	60,976	60,976	60,976	64,429	69,583	75,498
Debt impairment	298,890	409,730	200,711	341,919	339,338	339,338	379,334	424,119	474,876
Depreciation & asset impairment	869,463	774,245	1,385,635	862,359	825,140	825,140	873,646	776,590	737,342
Finance charges	212,913	201,008	190,687	179,581	179,733	179,733	168,258	157,028	151,989
Bulk purchases	1,972,513	2,179,993	2,251,558	2,386,983	2,454,701	2,454,701	2,742,169	3,148,759	3,601,544
Other materials	437,161	472,773	489,698	607,474	622,991	622,991	524,729	577,329	626,505
Contracted services	221,601	373,895	289,459	374,837	322,294	322,294	333,353	356,365	400,439
Transfers and grants	40,896	37,470	43,257	440,053	461,599	461,599	507,605	582,099	632,303
Other expenditure	841,002	764,885	708,471	898,842	1,279,422	1,279,422	966,483	943,245	951,636
Loss on disposal of PPE	914	94,839	1,272						
Total Expenditure	**6,976,179**	**7,078,464**	**7,367,398**	**8,337,437**	**8,724,352**	**8,724,352**	**8,834,791**	**9,516,562**	**10,366,743**

The total operating expenditure increased by R110.4 million (1.3%) from R8,7 billion in 2014/15 to R8.8 billion in 2015/16. Below is a discussion of the main expenditure components.

Employee related costs

The 2015/16 draft budget provides for annual increments, where applicable, and a general increase of 7.5%. In this regard, it should be noted that a Salary and Wage Collective Agreement, to determine future increases, has not yet been concluded.

The total budget provision of R2.275 billion represents an increase of 4.4% over the 2014/15 Adjustments budget. The 2015/16 budget provision is mainly influenced by the fact that provision in the amount of R33,7 million has only been made for the filling of vacant positions in the Electricity and Energy Directorate, Infrastructure and Engineering Directorate (Water, Sanitation, Roads and Stormwater) and Public Health Directorate (Waste Management), compared to providing an amount of R73.3 million in the 2014/15 Adjustments Budget for filling of vacant positions in all Directorates. Furthermore, no provision has been made for the continued payment of scarce skills allowances to certain employees, in accordance with the TASK Implementation Collective Agreement.

Council's target for 2015/16 is to restrict personnel costs to 30% of total expenditure. **Personnel costs in the 2015/16 Budget represent 25.8% of total operating expenditure.**

Remuneration of Councillors

The remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in preparing the

budget. As the budget provides for a 7.5% increase, Councillors' remuneration should be limited to the budget allocated for this purpose.

Debt Impairment

The provision for debt impairment was determined based on a targeted annual collection rate of 94%, excluding ATTP subsidies. For the 2015/16 financial year this amounted to R379.3 million and increases to R474.9 million in 2017/18. While this expenditure represents a non-cash flow item, it is taken into account in determining the total costs associated with the rendering of municipal services and the realistically anticipated revenues.

Depreciation and Asset Impairment

The provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. The budget amounts to R873.6 million for the 2015/16 financial and equates to 9.9% of the total operating expenditure.

Finance Charges

Finance charges consist primarily of the repayment of interest on existing long-term borrowing (cost of capital). Finance charges constitute 1.9% (R168.3 million) of total operating expenditure for 2015/16 and reduces to R151.9 million in 2017/18. It is to be noted that no new borrowing will be raised.

Bulk Electricity Purchases

Purchase of Electricity has increased from R2.362 billion in 2014/15 to R2.638 billion in 2015/16, an increase of 11.7%.

NERSA has approved a 14.24% increase in the Eskom bulk tariff for the 2015/16 financial year. The 2015/16 budget accordingly allows for a 14.24% increase for bulk power purchases from Eskom, whilst a negative growth of 2.54% in energy consumption levels has been projected. Energy consumption levels are influenced by the following:

- Significant increases in electricity prices;
- Consumer awareness of the need to conserve energy; and
- The implementation of energy conservation measures.

Bulk Water Purchases

The bulk purchase of water increased by R11 153 710 (12%) from R92 947 590 in 2014/15 to R104 101 300 in 2015/16, as follows:

	2014/15	**2015/16**	**%**
DWA	89 595 920	100 347 430	12.0
Gamtoos Irrigation Board	2 151 670	2 409 870	12.0
Sundays River Irrigation Board	1 200 000	1 344 000	12.0
Total	**92 947 590**	**104 101 300**	**12.0**

The total budget provision of R104.1 million is based on a bulk water tariff increase of approximately 12%.

Other Materials

Other materials comprise, amongst others, the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan, expenditure has been prioritised to improve sustainability of the Municipality's infrastructure. The budget for 2015/16 amounts to R524.7 million and increases by 10.0% and 8.5% for the two outer years.

Contracted Services

In the 2015/16 financial year, the budget provision amounts to R333.4 million. For the two outer years the increases amount to 6.9% and 12.4% respectively.

Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. This expenditure has been identified as an area in which cost savings and efficiencies can be achieved.

The expenditure decreased by 24.5% for 2015/16 and then reduces by 2.4% for 2016/17. In the 2017/18 financial year the expenditure increases by 0.9%.

The graph below reflects the expenditure components of the budgeted statement of financial performance.

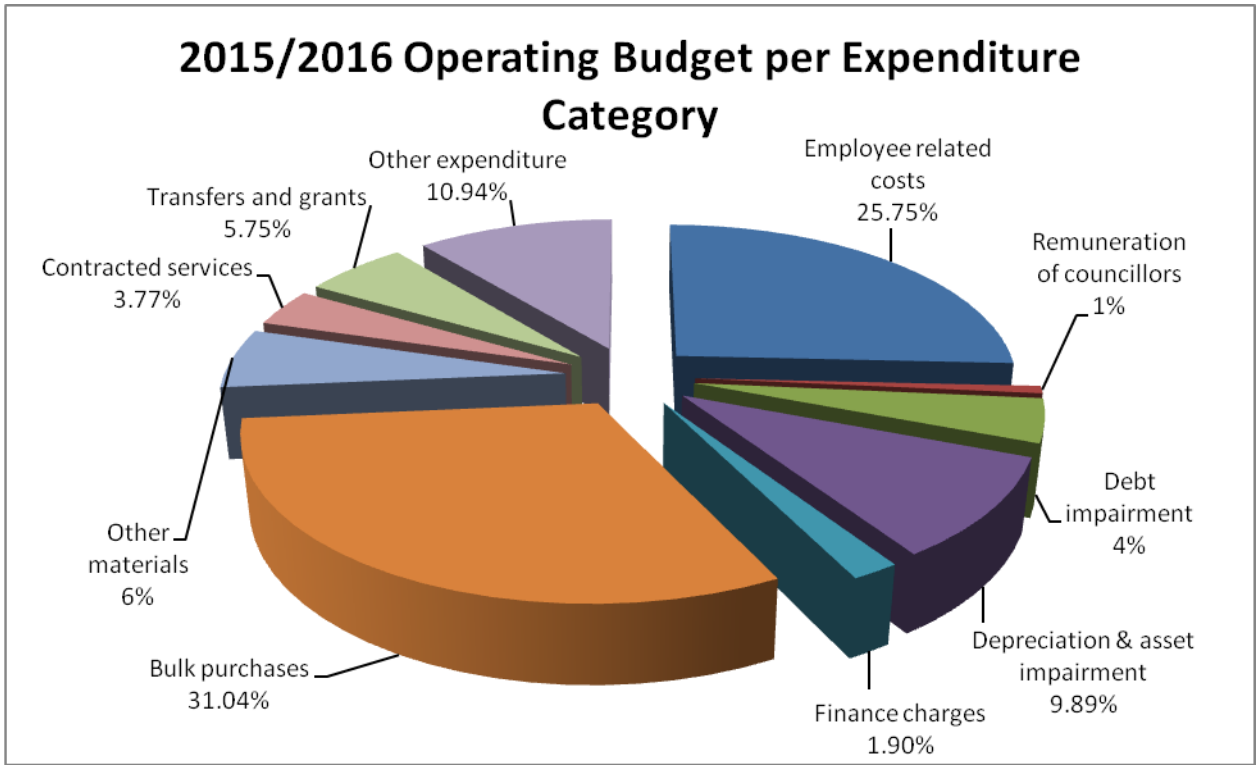


Figure 1 Main operational expenditure categories for the 2015/16 financial year

1.5.1 Priority relating to repairs and maintenance

In line with the Municipality's stated intention to preserve and maintain its existing infrastructure, the 2015/16 Budget and MTREF provide for reasonable growth in the asset maintenance budget, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

During the compilation of the 2015/16 MTREF operational repairs and maintenance was identified as a strategic priority in view of the aging infrastructure and certain deferred maintenance. It is to be noted that the 2014/15 repairs and maintenance expenditure included a roll-over in the amount of R28,8 million for the repairs of sanitation, roads and water infrastructure, which was funded from the Municipal Disaster Recovery Grant. Upon exclusion of this amount, the repairs and maintenance expenditure in the 2015/16 financial year, decreased by 11.7%, compared to the 2014/15 Adjustments Budget.

The growth for the two outer years, amount to 10.0% and 8.5%, respectively. In relation to the total operating expenditure, repairs and maintenance constitutes 5.9% for the 2015/16 financial year and 6% for the 2016/17 and 2017/18 financial years, respectively.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 7 (Repairs and maintenance per asset class)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and Maintenance by Asset Class									
Infrastructure - Road transport	89,652	65,924	118,054	108,125	125,419	125,419	83,270	90,264	97,839
Infrastructure - Electricity	38,973	40,431	42,649	53,544	53,157	53,157	54,923	59,580	64,590
Infrastructure - Water	107,790	126,349	106,523	155,286	149,806	149,806	126,176	136,175	146,947
Infrastructure - Sanitation	107,728	139,770	120,392	156,283	149,008	149,008	127,739	139,003	150,661
Infrastructure - Other	5,650	4,600	5,869	9,419	10,952	10,952	12,169	12,999	14,162
Infrastructure	***349,793***	***377,073***	***393,487***	***482,656***	***488,342***	***488,342***	***404,276***	***438,022***	***474,199***
Community	**34,691**	**38,145**	**38,134**	**54,263**	**64,605**	**64,605**	**60,309**	**73,535**	**80,664**
Other assets	**52,676**	**57,554**	**58,077**	**70,554**	**70,045**	**70,045**	**60,143**	**65,772**	**71,643**
TOTAL REPAIRS & MAINTENANCE EXPENDITURE	**437,161**	**472,773**	**489,698**	**607,474**	**622,991**	**622,991**	**524,729**	**577,329**	**626,505**

For the 2015/16 financial year an amount of R404.3 million (77.0%) of total repairs and maintenance, will be spent on infrastructure assets.

1.5.1 Free Basic Services: Basic Social Services Package

The social package assists indigent households that have limited financial ability to pay for municipal services. In order to qualify for free services the households are required to register in terms of the Municipality's Assistance to the Poor Policy, whilst the monthly household income may not exceed two state pensions. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

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

1.6 CAPITAL EXPENDITURE

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

Table 8 (2014/15 Medium-term capital budget per vote)

Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Capital expenditure - Municipal Vote								
Budget and Treasury	32,992	2.25%	77,000	4.90%	27,850	1.84%	31,585	1.99%
Public Health	85,929	5.85%	54,633	3.51%	49,600	3.27%	61,400	3.87%
Human Settlements	187,473	12.77%	175,108	11.24%	219,100	14.45%	251,997	15.89%
Economic Development Tourism and Agriculture	8,674	0.59%	6,326	0.41%	0	0.00%	0	0.00%
Sports, Recreation, Arts and Culture	29,894	2.04%	104,500	6.71%	29,000	1.91%	33,500	2.11%
Corporate Services	40,150	2.74%	27,050	1.74%	26,900	1.77%	19,100	1.20%
Rate and General: Infrastructure and Engineering	326,981	22.28%	418,600	26.87%	364,447	24.03%	375,104	23.65%
Water Service	175,900	11.98%	167.503	10.75%	190,518	12.56%	198,750	12.53%
Sanitation	294,386	20.06%	269,950	17.33%	363,350	23.96%	347,600	21.92%
Electricity and Energy	222,383	15.15%	229,792	14.75%	228,880	15.09%	251,148	15.84%
Executive and Council	5,770	0.39%	6,850	0.44%	3,800	0.25%	4,000	0.25%
Safety and Security	15,590	1.06%	12,518	0.80%	10,965	0.72%	11,709	0.74%
Nelson Mandela Bay Stadium	20,000	1.36%	0	0.00%	0	0.00%	0	0.00%
Strategic Programmes Directorate	21,766	1.48%	8,060	0.52%	2,286	0.15%	0	0.00%
Total Capital Expenditure	**1,467,888**	**100**	**1,557,890**	**100**	**1,516,694**	**100%**	**1,585,893**	**100%**

Of the total amount of R1.557 billion for 2015/16, an amount of R1.086 billion has been appropriated for the development of infrastructure, which represents 69.70% of the total capital budget. In the outer years this amount totals R1.147 billion (75.64%) and R1.173 billion (74%) respectively for each of the financial years. Rate and General receives the highest allocation of R418.6 million in 2015/16, which equates to 26.87% followed by Sanitation Services at R269.95 million (17.33%), Electricity and Energy at R229.79 million (14,75%), Human Settlements at R175.10 million (11,24%) and Water Services at R167.50 million (10.75%)

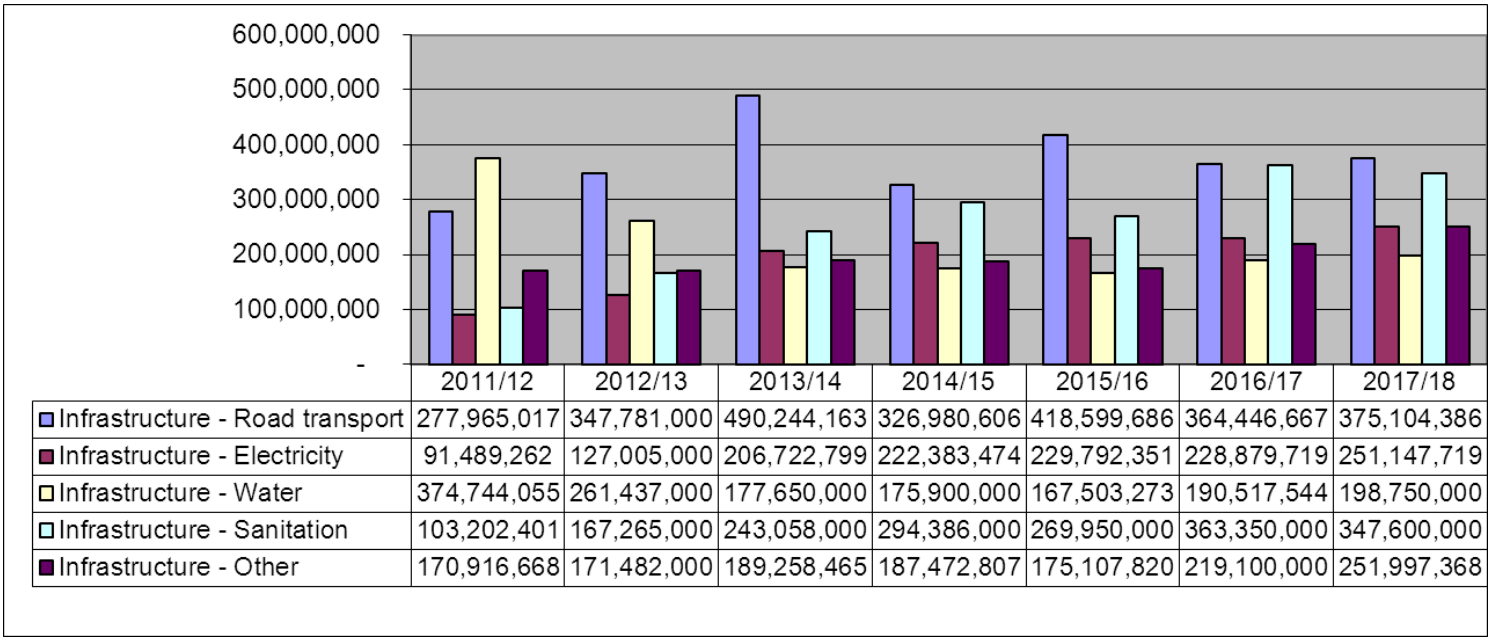
Total new assets represent 53,53% or R833,9 million of the total capital budget while asset renewal/ rehabilitation equates to 46,47% or R723,9 million. National Treasury has suggested that 40% of the capital budget should be allocated for asset renewal/rehabilitation. Further detail relating to asset classes and proposed capital expenditure is contained in Table A9 (Asset Management). Some of the major projects to be undertaken over the medium-term includes, amongst others:

- Reticulation services for housing delivery – R646,2 million;
- Replacement of fleet – R85,7 million;
- Tarring of gravel roads – R195 million;
- Stormwater Improvements – R188,8 million;
- Construction of Major Roads – R34 million;
- Informal Housing Electrification – R113,3 million;

- Provision of sidewalks – R21 million;
- Electricity infrastructure – R373,4 million;
- Integrated Public Transportation System – R554 million;
- Water treatment works – R151 million;
- Water Reticulation Network – R307,5 million;
- Bulk Sewers – R345.8 million;
- Waste Water Treatment Works – R451,8 million;
- Greening and beautification – R30,5 million;
- Refuse sites and recycling stations – R60.4 million;
- Sports and Recreational facilities – R113 million.

Annexure "A" provides a summary of the capital projects included in the Capital budget.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Infrastructure - Road transport	277,965,017	347,781,000	490,244,163	326,980,606	418,599,686	364,446,667	375,104,386
Infrastructure - Electricity	91,489,262	127,005,000	206,722,799	222,383,474	229,792,351	228,879,719	251,147,719
Infrastructure - Water	374,744,055	261,437,000	177,650,000	175,900,000	167,503,273	190,517,544	198,750,000
Infrastructure - Sanitation	103,202,401	167,265,000	243,058,000	294,386,000	269,950,000	363,350,000	347,600,000
Infrastructure - Other	170,916,668	171,482,000	189,258,465	187,472,807	175,107,820	219,100,000	251,997,368

Figure 2 Capital Infrastructure Programme

1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2015/16 Budget and MTREF to be considered for approval by Council. Each table is accompanied by *explanatory notes*.

Table 9 (Table A1 - Budget Summary)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance									
Property rates	881,915	1,058,523	1,205,526	1,373,533	1,373,533	1,373,533	1,504,945	1,655,443	1,829,265
Service charges	3,302,324	3,633,445	3,811,084	4,325,027	4,282,027	4,282,027	4,817,334	5,413,213	6,085,342
Investment revenue	56,734	65,458	80,682	63,192	63,192	63,192	66,845	70,855	75,106
Transfers recognised - operational	1,204,454	1,269,882	1,299,911	1,327,259	1,560,351	1,560,351	1,320,241	1,318,013	1,390,010
Other own revenue	969,479	1,027,831	1,068,613	1,014,287	998,391	998,391	1,165,560	1,232,808	1,312,334
Total Revenue (excluding capital transfers and contributions)	**6,414,906**	**7,055,139**	**7,465,815**	**8,103,298**	**8,277,494**	**8,277,494**	**8,874,926**	**9,690,332**	**10,692,057**
Employee costs	2,030,722	1,716,617	1,751,078	2,184,415	2,178,157	2,178,157	2,274,784	2,481,443	2,714,611
Remuneration of councillors	50,104	53,010	55,572	60,976	60,976	60,976	64,429	69,583	75,498
Depreciation & asset impairment	869,463	774,245	1,385,635	862,359	825,140	825,140	873,646	776,590	737,342
Finance charges	212,913	201,008	190,687	179,581	179,733	179,733	168,258	157,028	151,989
Materials and bulk purchases	2,409,674	2,652,765	2,741,256	2,994,456	3,077,693	3,077,693	3,266,898	3,726,088	4,228,049
Transfers and grants	40,896	37,470	43,257	440,053	461,599	461,599	507,605	582,099	632,303
Other expenditure	1,362,407	1,643,349	1,199,913	1,615,597	1,941,054	1,941,054	1,679,170	1,723,730	1,826,951
Total Expenditure	**6,976,179**	**7,078,464**	**7,367,398**	**8,337,437**	**8,724,352**	**8,724,352**	**8,834,791**	**9,516,562**	**10,366,743**
Surplus/(Deficit)	**(561,273)**	**(23,326)**	**98,417**	**(234,139)**	**(446,858)**	**(446,858)**	**40,135**	**173,770**	**325,314**
Transfers recognised - capital	919,158	895,330	1,026,454	846,775	897,831	897,831	941,157	1,015,472	1,056,139
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	357,885	872,004	1,124,870	612,637	450,973	450,973	981,292	1,189,242	1,381,453
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	357,885	872,004	1,124,870	612,637	450,973	450,973	981,292	1,189,242	1,381,453
Capital expenditure & funds sources									
Capital expenditure	**1,126,079**	**1,193,483**	**1,575,482**	**1,342,700**	**1,467,888**	**1,467,888**	**1,557,889**	**1,516,694**	**1,585,893**
Transfers recognised - capital	919,158	895,330	1,026,454	846,775	897,831	897,831	941,157	1,015,472	1,056,139
Public contributions & donations	12,899	4,410	31,987	53,000	53,000	53,000	53,000	53,000	53,000
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	194,022	293,743	517,041	442,925	517,057	517,057	563,733	448,222	476,754
Total sources of capital funds	**1,126,079**	**1,193,483**	**1,575,482**	**1,342,700**	**1,467,888**	**1,467,888**	**1,557,889**	**1,516,694**	**1,585,893**
Financial position									
Total current assets	2,139,569	2,633,781	3,191,055	2,336,501	2,404,786	2,404,786	2,839,155	3,349,392	3,981,898
Total non current assets	12,796,272	13,184,323	13,458,817	14,072,026	13,877,438	13,877,438	14,561,858	15,316,211	16,169,797

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total current liabilities	2,200,560	2,314,792	2,260,579	2,158,349	2,130,278	2,130,278	2,471,661	2,596,853	2,730,076
Total non current liabilities	3,410,305	3,432,861	3,193,972	3,175,522	3,124,822	3,124,822	3,130,164	3,152,482	3,187,973
Community wealth/Equity	**9,324,976**	**10,070,451**	**11,195,321**	**11,074,656**	**11,027,124**	**11,027,124**	**11,799,188**	**12,916,268**	**14,233,646**
Cash flows									
Net cash from (used) operating	1,964,969	1,709,703	1,788,784	1,445,779	1,090,112	1,090,112	1,922,199	2,008,937	2,165,010
Net cash from (used) investing	(1,156,681)	(1,258,852)	(1,661,008)	(1,276,757)	(1,671,058)	(1,671,058)	(1,529,889)	(1,514,933)	(1,562,054)
Net cash from (used) financing	(77,058)	(89,509)	(97,970)	(112,968)	(105,779)	(105,779)	(104,093)	(93,920)	(86,409)
Cash/cash equivalents at the year end	**1,158,887**	**1,520,229**	**1,550,035**	**1,176,931**	**865,837**	**865,837**	**1,154,054**	**1,554,138**	**2,070,685**
Cash backing/surplus reconciliation									
Cash and investments available	1,160,370	1,522,131	1,552,562	1,176,951	865,837	865,837	1,154,054	1,554,138	2,070,685
Application of cash and investments	977,139	1,086,439	952,131	908,806	632,005	632,005	979,654	993,964	1,042,733
Balance - surplus (shortfall)	**183,232**	**435,692**	**600,431**	**268,145**	**233,832**	**233,832**	**174,400**	**560,174**	**1,027,952**
Asset management									
Asset register summary (WDV)	12,754,567	13,152,392	13,446,726	14,040,095	13,865,701	13,865,701	14,549,767	15,304,120	16,157,706
Depreciation & asset impairment	869,463	774,245	1,385,635	862,359	825,140	825,140	873,646	776,590	737,342
Renewal of Existing Assets	398,793	608,788	649,050	748,611	786,631	786,631	723,940	814,142	864,805
Repairs and Maintenance	437,161	472,773	489,698	607,474	622,991	622,991	524,729	577,329	626,505
Free services									
Cost of Free Basic Services provided	188,505	199,474	220,379	276,303	283,952	283,952	319,507	358,641	314,734
Revenue cost of free services provided	237,236	255,238	294,346	372,370	388,925	388,926	433,453	485,081	544,852
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	38	29	47	30	30	30	22	25	27
Energy:	–	–	–	–	–	–	–	–	–
Refuse:	158	157	156	65	156	108	108	71	23

Explanatory notes to Table A1 - Budget Summary

The aim of the Budget Summary is to provide a concise overview of the proposed budget from all of the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs.

Table 10 (Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification))

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Governance and administration	**1,908,934**	**2,136,804**	**2,373,274**	**2,329,052**	**2,378,117**	**2,378,117**	**2,480,327**	**2,624,581**	**2,819,153**
Executive and council	907	809	272	36	111	111	37	38	38
Budget and treasury office	1,892,189	2,121,501	2,358,792	2,304,696	2,344,920	2,344,920	2,452,237	2,599,274	2,791,939
Corporate services	15,838	14,494	14,211	24,319	33,087	33,087	28,052	25,269	27,175
Community and public safety	**620,533**	**566,009**	**594,792**	**471,066**	**650,644**	**650,644**	**429,443**	**419,332**	**441,317**
Community and social services	16,795	16,252	24,882	19,922	26,493	26,493	23,252	22,973	24,245
Sport and recreation	23,402	40,212	23,273	27,488	30,610	30,610	26,527	28,091	29,749
Public safety	25,766	28,264	13,754	36,641	9,522	9,522	10,240	10,855	11,506
Housing	398,174	474,983	525,909	386,009	579,240	579,240	366,447	356,602	375,307
Health	156,396	6,297	6,974	1,006	4,780	4,780	2,976	811	511
Economic and environmental services	**459,364**	**685,269**	**759,400**	**690,920**	**744,808**	**744,808**	**878,658**	**901,249**	**950,193**
Planning and development	186,970	393,167	205,989	387,511	397,382	397,382	397,133	443,782	500,664
Road transport	262,743	287,924	544,544	298,200	330,837	330,837	473,756	451,910	443,632
Environmental protection	9,652	4,178	8,868	5,209	16,590	16,590	7,770	5,558	5,896
Trading services	**4,332,072**	**4,545,484**	**4,747,887**	**5,442,305**	**5,385,026**	**5,385,026**	**6,009,402**	**6,740,931**	**7,516,247**
Electricity	2,866,381	2,935,959	3,050,310	3,365,131	3,324,756	3,324,756	3,729,081	4,154,375	4,645,801
Water	822,099	785,182	818,134	883,704	853,228	853,228	959,791	1,062,064	1,193,404
Waste water management	444,490	619,093	644,099	881,732	887,126	887,126	965,986	1,129,748	1,233,880
Waste management	199,102	205,249	235,344	311,738	319,915	319,915	354,543	394,744	443,163
Other	**13,161**	**16,902**	**16,915**	**16,731**	**16,731**	**16,731**	**18,253**	**19,711**	**21,285**
Total Revenue - Standard	**7,334,064**	**7,950,469**	**8,492,269**	**8,950,074**	**9,175,326**	**9,175,326**	**9,816,083**	**10,705,804**	**11,748,196**
Expenditure - Standard									
Governance and administration	**1,291,303**	**952,813**	**701,819**	**1,214,828**	**1,262,126**	**1,262,126**	**1,267,034**	**1,241,903**	**1,320,047**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Executive and council	150,909	143,223	159,387	199,926	198,595	198,595	208,398	212,306	228,849
Budget and treasury office	924,115	591,437	307,541	617,061	629,493	629,493	653,584	702,926	752,150
Corporate services	216,279	218,154	234,891	397,840	434,037	434,037	405,051	326,671	339,049
Community and public safety	**1,339,026**	**1,295,936**	**1,309,529**	**1,387,280**	**1,598,558**	**1,598,558**	**1,411,549**	**1,481,430**	**1,592,715**
Community and social services	124,390	140,412	150,626	174,598	166,359	166,359	174,913	187,163	201,944
Sport and recreation	116,032	134,565	144,938	181,519	195,938	195,938	185,646	197,425	210,915
Public safety	377,696	392,079	414,341	424,599	419,171	419,171	441,352	479,140	521,593
Housing	399,470	361,554	420,623	442,835	645,169	645,169	420,516	414,090	437,227
Health	321,437	267,326	179,001	163,729	171,921	171,921	189,122	203,611	221,036
Economic and environmental services	**853,074**	**1,068,954**	**1,643,265**	**1,142,070**	**1,168,309**	**1,168,309**	**1,128,965**	**1,187,534**	**1,237,075**
Planning and development	402,674	635,499	1,101,260	460,442	511,203	511,203	497,101	556,787	587,550
Road transport	211,225	168,431	426,894	353,662	514,898	514,898	475,652	462,701	468,718
Environmental protection	239,176	265,024	115,111	327,966	142,208	142,208	156,212	168,046	180,807
Trading services	**3,481,962**	**3,748,229**	**3,700,584**	**4,557,309**	**4,680,758**	**4,680,758**	**5,012,969**	**5,590,220**	**6,200,542**
Electricity	2,492,034	2,654,306	2,683,568	3,053,510	3,149,717	3,149,717	3,444,088	3,886,194	4,385,134
Water	469,596	516,328	448,490	666,971	685,483	685,483	693,203	746,856	803,669
Waste water management	352,943	392,906	375,878	553,414	554,904	554,904	563,621	614,584	639,730
Waste management	167,390	184,689	192,647	283,414	290,654	290,654	312,057	342,587	372,009
Other	**10,814**	**12,532**	**12,202**	**35,950**	**14,602**	**14,602**	**14,274**	**15,475**	**16,363**
Total Expenditure - Standard	**6,976,179**	**7,078,464**	**7,367,398**	**8,337,437**	**8,724,352**	**8,724,352**	**8,834,791**	**9,516,562**	**10,366,743**
Surplus/(Deficit) for the year	**357,885**	**872,004**	**1,124,870**	**612,637**	**450,973**	**450,973**	**981,292**	**1,189,242**	**1,381,453**

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

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities. It should be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.

Table 11 (Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote))

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Budget and Treasury	1,892,082	2,121,642	2,359,483	2,304,713	2,344,933	2,344,933	2,452,249	2,599,287	2,791,953
Vote 2 - Public Health	366,133	219,044	258,665	325,215	348,548	348,548	369,305	404,311	452,959
Vote 3 - Human Settlements	419,050	494,238	545,800	594,878	792,418	792,418	595,215	645,199	704,198
Vote 4 - Economic Development, Tourism and Agriculture	84,930	206,230	155,160	126,902	121,660	121,660	117,075	116,819	124,219
Vote 5 - Corporate Services	9,479	10,213	11,477	17,062	26,494	26,494	19,503	16,234	17,630
Vote 6 - Rate and General: Infrastructure and Engineering	282,400	423,490	531,889	277,710	312,546	312,546	454,311	431,298	421,784
Vote 7 - Water Services	822,099	785,183	818,134	883,704	853,228	853,228	959,791	1,062,064	1,193,404
Vote 8 - Sanitation Services	430,605	619,093	643,839	881,732	887,126	887,126	965,986	1,129,748	1,233,880
Vote 9 - Electricity and Energy	2,866,468	2,935,959	3,050,310	3,365,131	3,324,756	3,324,756	3,729,081	4,154,375	4,645,801
Vote 10 - Executive and Council	1,633	1,610	541	563	1,351	1,351	1,317	1,369	1,420
Vote 11 - Safety and Security	45,138	48,948	31,388	60,954	31,635	31,635	33,812	35,841	37,992
Vote 12 - Nelson Mandela Bay Stadium	39,048	59,887	46,902	43,075	39,000	39,000	48,500	52,000	62,400
Vote 13 - Strategic Programmes Directorate	42,704	24,932	38,681	35,134	50,012	50,012	31,362	17,017	18,035
Vote 14 – Sports, Recreation, Arts and Culture	32,296	–	–	33,303	41,619	41,619	38,573	40,242	42,521
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	**7,334,064**	**7,950,469**	**8,492,269**	**8,950,074**	**9,175,326**	**9,175,326**	**9,816,083**	**10,705,804**	**11,748,196**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Budget and Treasury	902,233	547,070	289,857	595,138	609,768	609,768	632,490	680,425	728,131
Vote 2 - Public Health	706,073	693,360	480,477	798,099	628,777	628,777	680,753	738,972	800,631
Vote 3 - Human Settlements	519,073	499,669	1,183,300	568,609	786,110	786,110	566,695	579,894	616,648
Vote 4 - Economic Development,Tourism and Agriculture	83,718	325,415	333,206	159,553	143,529	143,529	136,773	165,525	162,645
Vote 5 - Corporate Services	290,059	278,874	307,401	412,551	414,333	414,333	385,446	319,918	333,070
Vote 6 - Rate and General: Infrastructure and Engineering	305,373	441,426	509,049	489,363	660,328	660,328	614,648	597,479	611,837
Vote 7 - Water Services	465,466	523,915	440,556	666,971	685,483	685,483	693,203	746,856	803,669
Vote 8 - Sanitation Services	301,837	335,738	324,622	496,409	494,669	494,669	505,654	553,172	574,829
Vote 9 - Electricity and Energy	2,492,034	2,653,923	2,683,568	3,053,510	3,149,717	3,149,717	3,444,088	3,886,194	4,385,134
Vote 10 - Executive and Council	183,369	173,044	188,152	230,739	223,542	223,542	244,414	250,921	270,233
Vote 11 - Safety and Security	392,052	407,279	429,404	435,343	430,288	430,288	452,496	491,160	534,603
Vote 12 - Nelson Mandela Bay Stadium	140,335	173,586	166,308	136,929	166,245	166,245	167,939	182,897	198,516
Vote 13 - Strategic Programmes Directorate	20,697	25,165	31,498	30,138	42,276	42,276	20,986	14,409	15,550

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 14 – Sports, Recreation, Arts and Culture	173,859	–	–	264,083	289,288	289,288	289,205	308,741	331,245
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	**6,976,179**	**7,078,464**	**7,367,398**	**8,337,437**	**8,724,352**	**8,724,352**	**8,834,791**	**9,516,562**	**10,366,743**
Surplus/(Deficit) for the year	**357,885**	**872,004**	**1,124,870**	**612,637**	**450,973**	**450,973**	**981,292**	**1,189,242**	**1,381,453**

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

1. The purpose of the format in which the budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Executive Directors concerned. Operating revenue and expenditure is thus presented by 'vote'. A 'vote' is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table 12 (Table A4 - Budgeted Financial Performance (revenue and expenditure))

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	881,915	1,058,523	1,205,526	1,373,533	1,373,533	1,373,533	1,504,945	1,655,443	1,829,265
Property rates - penalties & collection charges									
Service charges - electricity revenue	2,711,116	2,819,880	2,872,553	3,182,151	3,127,151	3,127,151	3,519,222	3,948,567	4,430,292
Service charges - water revenue	288,576	430,698	505,420	558,220	565,220	565,220	639,699	722,860	816,832
Service charges - sanitation revenue	210,403	273,384	308,365	384,587	389,587	389,587	436,338	493,062	557,160
Service charges - refuse revenue	92,228	109,483	124,745	200,068	200,068	200,068	222,076	248,725	281,059
Service charges - other									
Rental of facilities and equipment	19,329	16,555	17,907	22,327	22,229	22,229	23,342	24,757	26,264
Interest earned - external investments	56,734	65,458	80,682	63,192	63,192	63,192	66,845	70,855	75,106
Interest earned - outstanding debtors	121,634	166,835	217,463	182,999	143,690	143,690	159,327	176,539	196,150
Dividends received									
Fines	25,655	28,892	12,808	36,836	10,797	10,797	11,861	12,569	13,319
Licences and permits	9,019	10,263	9,328	11,365	11,365	11,365	11,963	12,681	13,442
Agency services	1,397	1,909	2,095	1,575	2,202	2,202	2,428	2,574	2,729
Transfers recognised - operational	1,204,454	1,269,882	1,299,911	1,327,259	1,560,351	1,560,351	1,320,241	1,318,013	1,390,010
Other revenue	792,444	803,378	809,012	759,185	808,109	808,109	956,638	1,003,687	1,060,430
Gains on disposal of PPE									

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Revenue (excluding capital transfers and contributions)	**6,414,906**	**7,055,139**	**7,465,815**	**8,103,298**	**8,277,494**	**8,277,494**	**8,874,926**	**9,690,332**	**10,692,057**
Expenditure By Type									
Employee related costs	2,030,722	1,716,617	1,751,078	2,184,415	2,178,157	2,178,157	2,274,784	2,481,443	2,714,611
Remuneration of councillors	50,104	53,010	55,572	60,976	60,976	60,976	64,429	69,583	75,498
Debt impairment	298,890	409,730	200,711	341,919	339,338	339,338	379,334	424,119	474,876
Depreciation & asset impairment	869,463	774,245	1,385,635	862,359	825,140	825,140	873,646	776,590	737,342
Finance charges	212,913	201,008	190,687	179,581	179,733	179,733	168,258	157,028	151,989
Bulk purchases	1,972,513	2,179,993	2,251,558	2,386,983	2,454,701	2,454,701	2,742,169	3,148,759	3,601,544
Other materials	437,161	472,773	489,698	607,474	622,991	622,991	524,729	577,329	626,505
Contracted services	221,601	373,895	289,459	374,837	322,294	322,294	333,353	356,365	400,439
Transfers and grants	40,896	37,470	43,257	440,053	461,599	461,599	507,605	582,099	632,303
Other expenditure	841,002	764,885	708,471	898,842	1,279,422	1,279,422	966,483	943,245	951,636
Loss on disposal of PPE	914	94,839	1,272						
Total Expenditure	**6,976,179**	**7,078,464**	**7,367,398**	**8,337,437**	**8,724,352**	**8,724,352**	**8,834,791**	**9,516,562**	**10,366,743**
Surplus/(Deficit)	**(561,273)**	**(23,326)**	**98,417**	**(234,139)**	**(446,858)**	**(446,858)**	**40,135**	**173,770**	**325,314**
Transfers recognised - capital	919,158	895,330	1,026,454	846,775	897,831	897,831	941,157	1,015,472	1,056,139
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets									
Surplus/(Deficit) after capital transfers & contributions	**357,885**	**872,004**	**1,124,870**	**612,637**	**450,973**	**450,973**	**981,292**	**1,189,242**	**1,381,453**
Taxation									
Surplus/(Deficit) after taxation	**357,885**	**872,004**	**1,124,870**	**612,637**	**450,973**	**450,973**	**981,292**	**1,189,242**	**1,381,453**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	**357,885**	**872,004**	**1,124,870**	**612,637**	**450,973**	**450,973**	**981,292**	**1,189,242**	**1,381,453**
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	**357,885**	**872,004**	**1,124,870**	**612,637**	**450,973**	**450,973**	**981,292**	**1,189,242**	**1,381,453**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

Revenue

1. The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the original budget, so as to assess performance.

2. Total revenue amounts to R8.9 billion in 2015/16 and increases to R10.7 billion in 2017/18. This represents a year-on-year increase of 7.2% for the 2015/16 financial year, and increases of 9.2% for the 2016/17 financial year and 10.3% for the 2017/18 financial year, respectively.

3. Revenue from property rates amounts to R1.5 billion in the 2015/16 financial year and increases to R1,8 billion in 2017/18, which amounts to 17.1% of the total operating revenue base of the Municipality. It remains relatively constant over the medium-term, whilst tariff increases of 9.5% have been provided for 2015/16 and 10.0% and 10.5% for the two outer years, respectively.

4. Services charges relating to electricity, water, sanitation and refuse collection and removal constitute the biggest component of the total revenue base, amounting to R4,8 billion for the 2015/16 financial year and increasing to R6.1 billion in 2017/18. For the 2015/16 financial year services charges amount to 54.3% of the total revenue base and increases to 56.9% for 2017/18.

5. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It is to be noted that the grants decreased by 15.4% for 2015/16 and increased by 5.5% for 2017/18.

Expenditure

6. Bulk purchases have increased significantly over the 2011/12 to 2015/16 period, increasing from R1.9 billion to R2.7 billion. These increases are mainly attributable to the substantial increases in the cost of bulk electricity from Eskom.

Table 13 (Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure ***to be appropriated***									
Vote 1 - Budget and Treasury	24,405	12,862	23,542	27,600	28,400	28,400	74,000	25,000	28,785
Vote 2 - Public Health	39,614	15,925	48,307	30,350	66,834	66,834	38,433	25,400	36,900
Vote 3 - Human Settlements	75,899	148,096	175,634	182,273	186,273	186,273	175,108	219,100	251,997
Vote 4 - Economic Development, Tourismand Agriculture	33,140	28,072	12,217	9,079	3,674	3,674	6,326	–	–
Vote 5 - CorporateServices	35,704	19,001	43,480	34,650	39,750	39,750	27,050	26,900	19,100
Vote 6 - Rate and General: Infrastructure and Engineering	305,771	356,082	608,745	250,037	317,810	317,810	412,220	356,467	365,354
Vote 7 - Water Services	374,744	264,805	184,996	197,900	171,900	171,900	165,003	186,518	196,750
Vote 8 - Sanitation Services	103,202	168,584	228,233	307,750	287,850	287,850	267,450	359,350	345,600
Vote 9 - Electricity and Energy	91,489	126,204	201,908	202,358	217,358	217,358	218,992	220,880	244,148
Vote 10 - Executive and Council	11,449	10,069	2,236	6,550	5,770	5,770	6,850	3,800	4,000
Vote 11 - Safety and Security	4,792	2,873	5,709	7,640	7,640	7,640	7,300	3,350	1,210
Vote 12 - Nelson Mandela Bay Stadium	–	–	29,442	–	20,000	20,000	–	–	–
Vote 13 - Strategic Programmes Directorate	25,869	40,912	11,034	14,010	21,766	21,766	8,060	2,286	–
Vote 14 – Sports, Recreation, Arts and Culture	–	–	–	24,000	29,894	29,894	104,500	29,000	33,500
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**1,126,079**	**1,193,484**	**1,575,482**	**1,294,197**	**1,404,920**	**1,404,920**	**1,511,291**	**1,458,049**	**1,527,344**
Single-year expenditure ***to be appropriated***									
Vote 1 - Budget and Treasury	–	–	–	2,850	4,592	4,592	3,000	2,850	2,800
Vote 2 - Public Health	–	–	–	20,605	19,095	19,095	16,200	24,200	24,500
Vote 3 - Human Settlements	–	–	–	–	1,200	1,200	–	–	–
Vote 4 - Economic Development,Tourism and Agriculture	–	–	–	–	5,000	5,000	–	–	–
Vote 5 - Corporate Services	–	–	–	–	400	400	–	–	–
Vote 6 - Rate and General: Infrastructure and Engineering	–	–	–	6,150	9,170	9,170	6,380	7,980	9,750
Vote 7 - Water Services	–	–	–	4,000	4,000	4,000	2,500	4,000	2,000
Vote 8 - Sanitation Services	–	–	–	4,000	6,536	6,536	2,500	4,000	2,000
Vote 9 - Electricity and Energy	–	–	–	5,025	5,025	5,025	10,800	8,000	7,000
Vote 10 - Executive and Council	–	–	–	–	–	–	–	–	–
Vote 11 - Safety and Security	–	–	–	5,873	7,950	7,950	5,218	7,615	10,499
Vote 12 - Nelson Mandela Bay Stadium	–	–	–	–	–	–	–	–	–

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 13 - Strategic Programmes Directorate	–	–	–	–	–	–	–	–	–
Vote 14 – Sports, Recreation, Arts and Culture	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	**–**	**–**	**–**	**48,503**	**62,968**	**62,968**	**46,598**	**58,645**	**58,549**
Total Capital Expenditure - Vote	**1,126,079**	**1,193,484**	**1,575,482**	**1,342,700**	**1,467,888**	**1,467,888**	**1,557,889**	**1,516,694**	**1,585,893**
Capital Expenditure - Standard									
Governance and administration	**71,558**	**41,932**	**98,700**	**71,650**	**98,912**	**98,912**	**110,900**	**58,550**	**54,685**
Executive and council	11,449	10,069	31,678	6,550	25,770	25,770	6,850	3,800	4,000
Budget and treasury office	24,405	12,862	23,542	30,450	32,992	32,992	77,000	27,850	31,585
Corporate services	35,704	19,001	43,480	34,650	40,150	40,150	27,050	26,900	19,100
Community and public safety	**102,514**	**159,453**	**194,199**	**221,461**	**234,632**	**234,632**	**294,626**	**262,565**	**297,207**
Community and social services	2,198	–	999	13,000	15,001	15,001	27,000	12,500	14,500
Sport and recreation	15,193	7,895	11,002	11,000	14,893	14,893	77,500	16,500	19,000
Public safety	4,792	2,872	5,709	13,513	15,590	15,590	12,518	10,965	11,709
Housing	75,899	148,096	175,634	182,273	187,473	187,473	175,108	219,100	251,997
Health	4,431	590	856	1,675	1,675	1,675	2,500	3,500	–
Economic and environmental services	**359,569**	**429,064**	**652,221**	**308,856**	**420,305**	**420,305**	**467,918**	**391,632**	**411,504**
Planning and development	41,618	61,009	11,250	23,089	30,440	30,440	14,386	2,286	–
Road transport	305,771	356,162	608,745	256,187	326,981	326,981	418,600	364,447	375,104
Environmental protection	12,180	11,893	32,225	29,580	62,884	62,884	34,933	24,900	36,400
Trading services	**592,438**	**563,035**	**630,362**	**740,733**	**714,039**	**714,039**	**684,446**	**803,947**	**822,498**
Electricity	91,489	126,204	201,908	207,383	222,383	222,383	229,792	228,880	251,148
Water	374,744	264,805	184,996	201,900	175,900	175,900	167,503	190,518	198,750
Waste water management	103,202	168,584	228,233	311,750	294,386	294,386	269,950	363,350	347,600
Waste management	23,003	3,442	15,225	19,700	21,370	21,370	17,200	21,200	25,000
Other					**–**	**–**			
Total Capital Expenditure - Standard	**1,126,079**	**1,193,483**	**1,575,482**	**1,342,700**	**1,467,888**	**1,467,888**	**1,557,889**	**1,516,694**	**1,585,893**
Funded by:									
National Government	919,158	895,330	1,012,405	846,775	889,180	889,180	941,157	1,015,472	1,056,139
Provincial Government					–	–			
District Municipality					–	–			
Other transfers and grants			14,048		8,652	8,652	–	–	–
Transfers recognised - capital	**919,158**	**895,330**	**1,026,454**	**846,775**	**897,831**	**897,831**	**941,157**	**1,015,472**	**1,056,139**
Public contributions & donations	12,899	4,410	31,987	53,000	53,000	53,000	53,000	53,000	53,000

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing					–	–			
Internally generated funds	194,022	293,743	517,041	442,925	517,057	517,057	563,733	448,222	476,754
Total Capital Funding	1,126,079	1,193,483	1,575,482	1,342,700	1,467,888	1,467,888	1,557,889	1,516,694	1,585,893

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, and internally generated funds. For 2015/16, capital transfers totals R941.16 million (60.4%) and amounts to R1.06 billion for 2017/18 (66.6%). Internally generated funding amounts to R563.73 million, R448.22 million and R476.75 million for each of the respective financial years of the MTREF. The source of the internally generated funding mainly comprises the fuel levy and the equitable share allocation. These funding sources are further discussed in detail in Section 2.6 (Overview of Budget Funding).

Table 14 (Table A6 - Budgeted Financial Position)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS									
Current assets									
Cash	171,668	274,851	128,555	200,000	200,000	200,000	200,000	200,000	200,000
Call investment deposits	988,682	1,247,260	1,424,007	976,931	665,837	665,837	954,054	1,354,138	1,870,685
Consumer debtors	484,365	611,367	1,036,736	673,449	1,098,940	1,098,940	1,174,058	1,253,548	1,337,006
Other debtors	386,794	394,347	494,532	373,116	331,009	331,009	395,503	419,233	444,387
Current portion of long-term receivables	5	0	0	5	0	0	0	0	0
Inventory	108,054	105,956	107,226	113,000	109,000	109,000	115,540	122,472	129,821
Total current assets	2,139,569	2,633,781	3,191,055	2,336,501	2,404,786	2,404,786	2,839,155	3,349,392	3,981,898
Non current assets									
Long-term receivables	41,685	31,911	12,091	31,911	12,091	12,091	12,091	12,091	12,091
Investments	20	20	–	20					
Investment property	185,876	199,262	199,439	199,262	199,439	199,439	199,262	199,262	199,262
Investment in Associate									
Property, plant and equipment	12,294,701	12,746,126	13,080,098	13,605,965	13,434,346	13,434,346	14,124,291	14,840,572	15,661,788
Agricultural									

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Biological									
Intangible	273,990	207,004	167,189	234,868	231,562	231,562	226,213	264,286	296,656
Other non-current assets									
Total non current assets	**12,796,272**	**13,184,323**	**13,458,817**	**14,072,026**	**13,877,438**	**13,877,438**	**14,561,858**	**15,316,211**	**16,169,797**
TOTAL ASSETS	**14,935,841**	**15,818,104**	**16,649,873**	**16,408,527**	**16,282,224**	**16,282,224**	**17,401,013**	**18,665,603**	**20,151,696**
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	97,283	105,159	112,968	104,093	104,093	104,093	93,920	86,409	79,760
Consumer deposits	85,224	93,159	100,348	93,159	100,348	100,348	100,348	100,348	100,348
Trade and other payables	1,874,331	1,862,735	1,887,179	1,712,871	1,756,148	1,756,148	2,097,522	2,219,431	2,347,863
Provisions	143,723	253,740	160,085	248,227	169,690	169,690	179,872	190,664	202,104
Total current liabilities	**2,200,560**	**2,314,792**	**2,260,579**	**2,158,349**	**2,130,278**	**2,130,278**	**2,471,661**	**2,596,853**	**2,730,076**
Non current liabilities									
Borrowing	1,822,724	1,716,181	1,578,058	1,411,952	1,411,952	1,411,952	1,318,032	1,231,623	1,151,863
Provisions	1,587,581	1,716,680	1,615,915	1,763,570	1,712,870	1,712,870	1,812,131	1,920,859	2,036,111
Total non current liabilities	**3,410,305**	**3,432,861**	**3,193,972**	**3,175,522**	**3,124,822**	**3,124,822**	**3,130,164**	**3,152,482**	**3,187,973**
TOTAL LIABILITIES	**5,610,865**	**5,747,654**	**5,454,551**	**5,333,871**	**5,255,100**	**5,255,100**	**5,601,825**	**5,749,335**	**5,918,049**
NET ASSETS	**9,324,976**	**10,070,451**	**11,195,321**	**11,074,656**	**11,027,124**	**11,027,124**	**11,799,188**	**12,916,268**	**14,233,646**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	9,147,994	9,842,588	10,747,870	11,025,056	10,977,524	10,977,524	11,745,536	12,860,616	14,175,994
Reserves	176,982	227,863	447,451	49,600	49,600	49,600	53,652	55,652	57,652
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	**9,324,976**	**10,070,451**	**11,195,321**	**11,074,656**	**11,027,124**	**11,027,124**	**11,799,188**	**12,916,268**	**14,233,646**

Explanatory notes to Table A6 - Budgeted Financial Position

1. The table presents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

2. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In

addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.

Table 15 (Table A7 - Budget cash flow statement)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	866,019	987,192	1,079,793	1,223,197	1,214,974	1,214,974	1,335,680	1,469,345	1,623,725
Service charges	3,270,111	3,484,912	3,629,747	3,675,143	3,758,191	3,758,191	4,228,898	4,751,298	5,339,772
Other revenue	1,308,899	458,330	308,782	948,735	838,314	838,314	982,438	1,030,917	1,087,373
Government - operating	1,204,454	1,299,252	1,504,855	1,327,149	1,335,596	1,335,596	1,348,689	1,339,772	1,412,916
Government - capital	919,158	895,330	920,097	965,324	1,015,163	1,015,163	1,072,919	1,157,638	1,203,999
Interest	56,734	65,458	80,682	63,192	63,192	63,192	66,845	70,855	75,106
Dividends							–	–	–
Payments									
Suppliers and employees	(5,418,224)	(5,192,099)	(5,446,835)	(6,484,127)	(6,858,944)	(6,858,944)	(6,839,921)	(7,522,712)	(8,300,222)
Finance charges	(201,286)	(205,109)	(192,715)	(181,344)	(179,733)	(179,733)	(168,258)	(157,028)	(151,989)
Transfers and Grants	(40,896)	(83,564)	(95,622)	(91,490)	(96,640)	(96,640)	(105,090)	(131,149)	(125,671)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**1,964,969**	**1,709,703**	**1,788,784**	**1,445,779**	**1,090,112**	**1,090,112**	**1,922,199**	**2,008,937**	**2,165,010**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE							–	–	–
Decrease (Increase) in non-current debtors					19,820	19,820	–	–	–
Decrease (increase) other non-current receivables	19,777	9,779	19,819				–	–	–
Decrease (increase) in non-current investments					20	20	–	–	–
Payments									
Capital assets	(1,176,458)	(1,268,632)	(1,680,827)	(1,276,757)	(1,690,898)	(1,690,898)	(1,529,889)	(1,514,933)	(1,562,054)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(1,156,681)**	**(1,258,852)**	**(1,661,008)**	**(1,276,757)**	**(1,671,058)**	**(1,671,058)**	**(1,529,889)**	**(1,514,933)**	**(1,562,054)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							–	–	–
Borrowing long term/refinancing							–	–	–
Increase (decrease) in consumer deposits		7,935	7,189		7,189	7,189	–	–	–
Payments									
Repayment of borrowing	(77,058)	(97,444)	(105,159)	(112,968)	(112,968)	(112,968)	(104,093)	(93,920)	(86,409)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(77,058)**	**(89,509)**	**(97,970)**	**(112,968)**	**(105,779)**	**(105,779)**	**(104,093)**	**(93,920)**	**(86,409)**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
NET INCREASE/ (DECREASE) IN CASH HELD	**731,230**	**361,342**	**29,806**	**56,054**	**(686,725)**	**(686,725)**	**288,217**	**400,084**	**516,547**
Cash/cash equivalents at the year begin:	**427,657**	**1,158,887**	**1,520,229**	**1,120,877**	**1,552,562**	**1,552,562**	**865,837**	**1,154,054**	**1,554,138**
Cash/cash equivalents at the year end:	**1,158,887**	**1,520,229**	**1,550,035**	**1,176,931**	**865,837**	**865,837**	**1,154,054**	**1,554,138**	**2,070,685**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

2. It reflects the expected cash in-flows versus cash outflows that is likely to result from the implementation of the budget.

3. The cash position of the Municipality increased significantly over the 2011/12 to 2013/14 period, from R1.16 billion to R1.55 billion.

4. The 2015/16 MTREF has been informed by the planning principle of striving to ensure adequate cash reserves over the medium-term.

5. Cash and cash equivalents amounts to R1.15 billion as at the end of the 2015/16 financial year and increases to R2.07 billion in 2017/18.

Table 16 (Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	1,158,887	1,520,229	1,550,035	1,176,931	865,837	865,837	1,154,054	1,554,138	2,070,685
Other current investments > 90 days	1,463	1,882	2,527	0	(0)	(0)	(0)	(0)	(0)
Non current assets - Investments	20	20	–	20	–	–	–	–	–
Cash and investments available:	**1,160,370**	**1,522,131**	**1,552,562**	**1,176,951**	**865,837**	**865,837**	**1,154,054**	**1,554,138**	**2,070,685**
Application of cash and investments									
Unspent conditional transfers	440,759	364,675	260,757	2,141	32,141	32,141	270,075	282,337	294,544
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	469,129	603,633	353,654	771,348	464,547	464,547	444,525	465,311	488,433
Other provisions				85,717	85,717	85,717	211,402	190,664	202,104
Long term investments committed	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	67,250	118,131	337,720	49,600	49,600	49,600	53,652	55,652	57,652
Total Application of cash and investments:	**977,139**	**1,086,439**	**952,131**	**908,806**	**632,005**	**632,005**	**979,654**	**993,964**	**1,042,733**
Surplus(shortfall)	**183,232**	**435,692**	**600,431**	**268,145**	**233,832**	**233,832**	**174,400**	**560,174**	**1,027,952**

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

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

2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF, the end objective of the medium-term framework was to ensure the budget is funded as required in accordance with section 18 of the MFMA.

4. It is to be noted that the budget moves from a funding surplus of R174.4 million in 2015/16 to a surplus of R1.03 billion in 2017/18.

Table 17 (Table A9 - Asset Management)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE									
Total New Assets	**727,286**	**584,695**	**926,432**	**594,089**	**681,257**	**681,257**	**833,949**	**702,552**	**721,089**
Infrastructure - Road transport	258,587	122,457	555,927	176,174	244,809	244,809	280,670	269,417	256,704
Infrastructure - Electricity	29,087	40,468	38,215	31,010	48,010	48,010	63,140	51,088	48,088
Infrastructure - Water	304,783	203,869	63,339	77,000	52,600	52,600	83,103	57,018	53,750
Infrastructure - Sanitation	23,044	–	–	–	–	–	–	–	–
Infrastructure - Other	84,199	147,782	179,556	188,973	191,353	191,353	172,678	219,450	248,287
Infrastructure	*699,700*	*514,577*	*837,037*	*473,156*	*536,772*	*536,772*	*599,591*	*596,972*	*606,829*
Community	10,046	42,570	19,835	23,010	29,579	29,579	78,060	8,786	9,500
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	4,406	9,147	47,337	71,373	89,135	89,135	79,448	72,995	80,759
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	13,134	18,401	22,223	26,550	25,770	25,770	76,850	23,800	24,000
Total Renewal of Existing Assets	**398,793**	**608,788**	**649,050**	**748,611**	**786,631**	**786,631**	**723,940**	**814,142**	**864,805**
Infrastructure - Road transport	44,647	225,405	44,148	65,350	65,474	65,474	113,800	77,800	100,900
Infrastructure - Electricity	62,402	82,270	132,928	155,008	150,308	150,308	145,852	145,292	171,060
Infrastructure - Water	66,890	57,568	117,255	116,900	115,300	115,300	76,900	119,500	136,000
Infrastructure - Sanitation	76,790	166,478	218,543	304,750	285,650	285,650	264,450	356,350	341,600
Infrastructure - Other	25,790	22,972	18,148	16,079	20,864	20,864	18,126	12,500	15,000

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Infrastructure	*276,519*	*554,692*	*531,022*	*658,087*	*637,596*	*637,596*	*619,128*	*711,442*	*764,560*
Community	53,801	17,074	49,524	21,500	78,283	78,283	31,583	22,500	25,000
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	54,137	31,710	58,148	57,252	62,080	62,080	61,730	65,950	58,210
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	14,336	5,312	10,356	11,772	8,672	8,672	11,500	14,250	17,035
Total Capital Expenditure									
Infrastructure - Road transport	303,233	347,862	600,075	241,524	310,283	310,283	394,470	347,217	357,604
Infrastructure - Electricity	91,489	122,738	171,144	186,017	198,317	198,317	208,992	196,380	219,148
Infrastructure - Water	371,674	261,437	180,594	193,900	167,900	167,900	160,003	176,518	189,750
Infrastructure - Sanitation	99,834	166,478	218,543	304,750	285,650	285,650	264,450	356,350	341,600
Infrastructure - Other	109,989	170,754	197,703	205,052	212,217	212,217	190,803	231,950	263,287
Infrastructure	*976,219*	*1,069,269*	*1,368,059*	*1,131,244*	*1,174,367*	*1,174,367*	*1,218,719*	*1,308,414*	*1,371,389*
Community	63,847	59,644	69,359	44,510	107,863	107,863	109,642	31,286	34,500
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	58,542	40,858	105,484	128,625	151,215	151,215	141,178	138,945	138,969
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	27,470	23,713	32,580	38,322	34,442	34,442	88,350	38,050	41,035
TOTAL CAPITAL EXPENDITURE - Asset class	**1,126,079**	**1,193,483**	**1,575,482**	**1,342,700**	**1,467,888**	**1,467,888**	**1,557,889**	**1,516,694**	**1,585,893**
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	2,993,112	3,151,916	3,539,207	3,188,132	3,046,786	3,046,786	3,179,916	3,278,023	3,396,483
Infrastructure - Electricity	1,466,296	1,506,836	1,594,517	1,695,675	1,688,623	1,688,623	1,804,662	1,915,772	2,054,354
Infrastructure - Water	1,243,818	1,531,624	1,797,787	1,656,796	1,637,168	1,637,168	1,677,766	1,736,214	1,812,820
Infrastructure - Sanitation	826,153	973,237	1,120,310	1,299,436	1,317,134	1,317,134	1,489,501	1,740,214	1,992,805
Infrastructure - Other	2,202,223	2,225,658	1,673,620	2,437,699	2,446,008	2,446,008	2,621,022	2,836,881	3,084,077
Infrastructure	*8,731,602*	*9,389,271*	*9,725,441*	*10,277,738*	*10,135,719*	*10,135,719*	*10,772,867*	*11,507,103*	*12,340,538*
Community	2,794,718	2,642,681	2,637,805	2,568,086	2,558,455	2,558,455	2,554,049	2,470,236	2,390,564
Heritage assets	197,320	197,423	203,410	197,063	196,883	196,883	196,703	196,523	196,343
Investment properties	185,876	199,262	199,439	199,262	199,439	199,439	199,262	199,262	199,262
Other assets	571,062	516,752	513,443	563,078	543,643	543,643	600,672	666,710	734,342
Agricultural Assets	–	–	–	–	–	–	–	–	–

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Biological assets	–	–	–	–	–	–		–	–
Intangibles	273,990	207,004	167,189	234,868	231,562	231,562	226,213	264,286	296,656
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**12,754,567**	**13,152,392**	**13,446,726**	**14,040,095**	**13,865,701**	**13,865,701**	**14,549,767**	**15,304,120**	**16,157,706**
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	869,463	774,245	1,385,635	862,359	825,140	825,140	873,646	776,590	737,342
Repairs and Maintenance by Asset Class	437,161	472,773	489,698	607,474	622,991	622,991	524,729	577,329	626,505
Infrastructure - Road transport	89,652	65,924	118,054	108,125	125,419	125,419	83,270	90,264	97,839
Infrastructure - Electricity	38,973	40,431	42,649	53,544	53,157	53,157	54,923	59,580	64,590
Infrastructure - Water	107,790	126,349	106,523	155,286	149,806	149,806	126,176	136,175	146,947
Infrastructure - Sanitation	107,728	139,770	120,392	156,283	149,008	149,008	127,739	139,003	150,661
Infrastructure - Other	5,650	4,600	5,869	9,419	10,952	10,952	12,169	12,999	14,162
Infrastructure	*349,793*	*377,073*	*393,487*	*482,656*	*488,342*	*488,342*	*404,276*	*438,022*	*474,199*
Community	34,691	38,145	38,134	54,263	64,605	64,605	60,309	73,535	80,664
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	52,676	57,554	58,077	70,554	70,045	70,045	60,143	65,772	71,643
TOTAL EXPENDITURE OTHER ITEMS	**1,306,623**	**1,247,018**	**1,875,333**	**1,469,833**	**1,448,131**	**1,448,131**	**1,398,376**	**1,353,919**	**1,363,847**
Renewal of Existing Assets as % of total capex	*35.4%*	*51.0%*	*41.2%*	*55.8%*	*53.6%*	*53.6%*	*46.5%*	*53.7%*	*54.5%*
Renewal of Existing Assets as % of deprecn"	*45.9%*	*78.6%*	*46.8%*	*86.8%*	*95.3%*	*95.3%*	*82.9%*	*104.8%*	*117.3%*
R&M as a % of PPE	*3.6%*	*3.7%*	*3.7%*	*4.5%*	*4.6%*	*4.6%*	*3.7%*	*3.9%*	*4.0%*
Renewal and R&M as a % of PPE	*7.0%*	*8.0%*	*8.0%*	*10.0%*	*10.0%*	*10.0%*	*9.0%*	*9.0%*	*9.0%*

Explanatory notes to Table A9 - Asset Management

1. The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; and also reflects the relevant asset categories. The associated repairs and maintenance and depreciation is also reflected.

   It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

2. National Treasury has suggested that municipalities should allocate at least 40% of their capital budget to the renewal/rehabilitation of existing assets, and allocations to repairs and maintenance should be 8% of PPE. In this regard the expenditure relating to the renewal/rehabilitation of existing assets amounts to 46.5% of the capital budget, whilst repairs and maintenance constitute 3.7% of PPE.

Table 18 (Table A10 - Basic Service Delivery Measurement)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	289,000	268,545	276,850	276,850	294,090	294,090	323,499	355,849	391,434
Piped water inside yard (but not in dwelling)									
Using public tap (at least min.service level)	38,000	29,296	30,202	30,202	30,202	30,202	33,222	36,544	40,199
Other water supply (at least min.service level)									
Minimum Service Level and Above sub-total	327,000	297,841	307,052	307,052	324,292	324,292	356,721	392,393	431,633
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**327,000**	**297,841**	**307,052**	**307,052**	**324,292**	**324,292**	**356,721**	**392,393**	**431,633**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	285,940	266,527	274,690	273,790	290,710	290,710	319,781	351,759	386,935
Flush toilet (with septic tank)	3,050	3,060	2,160	3,060	3,060	3,060	3,366	3,703	4,073
Chemical toilet					185	185	204	224	246
Pit toilet (ventilated)					135	135	149	163	180
Other toilet provisions (> min.service level)									
Minimum Service Level and Above sub-total	288,990	269,587	276,850	276,850	294,090	294,090	323,499	355,849	391,434
Bucket toilet	38,000	29,296	30,202	30,202	30,202	30,202	22,413	24,654	27,120
Other toilet provisions (< min.service level)			17,240						
No toilet provisions									
Below Minimum Service Level sub-total	38,000	29,296	47,442	30,202	30,202	30,202	22,413	24,654	27,120
Total number of households	**326,990**	**298,883**	**324,292**	**307,052**	**324,292**	**324,292**	**345,912**	**380,503**	**418,554**
Energy:									
Electricity (at least min.service level)	29,223	28,813	26,500	27,440	27,440	27,440	26,891	26,353	25,816
Electricity - prepaid (min.service level)	276,493	283,637	279,500	284,580	284,580	284,580	290,272	296,077	299,038
Minimum Service Level and Above sub-total	305,716	312,450	306,000	312,020	312,020	312,020	317,163	322,430	324,854
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**305,716**	**312,450**	**306,000**	**312,020**	**312,020**	**312,020**	**317,163**	**322,430**	**324,854**
Refuse:									
Removed at least once a week	121,467	131,980	168,429	259,155	168,430	216,382	216,382	253,786	301,738
Minimum Service Level and Above sub-total	121,467	131,980	168,429	259,155	168,430	216,382	216,382	253,786	301,738
Removed less frequently than once a week	139,082	139,082	133,308	42,582	133,308	85,356	85,356	47,952	–
Using communal refuse dump	18,146	17,546	15,662	15,662	15,558	15,558	15,558	15,558	15,558

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Using own refuse dump									
Other rubbish disposal			6,852	6,852	6,852	6,852	6,852	6,852	6,852
No rubbish disposal	912	392	40	40	143	143	143	143	143
Below Minimum Service Level sub-total	158,140	157,020	155,862	65,136	155,861	107,909	107,909	70,505	22,553
Total number of households	**279,607**	**289,000**	**324,291**	**324,291**	**324,291**	**324,291**	**324,291**	**324,291**	**324,291**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	75,775	71,500	73,058	72,031	72,031	72,031	75,071	75,571	76,071
Sanitation (free minimum level service)	75,775	71,740	73,433	72,031	72,031	72,031	75,309	75,809	76,071
Electricity/other energy (50kwh per household per month)	66,646	62,831	64,854	63,254	63,254	63,254	64,747	65,247	65,747
Refuse (removed at least once a week)	69,906	65,648	65,878	66,665	66,665	66,665	66,898	67,398	67,898
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	54,785	56,666	68,230	69,336	69,336	69,336	79,350	88,535	10,045
Sanitation (free sanitation service)	47,779	51,163	59,884	102,949	102,949	102,949	115,302	130,292	147,230
Electricity/other energy (50kwh per household per month)	40,616	43,601	37,115	42,948	40,989	40,989	46,402	51,947	58,171
Refuse (removed once a week)	45,324	48,044	55,150	61,071	70,678	70,678	78,453	87,867	99,290
Total cost of FBS provided (minimum social package)	**188,505**	**199,474**	**220,379**	**276,303**	**283,952**	**283,952**	**319,507**	**358,641**	**314,734**
Highest level of free service provided									
Property rates (R value threshold)	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)	8	8	8	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	11	11	11	11	11	11	11	11	11
Sanitation (Rand per household per month)	52	59	66	74	74	74	83	93	105
Electricity (kwh per household per month)	75	75	75	75	75	75	75	75	75
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	20,598	23,543	26,411	29,007	29,166	29,166	31,937	35,131	38,820
Property rates (other exemptions, reductions and rebates)	28,134	32,221	47,557	67,059	75,807	75,807	83,009	91,310	100,897
Water	54,785	56,666	68,230	69,336	69,336	69,337	78,350	88,535	100,446
Sanitation	47,779	51,163	59,884	102,949	102,949	102,949	115,302	130,292	147,230
Electricity/other energy	40,616	43,601	37,115	42,948	40,989	40,989	46,402	51,947	58,171
Refuse	45,324	48,044	55,150	61,071	70,678	70,678	78,453	87,867	99,290
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	**237,236**	**255,238**	**294,346**	**372,370**	**388,925**	**388,925**	**433,453**	**485,081**	**544,852**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

1.8 Consolidated Budget Tables

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's and the Entity's 2015/16 budget and MTREF to be noted by Council.

Table 19 (Table A1 –Consolidated Budget Summary)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance									
Property rates	881,915	1,058,523	1,205,526	1,373,533	1,373,533	1,373,533	1,504,945	1,655,443	1,829,265
Service charges	3,302,237	3,633,274	3,810,943	4,325,027	4,282,027	4,282,027	4,817,334	5,413,213	6,085,342
Investment revenue	58,901	68,058	83,222	65,792	66,492	66,492	70,145	74,155	78,406
Transfers recognised - operational	1,204,924	1,270,308	1,300,058	1,340,739	1,570,615	1,570,615	1,327,271	1,322,543	1,393,388
Other own revenue	976,378	1,030,092	1,074,199	1,014,497	998,601	998,601	1,165,760	1,233,008	1,312,534
Total Revenue (excluding capital transfers and contributions)	**6,424,355**	**7,060,255**	**7,473,948**	**8,119,588**	**8,291,268**	**8,291,268**	**8,885,456**	**9,698,363**	**10,698,935**
Employee costs	2,037,166	1,724,614	1,761,421	2,196,693	2,190,435	2,190,435	2,289,517	2,497,208	2,731,479
Remuneration of councillors	50,104	53,010	55,572	60,976	60,976	60,976	64,429	69,583	75,498
Depreciation & asset impairment	869,625	774,430	1,385,795	862,509	825,353	825,353	873,746	776,696	737,455
Finance charges	213,108	201,167	190,855	179,731	179,917	179,917	168,361	157,138	152,104
Materials and bulk purchases	2,409,714	2,652,816	2,741,331	2,994,456	3,077,693	3,077,693	3,266,898	3,726,088	4,228,049
Transfers and grants	21,903	18,783	19,731	375,659	391,705	391,705	430,509	480,593	538,023
Other expenditure	1,380,164	1,658,898	1,221,390	1,636,363	1,961,820	1,961,820	1,726,380	1,751,646	1,856,273
Total Expenditure	6,981,785	7,083,719	7,376,096	8,306,387	8,687,899	8,687,899	8,819,839	9,458,951	10,318,881
Surplus/(Deficit)	**(557,430)**	**(23,463)**	**97,852**	**(186,799)**	**(396,631)**	**(396,631)**	**65,617**	**239,411**	**380,054**
Transfers recognised - capital	919,158	895,330	1,027,014	846,775	897,831	897,831	962,059	1,032,484	1,061,512
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**361,728**	**871,867**	**1,124,866**	**659,976**	**501,200**	**501,200**	**1,027,676**	**1,271,896**	**1,441,566**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**361,728**	**871,867**	**1,124,866**	**659,976**	**501,200**	**501,200**	**1,027,676**	**1,271,896**	**1,441,566**
Capital expenditure & funds sources									
Capital expenditure	**1,126,313**	**1,195,817**	**1,575,579**	**1,392,230**	**1,560,118**	**1,560,118**	**1,612,510**	**1,597,288**	**1,644,883**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Transfers recognised - capital	919,158	895,330	1,026,454	846,775	897,831	897,831	962,059	1,032,484	1,061,512
Public contributions & donations	12,899	4,410	31,987	53,000	53,000	53,000	53,000	53,000	53,000
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	194,256	296,077	517,139	492,455	609,287	609,287	597,451	511,803	530,370
Total sources of capital funds	**1,126,313**	**1,195,817**	**1,575,579**	**1,392,230**	**1,560,118**	**1,560,118**	**1,612,510**	**1,597,288**	**1,644,883**
Financial position									
Total current assets	2,141,308	2,645,116	3,199,991	2,328,267	2,453,585	2,453,585	2,880,061	3,397,301	4,025,810
Total non current assets	12,796,849	13,184,762	13,459,721	14,157,729	13,972,973	13,972,973	14,630,829	15,451,620	16,364,063
Total current liabilities	2,202,185	2,323,957	2,268,472	2,158,911	2,186,311	2,186,311	2,472,268	2,597,502	2,730,770
Total non current liabilities	3,410,420	3,435,031	3,194,977	3,175,522	3,124,822	3,124,822	3,130,164	3,152,482	3,187,973
Community wealth/Equity	**9,325,553**	**10,070,890**	**11,196,264**	**11,151,564**	**11,115,425**	**11,115,425**	**11,908,458**	**13,098,937**	**14,471,129**
Cash flows									
Net cash from (used) operating	1,963,289	1,713,660	1,787,442	1,506,555	1,143,692	1,143,692	1,981,340	2,092,207	2,226,771
Net cash from (used) investing	(1,156,916)	(1,259,158)	(1,661,126)	(1,339,675)	(1,733,976)	(1,733,976)	(1,596,933)	(1,591,202)	(1,627,814)
Net cash from (used) financing	(77,425)	(88,600)	(99,101)	(112,968)	(105,779)	(105,779)	(104,093)	(93,920)	(86,409)
Cash/cash equivalents at the year end	**1,214,979**	**1,580,882**	**1,608,097**	**1,216,836**	**914,561**	**914,561**	**1,194,875**	**1,601,960**	**2,114,507**
Cash backing/surplus reconciliation									
Cash and investments available	1,216,194	1,582,276	1,610,624	1,216,856	914,561	914,561	1,194,875	1,601,960	2,114,507
Application of cash and investments	1,144,150	1,245,315	1,109,390	950,073	683,465	683,465	980,031	994,387	1,043,300
Balance - surplus (shortfall)	**72,044**	**336,961**	**501,234**	**266,783**	**231,096**	**231,096**	**214,844**	**607,573**	**1,071,207**
Asset management									
Asset register summary (WDV)	12,755,412	13,153,340	13,447,630	14,125,798	13,960,882	13,960,882	14,618,738	15,439,529	16,351,971
Depreciation & asset impairment	869,625	774,430	1,385,795	862,509	825,353	825,353	873,746	776,696	737,455
Renewal of Existing Assets	398,793	608,788	649,050	784,091	865,289	865,289	752,558	869,557	913,185
Repairs and Maintenance	437,201	472,823	489,773	607,474	622,991	622,991	524,729	577,329	626,505
Free services									
Cost of Free Basic Services provided	188,505	199,474	189,286	276,303	283,952	283,952	319,507	358,641	314,734
Revenue cost of free services provided	237,236	255,238	294,346	372,370	388,925	388,926	433,453	485,081	544,852
Households below minimum service level									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	38	29	30	30	30	30	22	25	27
Energy:	–	–	–	–	–	–	–	–	–
Refuse:	158	157	156	65	156	108	108	71	23

Table 20 (Table A2 –Consolidated Budget Financial Performance)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Governance and administration	**1,908,934**	**2,136,804**	**2,373,274**	**2,329,052**	**2,378,117**	**2,378,117**	**2,480,327**	**2,624,581**	**2,819,153**
Executive and council	907	809	272	36	111	111	37	38	38
Budget and treasury office	1,892,189	2,121,501	2,358,792	2,304,696	2,344,920	2,344,920	2,452,237	2,599,274	2,791,939
Corporate services	15,838	14,494	14,211	24,319	33,087	33,087	28,052	25,269	27,175
Community and public safety	**620,533**	**566,009**	**594,792**	**471,066**	**650,644**	**650,644**	**429,443**	**419,332**	**441,317**
Community and social services	16,795	16,252	24,882	19,922	26,493	26,493	23,252	22,973	24,245
Sport and recreation	23,402	40,212	23,273	27,488	30,610	30,610	26,527	28,091	29,749
Public safety	25,766	28,264	13,754	36,641	9,522	9,522	10,240	10,855	11,506
Housing	398,174	474,983	525,909	386,009	579,240	579,240	366,447	356,602	375,307
Health	156,396	6,297	6,974	1,006	4,780	4,780	2,976	811	511
Economic and environmental services	**468,813**	**690,556**	**768,234**	**707,210**	**758,582**	**758,582**	**910,091**	**926,292**	**962,444**
Planning and development	196,418	398,454	214,823	403,801	411,156	411,156	428,566	468,824	512,916
Road transport	262,743	287,924	544,544	298,200	330,837	330,837	473,756	451,910	443,632
Environmental protection	9,652	4,178	8,868	5,209	16,590	16,590	7,770	5,558	5,896
Trading services	**4,332,072**	**4,545,313**	**4,747,747**	**5,442,305**	**5,385,026**	**5,385,026**	**6,009,402**	**6,740,931**	**7,516,247**
Electricity	2,866,381	2,935,789	3,050,170	3,365,131	3,324,756	3,324,756	3,729,081	4,154,375	4,645,801
Water	822,099	785,182	818,134	883,704	853,228	853,228	959,791	1,062,064	1,193,404
Waste water management	444,490	619,093	644,099	881,732	887,126	887,126	965,986	1,129,748	1,233,880
Waste management	199,102	205,249	235,344	311,738	319,915	319,915	354,543	394,744	443,163
Other	**13,161**	**16,902**	**16,915**	**16,731**	**16,731**	**16,731**	**18,253**	**19,711**	**21,285**
Total Revenue - Standard	**7,343,513**	**7,955,586**	**8,500,962**	**8,966,363**	**9,189,100**	**9,189,100**	**9,847,516**	**10,730,847**	**11,760,447**
Expenditure - Standard									
Governance and administration	**1,291,303**	**952,813**	**701,819**	**1,214,828**	**1,262,762**	**1,262,762**	**1,267,034**	**1,241,903**	**1,320,047**
Executive and council	150,909	143,223	159,387	199,926	199,231	199,231	208,398	212,306	228,849
Budget and treasury office	924,115	591,437	307,541	617,061	629,493	629,493	653,584	702,926	752,150
Corporate services	216,279	218,154	234,891	397,840	434,037	434,037	405,051	326,671	339,049
Community and public safety	**1,339,026**	**1,295,936**	**1,309,529**	**1,387,280**	**1,598,558**	**1,598,558**	**1,411,549**	**1,481,430**	**1,592,715**
Community and social services	124,390	140,412	150,626	174,598	166,359	166,359	174,913	187,163	201,944
Sport and recreation	116,032	134,565	144,938	181,519	195,938	195,938	185,646	197,425	210,915
Public safety	377,696	392,079	414,341	424,599	419,171	419,171	441,352	479,140	521,593
Housing	399,470	361,554	420,623	442,835	645,169	645,169	420,516	414,090	437,227

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Health	321,437	267,326	179,001	163,729	171,921	171,921	189,122	203,611	221,036
Economic and environmental services	**858,680**	**1,074,209**	**1,651,962**	**1,111,020**	**1,115,721**	**1,115,721**	**1,114,013**	**1,129,923**	**1,189,213**
Planning and development	408,280	640,753	1,109,957	429,392	446,774	446,774	482,150	499,176	539,688
Road transport	211,225	168,431	426,894	353,662	526,922	526,922	475,652	462,701	468,718
Environmental protection	239,176	265,024	115,111	327,966	142,025	142,025	156,212	168,046	180,807
Trading services	**3,481,962**	**3,748,229**	**3,700,584**	**4,557,309**	**4,696,257**	**4,696,257**	**5,012,969**	**5,590,220**	**6,200,542**
Electricity	2,492,034	2,654,306	2,683,568	3,053,510	3,149,717	3,149,717	3,444,088	3,886,194	4,385,134
Water	469,596	516,328	448,490	666,971	693,529	693,529	693,203	746,856	803,669
Waste water management	352,943	392,906	375,878	553,414	562,357	562,357	563,621	614,584	639,730
Waste management	167,390	184,689	192,647	283,414	290,654	290,654	312,057	342,587	372,009
Other	**10,814**	**12,532**	**12,202**	**35,950**	**14,602**	**14,602**	**14,274**	**15,475**	**16,363**
Total Expenditure - Standard	**6,981,785**	**7,083,719**	**7,376,096**	**8,306,387**	**8,687,899**	**8,687,899**	**8,819,839**	**9,458,951**	**10,318,881**
Surplus/(Deficit) for the year	**361,728**	**871,867**	**1,124,866**	**659,976**	**501,200**	**501,200**	**1,027,676**	**1,271,896**	**1,441,566**

Table 21 (Table A3 –Consolidated Budget Financial Performance by Vote)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Budget and Treasury	1,892,082	2,121,642	2,359,483	2,304,713	2,344,933	2,344,933	2,452,249	2,599,287	2,791,953
Vote 2 - Public Health	366,133	219,044	258,665	325,215	348,548	348,548	369,305	404,311	452,959
Vote 3 - Human Settlements	419,050	494,238	545,800	594,878	792,418	792,418	595,215	645,199	704,198
Vote 4 - Economic Development,Tourism and Agriculture	94,379	211,517	163,993	143,192	135,434	135,434	148,508	141,861	136,471
Vote 5 - Corporate Services	9,479	10,213	11,477	17,062	26,494	26,494	19,503	16,234	17,630
Vote 6 - Rate and General: Infrastructure and Engineering	282,400	423,490	531,889	277,710	312,546	312,546	454,311	431,298	421,784
Vote 7 - Water Services	822,099	785,183	818,134	883,704	853,228	853,228	959,791	1,062,064	1,193,404
Vote 8 - Sanitation Services	430,605	619,093	643,839	881,732	887,126	887,126	965,986	1,129,748	1,233,880
Vote 9 - Electricity and Energy	2,866,468	2,935,789	3,050,170	3,365,131	3,324,756	3,324,756	3,729,081	4,154,375	4,645,801
Vote 10 - Executive and Council	1,633	1,610	541	563	1,351	1,351	1,317	1,369	1,420
Vote 11 - Safety and Security	45,138	48,948	31,388	60,954	31,635	31,635	33,812	35,841	37,992
Vote 12 - Nelson Mandela Bay Stadium	39,048	59,887	46,902	43,075	39,000	39,000	48,500	52,000	62,400
Vote 13 - Strategic Programmes Directorate	42,704	24,932	38,681	35,134	50,012	50,012	31,362	17,017	18,035

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 14 – Sports, Recreation, Arts and Culture	32,296	–	–	33,303	41,619	41,619	38,573	40,242	42,521
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	**7,343,513**	**7,955,586**	**8,500,962**	**8,966,363**	**9,189,100**	**9,189,100**	**9,847,516**	**10,730,847**	**11,760,447**
Expenditure by Vote ***to be appropriated***									
Vote 1 - Budget and Treasury	902,233	547,070	289,857	595,138	609,768	609,768	632,490	680,425	728,131
Vote 2 - Public Health	706,073	693,360	480,477	798,099	628,594	628,594	680,753	738,972	800,631
Vote 3 - Human Settlements	519,073	499,669	1,183,300	568,609	786,110	786,110	566,695	579,894	616,648
Vote 4 - Economic Development, Tourism and Agriculture	89,324	330,669	341,903	128,503	74,185	74,185	121,822	107,914	114,783
Vote 5 - Corporate Services	290,059	278,874	307,401	412,551	414,333	414,333	385,446	319,918	333,070
Vote 6 - Rate and General: Infrastructure and Engineering	305,373	441,426	509,049	489,363	675,002	675,002	614,648	597,479	611,837
Vote 7 - Water Services	465,466	523,915	440,556	666,971	693,529	693,529	693,203	746,856	803,669
Vote 8 - Sanitation Services	301,837	335,738	324,622	496,409	504,387	504,387	505,654	553,172	574,829
Vote 9 - Electricity and Energy	2,492,034	2,653,923	2,683,568	3,053,510	3,149,717	3,149,717	3,444,088	3,886,194	4,385,134
Vote 10 - Executive and Council	183,369	173,044	188,152	230,739	224,178	224,178	244,414	250,921	270,233
Vote 11 - Safety and Security	392,052	407,279	429,404	435,343	430,288	430,288	452,496	491,160	534,603
Vote 12 - Nelson Mandela Bay Stadium	140,335	173,586	166,308	136,929	166,245	166,245	167,939	182,897	198,516
Vote 13 - Strategic Programmes Directorate	20,697	25,165	31,498	30,138	42,276	42,276	20,986	14,409	15,550
Vote 14 – Sports, Recreation, Arts and Culture	173,859	–	–	264,083	289,288	289,288	289,205	308,741	331,245
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	**6,981,785**	**7,083,719**	**7,376,096**	**8,306,387**	**8,687,899**	**8,687,899**	**8,819,839**	**9,458,951**	**10,318,881**
Surplus/(Deficit) for the year	**361,728**	**871,867**	**1,124,866**	**659,976**	**501,200**	**501,200**	**1,027,676**	**1,271,896**	**1,441,566**

Table 22 (Table A4 –Consolidated Budget Financial Performance Revenue and Expenditure)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	881,915	1,058,523	1,205,526	1,373,533	1,373,533	1,373,533	1,504,945	1,655,443	1,829,265
Property rates - penalties &collection charges									
Service charges - electricity revenue	2,711,030	2,819,710	2,872,413	3,182,151	3,127,151	3,127,151	3,519,222	3,948,567	4,430,292
Service charges - water revenue	288,576	430,698	505,420	558,220	565,220	565,220	639,699	722,860	816,832
Service charges – sanitation revenue	210,403	273,384	308,365	384,587	389,587	389,587	436,338	493,062	557,160
Service charges - refuse revenue	92,228	109,483	124,745	200,068	200,068	200,068	222,076	248,725	281,059
Service charges - other									
Rental of facilities and equipment	19,329	16,555	17,907	22,327	22,229	22,229	23,342	24,757	26,264
Interest earned - external investments	58,901	68,058	83,222	65,792	66,492	66,492	70,145	74,155	78,406
Interest earned - outstanding debtors	121,634	166,835	217,463	182,999	143,690	143,690	159,327	176,539	196,150
Dividends received									
Fines	25,655	28,892	12,808	36,836	10,797	10,797	11,861	12,569	13,319
Licences and permits	9,019	10,263	9,328	11,365	11,365	11,365	11,963	12,681	13,442
Agency services	1,397	1,909	2,095	1,575	2,202	2,202	2,428	2,574	2,729
Transfers recognised - operational	1,204,924	1,270,308	1,300,058	1,340,739	1,570,615	1,570,615	1,327,271	1,322,543	1,393,388
Other revenue	799,344	805,639	814,598	759,395	808,319	808,319	956,838	1,003,887	1,060,630
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	**6,424,355**	**7,060,255**	**7,473,948**	**8,119,588**	**8,291,268**	**8,291,268**	**8,885,456**	**9,698,363**	**10,698,935**
Expenditure By Type									
Employee related costs	2,037,166	1,724,614	1,761,421	2,196,693	2,190,435	2,190,435	2,289,517	2,497,208	2,731,479
Remuneration of councillors	50,104	53,010	55,572	60,976	60,976	60,976	64,429	69,583	75,498
Debt impairment	298,900	409,754	200,767	341,949	339,368	339,368	379,384	424,177	474,941
Depreciation & asset impairment	869,625	774,430	1,385,795	862,509	825,353	825,353	873,746	776,696	737,455
Finance charges	213,108	201,167	190,855	179,731	179,917	179,917	168,361	157,138	152,104
Bulk purchases	1,972,513	2,179,993	2,251,558	2,386,983	2,454,701	2,454,701	2,742,169	3,148,759	3,601,544
Other materials	437,201	472,823	489,773	607,474	622,991	622,991	524,729	577,329	626,505
Contracted services	221,601	373,895	289,459	374,837	322,294	322,294	333,353	356,365	400,439
Transfers and grants	21,903	18,783	19,731	375,659	391,705	391,705	430,509	480,593	538,023
Other expenditure	858,590	780,410	729,892	919,578	1,300,158	1,300,158	1,013,642	971,103	980,893
Loss on disposal of PPE	1,073	94,839	1,272						
Total Expenditure	**6,981,785**	**7,083,719**	**7,376,096**	**8,306,387**	**8,687,899**	**8,687,899**	**8,819,839**	**9,458,951**	**10,318,881**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Surplus/(Deficit)	**(557,430)**	**(23,463)**	**97,852**	**(186,799)**	**(396,631)**	**(396,631)**	**65,617**	**239,411**	**380,054**
Transfers recognised - capital	919,158	895,330	1,027,014	846,775	897,831	897,831	962,059	1,032,484	1,061,512
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets									
Surplus/(Deficit) after capital transfers & contributions	**361,728**	**871,867**	**1,124,866**	**659,976**	**501,200**	**501,200**	**1,027,676**	**1,271,896**	**1,441,566**
Taxaton									
Surplus/(Deficit) after taxation	**361,728**	**871,867**	**1,124,866**	**659,976**	**501,200**	**501,200**	**1,027,676**	**1,271,896**	**1,441,566**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	**361,728**	**871,867**	**1,124,866**	**659,976**	**501,200**	**501,200**	**1,027,676**	**1,271,896**	**1,441,566**
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	**361,728**	**871,867**	**1,124,866**	**659,976**	**501,200**	**501,200**	**1,027,676**	**1,271,896**	**1,441,566**

Table 23 (Table A5 –Consolidated Budget Capital Expenditure – Standard Classification)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure ***to be appropriated***									
Vote 1 - Budget and Treasury	24,405	12,862	23,542	27,600	28,400	28,400	74,000	25,000	28,785
Vote 2 - Public Health	39,614	15,925	48,307	30,350	66,834	66,834	38,433	25,400	36,900
Vote 3 - Human Settlements	75,899	148,096	175,634	182,273	186,273	186,273	175,108	219,100	251,997
Vote 4 - Economic Development, Tourism and Agriculture	33,375	30,405	12,314	58,609	95,904	95,904	60,947	80,594	58,989
Vote 5 - Corporate Services	35,704	19,001	43,480	34,650	39,750	39,750	27,050	26,900	19,100
Vote 6 - Rate and General: Infrastructure and Engineering	305,771	356,082	608,745	250,037	317,810	317,810	412,220	356,467	365,354
Vote 7 - Water Services	374,744	264,805	184,996	197,900	171,900	171,900	165,003	186,518	196,750
Vote 8 - Sanitation Services	103,202	168,584	228,233	307,750	287,850	287,850	267,450	359,350	345,600
Vote 9 - Electricity and Energy	91,489	126,204	201,908	202,358	217,358	217,358	218,992	220,880	244,148
Vote 10 - Executive and Council	11,449	10,069	2,236	6,550	5,770	5,770	6,850	3,800	4,000
Vote 11 - Safety and Security	4,792	2,873	5,709	7,640	7,640	7,640	7,300	3,350	1,210
Vote 12 - Nelson Mandela Bay Stadium	–	–	29,442	–	20,000	20,000	–	–	–
Vote 13 - Strategic Programmes Directorate	25,869	40,912	11,034	14,010	21,766	21,766	8,060	2,286	–
Vote 14 – Sports, Recreation, Arts and Culture	–	–	–	24,000	29,894	29,894	104,500	29,000	33,500
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital multi-year expenditure sub-total	**1,126,313**	**1,195,817**	**1,575,579**	**1,343,727**	**1,497,150**	**1,497,150**	**1,565,912**	**1,538,643**	**1,586,333**
Single-year expenditure *to be appropriated*									
Vote 1 - Budget and Treasury	–	–	–	2,850	4,592	4,592	3,000	2,850	2,800
Vote 2 - Public Health	–	–	–	20,605	19,095	19,095	16,200	24,200	24,500
Vote 3 - Human Settlements	–	–	–	–	1,200	1,200	–	–	–
Vote 4 - Economic Development, Tourism and Agriculture	–	–	–	–	5,000	5,000	–	–	–
Vote 5 - Corporate Services	–	–	–	–	400	400	–	–	–
Vote 6 - Rate and General: Infrastructure and Engineering	–	–	–	6,150	9,170	9,170	6,380	7,980	9,750
Vote 7 - Water Services	–	–	–	4,000	4,000	4,000	2,500	4,000	2,000
Vote 8 - Sanitation Services	–	–	–	4,000	6,536	6,536	2,500	4,000	2,000
Vote 9 - Electricity and Energy	–	–	–	5,025	5,025	5,025	10,800	8,000	7,000
Vote 10 - Executive and Council	–	–	–	–	–	–	–	–	–
Vote 11 - Safety and Security	–	–	–	5,873	7,950	7,950	5,218	7,615	10,499
Vote 12 - Nelson Mandela BayStadium	–	–	–	–	–	–	–	–	–
Vote 13 - Strategic Programmes Directorate	–	–	–	–	–	–	–	–	–
Vote 14 – Sports, Recreation, Arts and Culture	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	**–**	**–**	**–**	**48,503**	**62,968**	**62,968**	**46,598**	**58,645**	**58,549**
Total Capital Expenditure - Vote	**1,126,313**	**1,195,817**	**1,575,579**	**1,392,230**	**1,560,118**	**1,560,118**	**1,612,510**	**1,597,288**	**1,644,883**
Capital Expenditure - Standard									
Governance and administration	**71,558**	**41,932**	**98,700**	**71,650**	**98,912**	**98,912**	**110,900**	**58,550**	**54,685**
Executive and council	11,449	10,069	31,678	6,550	25,770	25,770	6,850	3,800	4,000
Budget and treasury office	24,405	12,862	23,542	30,450	32,992	32,992	77,000	27,850	31,585
Corporate services	35,704	19,001	43,480	34,650	40,150	40,150	27,050	26,900	19,100
Community and public safety	**102,514**	**159,453**	**194,199**	**221,461**	**234,632**	**234,632**	**294,626**	**262,565**	**297,207**
Community and social services	2,198	–	999	13,000	15,001	15,001	27,000	12,500	14,500
Sport and recreation	15,193	7,895	11,002	11,000	14,893	14,893	77,500	16,500	19,000
Public safety	4,792	2,872	5,709	13,513	15,590	15,590	12,518	10,965	11,709
Housing	75,899	148,096	175,634	182,273	187,473	187,473	175,108	219,100	251,997
Health	4,431	590	856	1,675	1,675	1,675	2,500	3,500	–
Economic and environmental services	**359,803**	**431,398**	**652,318**	**358,386**	**512,535**	**512,535**	**522,539**	**472,226**	**470,494**
Planning and development	41,852	63,343	11,347	72,619	122,670	122,670	69,007	82,879	58,989

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Road transport	305,771	356,162	608,745	256,187	326,981	326,981	418,600	364,447	375,104
Environmental protection	12,180	11,893	32,225	29,580	62,884	62,884	34,933	24,900	36,400
Trading services	**592,438**	**563,035**	**630,362**	**740,733**	**714,039**	**714,039**	**684,446**	**803,947**	**822,498**
Electricity	91,489	126,204	201,908	207,383	222,383	222,383	229,792	228,880	251,148
Water	374,744	264,805	184,996	201,900	175,900	175,900	167,503	190,518	198,750
Waste water management	103,202	168,584	228,233	311,750	294,386	294,386	269,950	363,350	347,600
Waste management	23,003	3,442	15,225	19,700	21,370	21,370	17,200	21,200	25,000
Other									
Total Capital Expenditure - Standard	**1,126,313**	**1,195,817**	**1,575,579**	**1,392,230**	**1,560,118**	**1,560,118**	**1,612,510**	**1,597,288**	**1,644,883**
Funded by:									
National Government	919,158	895,330	1,012,405	846,775	889,180	889,180	941,157	1,015,472	1,056,139
Provincial Government									
District Municipality									
Other transfers and grants			14,048		8,652	8,652	20,903	17,012	5,373
Transfers recognised - capital	**919,158**	**895,330**	**1,026,454**	**846,775**	**897,831**	**897,831**	**962,059**	**1,032,484**	**1,061,512**
Public contributions & donations	12,899	4,410	31,987	53,000	53,000	53,000	53,000	53,000	53,000
Borrowing									
Internally generated funds	194,256	296,077	517,139	492,455	609,287	609,287	597,451	511,803	530,370
Total Capital Funding	**1,126,313**	**1,195,817**	**1,575,579**	**1,392,230**	**1,560,118**	**1,560,118**	**1,612,510**	**1,597,288**	**1,644,883**

Table 24 (Table A6 –Consolidated Budget Financial Position)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS									
Current assets									
Cash	227,760	335,503	186,617	200,120	200,120	200,120	200,150	200,150	200,150
Call investment deposits	988,682	1,247,260	1,424,007	1,016,716	714,441	714,441	994,725	1,401,810	1,914,357
Consumer debtors	484,365	611,367	1,036,736	673,449	1,098,940	1,098,940	1,174,058	1,253,548	1,337,006
Other debtors	332,395	345,029	445,406	324,978	331,084	331,084	395,588	419,320	444,477
Current portion of long-term receivables	5	0	0	5	0	0	0	0	0
Inventory	108,101	105,956	107,226	113,000	109,000	109,000	115,540	122,472	129,821
Total current assets	**2,141,308**	**2,645,116**	**3,199,991**	**2,328,267**	**2,453,585**	**2,453,585**	**2,880,061**	**3,397,301**	**4,025,810**
Non current assets									

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Long-term receivables	41,685	31,911	12,091	31,911	12,091	12,091	12,091	12,091	12,091
Investments	(248)	(488)		20	–	–			
Investment property	185,876	199,262	199,439	199,262	199,439	199,439	199,262	199,262	199,262
Investment in Associate									
Property, plant and equipment	12,295,506	12,747,056	13,080,978	13,691,588	13,526,100	13,526,100	14,178,812	14,975,581	15,855,673
Agricultural									
Biological									
Intangible	274,030	207,022	167,213	234,948	235,343	235,343	240,663	264,686	297,036
Other non-current assets									
Total non current assets	**12,796,849**	**13,184,762**	**13,459,721**	**14,157,729**	**13,972,973**	**13,972,973**	**14,630,829**	**15,451,620**	**16,364,063**
TOTAL ASSETS	**14,938,158**	**15,829,878**	**16,659,712**	**16,485,997**	**16,426,558**	**16,426,558**	**17,510,890**	**18,848,921**	**20,389,873**
LIABILITIES									
Current liabilities									
Bank overdraft									
Borrowing	98,898	105,569	113,978	104,093	104,093	104,093	93,920	86,409	79,760
Consumer deposits	85,224	93,159	100,348	93,159	100,348	100,348	100,348	100,348	100,348
Trade and other payables	1,873,951	1,871,006	1,893,412	1,712,871	1,811,619	1,811,619	2,097,522	2,219,431	2,347,863
Provisions	144,111	254,223	160,734	248,788	170,252	170,252	180,478	191,313	202,799
Total current liabilities	**2,202,185**	**2,323,957**	**2,268,472**	**2,158,911**	**2,186,311**	**2,186,311**	**2,472,268**	**2,597,502**	**2,730,770**
Non current liabilities									
Borrowing	1,822,840	1,718,351	1,579,062	1,411,952	1,411,952	1,411,952	1,318,032	1,231,623	1,151,863
Provisions	1,587,581	1,716,680	1,615,915	1,763,570	1,712,870	1,712,870	1,812,131	1,920,859	2,036,111
Total non current liabilities	**3,410,420**	**3,435,031**	**3,194,977**	**3,175,522**	**3,124,822**	**3,124,822**	**3,130,164**	**3,152,482**	**3,187,973**
TOTAL LIABILITIES	**5,612,605**	**5,758,988**	**5,463,448**	**5,334,433**	**5,311,133**	**5,311,133**	**5,602,432**	**5,749,984**	**5,918,744**
NET ASSETS	**9,325,553**	**10,070,890**	**11,196,264**	**11,151,564**	**11,115,425**	**11,115,425**	**11,908,458**	**13,098,937**	**14,471,129**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	3,631,013	9,843,027	10,748,812	11,101,964	11,065,825	11,065,825	11,854,806	13,043,285	14,413,477
Reserves	5,694,540	227,863	447,451	49,600	49,600	49,600	53,652	55,652	57,652
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	**9,325,553**	**10,070,890**	**11,196,264**	**11,151,564**	**11,115,425**	**11,115,425**	**11,908,458**	**13,098,937**	**14,471,129**

Table 25 (Table A7 –Consolidated Budgeted Cash Flows)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	866,019	987,192	1,079,793	1,223,197	1,214,974	1,214,974	1,335,680	1,469,345	1,623,725
Service charges	3,270,111	3,484,912	3,629,747	3,675,143	3,758,191	3,758,191	4,228,898	4,751,298	5,339,772
Other revenue	1,314,984	469,621	310,088	953,235	856,700	856,700	983,348	1,031,837	1,087,803
Government - operating	1,204,924	1,299,677	1,505,562	1,336,616	1,347,981	1,347,981	1,355,719	1,344,302	1,416,294
Government - capital	919,158	895,330	920,097	970,324	1,015,163	1,015,163	1,093,822	1,174,650	1,209,372
Interest	58,901	67,639	82,578	65,592	66,292	66,292	70,045	74,155	78,406
Dividends							–	–	–
Payments									
Suppliers and employees	(5,447,154)	(5,270,485)	(5,525,335)	(6,518,127)	(6,909,314)	(6,909,314)	(6,889,818)	(7,566,602)	(8,345,106)
Finance charges	(201,286)	(205,109)	(192,715)	(181,344)	(179,549)	(179,549)	(168,361)	(157,138)	(152,104)
Transfers and Grants	(22,368)	(15,118)	(22,372)	(18,081)	(26,746)	(26,746)	(27,993)	(29,643)	(31,391)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**1,963,289**	**1,713,660**	**1,787,442**	**1,506,555**	**1,143,692**	**1,143,692**	**1,981,340**	**2,092,207**	**2,226,771**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE							–	–	–
Decrease (Increase) in non-current debtors					19,820	19,820	–	–	–
Decrease (increase) other non-current receivables	19,777	9,779	19,819				–	–	–
Decrease (increase) in non-current investments					20	20	–	–	–
Payments									
Capital assets	(1,176,692)	(1,268,937)	(1,680,945)	(1,339,675)	(1,753,816)	(1,753,816)	(1,596,933)	(1,591,202)	(1,627,814)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(1,156,916)**	**(1,259,158)**	**(1,661,126)**	**(1,339,675)**	**(1,733,976)**	**(1,733,976)**	**(1,596,933)**	**(1,591,202)**	**(1,627,814)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							–	–	–
Borrowing long term/refinancing							–	–	–
Increase (decrease) in consumer deposits		7,995	6,624		7,189	7,189	–	–	–
Payments									
Repayment of borrowing	(77,425)	(96,595)	(105,724)	(112,968)	(112,968)	(112,968)	(104,093)	(93,920)	(86,409)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(77,425)**	**(88,600)**	**(99,101)**	**(112,968)**	**(105,779)**	**(105,779)**	**(104,093)**	**(93,920)**	**(86,409)**
NET INCREASE/ (DECREASE) IN CASH HELD	**728,948**	**365,902**	**27,216**	**53,912**	**(696,063)**	**(696,063)**	**280,314**	**407,085**	**512,547**
Cash/cash equivalents at the year begin:	**486,032**	**1,214,979**	**1,580,882**	**1,162,924**	**1,610,624**	**1,610,624**	**914,561**	**1,194,875**	**1,601,960**
Cash/cash equivalents at the year end:	**1,214,979**	**1,580,882**	**1,608,097**	**1,216,836**	**914,561**	**914,561**	**1,194,875**	**1,601,960**	**2,114,507**

Table 26 (Table A8 –Consolidated Cash backed Reserves)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	1,214,979	1,580,882	1,608,097	1,216,836	914,561	914,561	1,194,875	1,601,960	2,114,507
Other current investments > 90 days	1,463	1,882	2,527	–	0	0	(0)	0	0
Non current assets - Investments	(248)	(488)	–	20	–	–	–	–	–
Cash and investments available:	**1,216,194**	**1,582,276**	**1,610,624**	**1,216,856**	**914,561**	**914,561**	**1,194,875**	**1,601,960**	**2,114,507**
Application of cash and investments									
Unspent conditional transfers	441,185	364,675	260,757	2,141	32,141	32,141	270,075	282,337	294,544
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	525,984	652,777	401,182	812,615	516,007	516,007	444,295	465,084	488,305
Other provisions				85,717	85,717	85,717	212,008	191,313	202,799
Long term investments committed	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	176,982	227,863	447,451	49,600	49,600	49,600	53,652	55,652	57,652
Total Application of cash and investments:	**1,144,150**	**1,245,315**	**1,109,390**	**950,073**	**683,465**	**683,465**	**980,031**	**994,387**	**1,043,300**
Surplus(shortfall)	**72,044**	**336,961**	**501,234**	**266,783**	**231,096**	**231,096**	**214,844**	**607,573**	**1,071,207**

Table 27 (Table A9 –Consolidated Asset Management)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE									
Total New Assets	**727,521**	**587,029**	**926,529**	**608,139**	**694,829**	**694,829**	**859,952**	**727,730**	**731,698**
Infrastructure - Road transport	258,587	122,457	555,927	176,174	244,860	244,860	282,670	269,417	256,704
Infrastructure - Electricity	29,087	40,468	38,215	31,010	48,010	48,010	63,140	51,088	48,088
Infrastructure - Water	304,783	203,869	63,339	77,000	52,600	52,600	83,103	57,018	53,750
Infrastructure - Sanitation	23,044	–	–	–	–	–	–	–	–
Infrastructure - Other	84,199	147,782	179,556	189,973	195,293	195,293	172,678	220,450	252,287
Infrastructure	*699,700*	*514,577*	*837,037*	*474,156*	*540,763*	*540,763*	*601,591*	*597,972*	*610,829*
Community	10,281	44,903	19,932	35,509	37,878	37,878	100,963	31,798	14,873
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	4,406	9,147	47,337	71,823	89,917	89,917	80,298	73,896	81,714
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Intangibles	13,134	18,401	22,223	26,650	26,270	26,270	77,100	24,065	24,281
Total Renewal of Existing Assets	**398,793**	**608,788**	**649,050**	**784,091**	**865,289**	**865,289**	**752,558**	**869,557**	**913,185**
Infrastructure - Road transport	44,647	225,405	44,148	81,350	93,109	93,109	125,800	87,800	100,900
Infrastructure - Electricity	62,402	82,270	132,928	155,008	150,308	150,308	145,852	145,292	171,060
Infrastructure - Water	66,890	57,568	117,255	116,900	115,300	115,300	76,900	119,500	136,000
Infrastructure - Sanitation	76,790	166,478	218,543	304,750	285,650	285,650	264,450	356,350	341,600
Infrastructure - Other	25,790	22,972	18,148	16,079	27,064	27,064	23,126	12,500	15,000
Infrastructure	*276,519*	*554,692*	*531,022*	*674,087*	*671,431*	*671,431*	*636,128*	*721,442*	*764,560*
Community	53,801	17,074	49,524	27,500	90,615	90,615	34,583	52,915	58,380
Heritage assets	–	–	–	7,500	29,511	29,511	7,000	10,000	10,000
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	54,137	31,710	58,148	63,232	65,060	65,060	63,348	70,950	63,210
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	14,336	5,312	10,356	11,772	8,672	8,672	11,500	14,250	17,035
Total Capital Expenditure									
Infrastructure - Road transport	303,233	347,862	600,075	257,524	337,969	337,969	408,470	357,217	357,604
Infrastructure - Electricity	91,489	122,738	171,144	186,017	198,317	198,317	208,992	196,380	219,148
Infrastructure - Water	371,674	261,437	180,594	193,900	167,900	167,900	160,003	176,518	189,750
Infrastructure - Sanitation	99,834	166,478	218,543	304,750	285,650	285,650	264,450	356,350	341,600
Infrastructure - Other	109,989	170,754	197,703	206,052	222,357	222,357	195,803	232,950	267,287
Infrastructure	*976,219*	*1,069,269*	*1,368,059*	*1,148,244*	*1,212,193*	*1,212,193*	*1,237,719*	*1,319,414*	*1,375,389*
Community	64,082	61,977	69,456	63,009	128,494	128,494	135,545	84,713	73,253
Heritage assets	–	–	–	7,500	29,511	29,511	7,000	10,000	10,000
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	58,542	40,858	105,484	135,055	154,977	154,977	143,646	144,846	144,924
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	27,470	23,713	32,580	38,422	34,942	34,942	88,600	38,315	41,316
TOTAL CAPITAL EXPENDITURE - Asset class	**1,126,313**	**1,195,817**	**1,575,579**	**1,392,230**	**1,560,118**	**1,560,118**	**1,612,510**	**1,597,288**	**1,644,883**
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	2,993,112	3,151,916	3,539,207	3,188,132	3,046,786	3,046,786	3,179,916	3,278,023	3,396,483
Infrastructure - Electricity	1,466,296	1,506,836	1,594,517	1,695,675	1,688,623	1,688,623	1,804,662	1,915,772	2,054,354

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Infrastructure - Water	1,243,818	1,531,624	1,797,787	1,656,796	1,637,168	1,637,168	1,677,766	1,736,214	1,812,820
Infrastructure - Sanitation	826,153	973,237	1,120,310	1,299,436	1,317,134	1,317,134	1,489,501	1,740,214	1,992,805
Infrastructure - Other	2,202,223	2,225,658	1,673,620	2,437,699	2,446,008	2,446,008	2,621,022	2,836,881	3,084,077
Infrastructure	*8,731,602*	*9,389,271*	*9,725,441*	*10,277,738*	*10,135,719*	*10,135,719*	*10,772,867*	*11,507,103*	*12,340,538*
Community	2,794,718	2,642,681	2,637,805	2,568,086	2,558,455	2,558,455	2,554,049	2,470,236	2,390,564
Heritage assets	197,320	197,423	203,410	197,063	196,883	196,883	196,703	196,523	196,343
Investment properties	185,876	199,262	199,439	199,262	199,439	199,439	199,262	199,262	199,262
Other assets	571,866	517,682	514,322	648,701	635,043	635,043	655,193	801,718	928,228
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	274,030	207,022	167,213	234,948	235,343	235,343	240,663	264,686	297,036
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**12,755,412**	**13,153,340**	**13,447,630**	**14,125,798**	**13,960,882**	**13,960,882**	**14,618,738**	**15,439,529**	**16,351,971**
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	869,625	774,430	1,385,795	862,509	825,353	825,353	873,746	776,696	737,455
Repairs and Maintenance by Asset Class	437,201	472,823	489,773	607,474	622,991	622,991	524,729	577,329	626,505
Infrastructure - Road transport	89,652	65,924	118,054	108,125	125,419	125,419	83,270	90,264	97,839
Infrastructure - Electricity	38,973	40,431	42,649	53,544	53,157	53,157	54,923	59,580	64,590
Infrastructure - Water	107,790	126,349	106,523	155,286	149,806	149,806	126,176	136,175	146,947
Infrastructure - Sanitation	107,728	139,770	120,392	156,283	149,008	149,008	127,739	139,003	150,661
Infrastructure - Other	5,650	4,600	5,869	9,419	10,952	10,952	12,169	12,999	14,162
Infrastructure	*349,793*	*377,073*	*393,487*	*482,656*	*488,342*	*488,342*	*404,276*	*438,022*	*474,199*
Community	34,732	38,196	38,209	54,263	64,605	64,605	60,309	73,535	80,664
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	52,676	57,554	58,077	70,554	70,045	70,045	60,143	65,772	71,643
TOTAL EXPENDITURE OTHER ITEMS	**1,306,826**	**1,247,253**	**1,875,568**	**1,469,983**	**1,448,344**	**1,448,344**	**1,398,476**	**1,354,025**	**1,363,960**
Renewal of Existing Assets as % of total capex	*35.4%*	*50.9%*	*41.2%*	*56.3%*	*55.5%*	*55.5%*	*46.7%*	*54.4%*	*55.5%*
Renewal of Existing Assets as % of deprecn"	*45.9%*	*78.6%*	*46.8%*	*90.9%*	*104.8%*	*104.8%*	*86.1%*	*112.0%*	*123.8%*
R&M as a % of PPE	*3.6%*	*3.7%*	*3.7%*	*4.4%*	*4.6%*	*4.6%*	*3.7%*	*3.9%*	*4.0%*
Renewal and R&M as a % of PPE	*7.0%*	*8.0%*	*8.0%*	*10.0%*	*11.0%*	*11.0%*	*9.0%*	*9.0%*	*9.0%*

Table 28 (Table A10 –Consolidated Basic Service Delivery Measurement)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	289,000	268,545	276,850	276,850	294,090	294,090	323,499	355,849	391,434
Piped water inside yard (but not in dwelling)									
Using public tap (at least min.service level)	38,000	29,296	30,202	30,202	30,202	30,202	33,222	36,544	40,199
Other water supply (at least min.service level)									
Minimum Service Level and Above sub-total	327,000	297,841	307,052	307,052	324,292	324,292	356,721	392,393	431,633
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**327,000**	**297,841**	**307,052**	**307,052**	**324,292**	**324,292**	**356,721**	**392,393**	**431,633**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	285,940	266,527	274,690	273,790	290,710	290,710	319,781	351,759	386,935
Flush toilet (with septic tank)	3,050	3,060	2,160	3,060	3,060	3,060	3,366	3,703	4,073
Chemical toilet					185	185	204	224	246
Pit toilet (ventilated)					135	135	149	163	180
Other toilet provisions (> min.service level)					–	–	–	–	–
Minimum Service Level and Above sub-total	288,990	269,587	276,850	276,850	294,090	294,090	323,499	355,849	391,434
Bucket toilet	38,000	29,296	30,202	30,202	30,202	30,202	22,413	24,654	27,120
Other toilet provisions (< min.service level)									
No toilet provisions									
Below Minimum Service Level sub-total	38,000	29,296	30,202	30,202	30,202	30,202	22,413	24,654	27,120
Total number of households	**326,990**	**298,883**	**307,052**	**307,052**	**324,292**	**324,292**	**345,912**	**380,503**	**418,554**
Energy:									
Electricity (at least min.service level)	29,223	28,813	26,500	27,440	27,440	27,440	26,891	26,353	25,816
Electricity - prepaid (min.service level)	276,493	283,637	279,500	284,580	284,580	284,580	290,272	296,077	299,038
Minimum Service Level and Above sub-total	305,716	312,450	306,000	312,020	312,020	312,020	317,163	322,430	324,854
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources									
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**305,716**	**312,450**	**306,000**	**312,020**	**312,020**	**312,020**	**317,163**	**322,430**	**324,854**
Refuse:									

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Removed at least once a week	121,467	131,980	168,429	259,155	168,430	216,382	216,382	253,786	301,738
Minimum Service Level and Above sub-total	121,467	131,980	168,429	259,155	168,430	216,382	216,382	253,786	301,738
Removed less frequently than once a week	139,082	139,082	133,308	42,582	133,308	85,356	85,356	47,952	–
Using communal refuse dump	18,146	17,546	15,662	15,662	15,558	15,558	15,558	15,558	15,558
Using own refuse dump									
Other rubbish disposal			6,852	6,852	6,852	6,852	6,852	6,852	6,852
No rubbish disposal	912	392	40	40	143	143	143	143	143
Below Minimum Service Level sub-total	158,140	157,020	155,862	65,136	155,861	107,909	107,909	70,505	22,553
Total number of households	**279,607**	**289,000**	**324,291**	**324,291**	**324,291**	**324,291**	**324,291**	**324,291**	**324,291**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	75,775	71,500	73,058	72,031	72,031	72,031	75,071	75,571	76,071
Sanitation (free minimum level service)	75,775	71,740	73,433	72,031	72,031	72,031	75,309	75,809	76,071
Electricity/other energy (50kwh per household per month)	66,646	62,831	64,854	63,254	63,254	63,254	64,747	65,247	65,747
Refuse (removed at least once a week)	69,906	65,648	65,878	66,665	66,665	66,665	66,898	67,398	67,898
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	54,785	56,666	68,230	69,336	69,336	69,336	79,350	88,535	10,045
Sanitation (free sanitation service)	47,779	51,163	28,791	102,949	102,949	102,949	115,302	130,292	147,230
Electricity/other energy (50kwh per household per month)	40,616	43,601	37,115	42,948	40,989	40,989	46,402	51,947	58,171
Refuse (removed once a week)	45,324	48,044	55,150	61,071	70,678	70,678	78,453	87,867	99,290
Total cost of FBS provided (minimum social package)	**188,505**	**199,474**	**189,286**	**276,303**	**283,952**	**283,952**	**319,507**	**358,641**	**314,734**
Highest level of free service provided									
Property rates (R value threshold)	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)	8	8	8	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	11	11	11	11	11	11	11	11	11
Sanitation (Rand per household per month)	52	59	66	74	74	74	83	93	105
Electricity (kwh per household per month)	75	75	75	75	75	75	75	75	75
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	20,598	23,543	26,411	29,007	29,166	29,166	31,937	35,131	38,820
Property rates (other exemptions, reductions and rebates)	28,134	32,221	47,557	67,059	75,807	75,807	83,009	91,310	100,897
Water	54,785	56,666	68,230	69,336	69,336	69,337	78,350	88,535	100,446

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Sanitation	47,779	51,163	59,884	102,949	102,949	102,949	115,302	130,292	147,230
Electricity/other energy	40,616	43,601	37,115	42,948	40,989	40,989	46,402	51,947	58,171
Refuse	45,324	48,044	55,150	61,071	70,678	70,678	78,453	87,867	99,290
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	**237,236**	**255,238**	**294,346**	**372,370**	**388,925**	**388,926**	**433,453**	**485,081**	**544,852**

1.9 Consolidated Budget Supporting Tables

The relevant supporting tables, are reflected in **Annexure "B"**.

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

The Budget process started in September 2014 after the approval of a timetable and strategy to guide the preparation of the 2015/16 to 2017/18 Operating and Capital Budgets.

The timetable provides broad timeframes for the IDP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, State departments, business and labour, during May 2015. The main aims of the timetable are to ensure that a revised IDP and a balanced Budget are tabled in March 2015. The draft Budget was tabled by the Executive Mayor at a Council meeting held on 31 March 2015. At this meeting consideration of the draft Budget was deferred, with the draft Budget being adopted by Council on 24 April 2015. After the meeting, it was submitted to National Treasury as well as being subjected to a consultation process with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments.

The consultation took the form of a series of public meetings in the various wards under the direction and leadership of the Executive Mayor and his Mayoral Committee. Taking the inputs of the aforementioned consultations into account, the Executive Mayor tabled the IDP and Budget for consideration and approval at a Council meeting held on 28 May 2015. At this meeting it was resolved that amended versions of the draft IDP and draft Budget be considered within seven days of this Council meeting. The IDP and Budget was finally adopted at a Council meeting held on 18 June 2015.

The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget is aligned.

The draft IDP and Budget was considered by the IDP and Budget Steering Committee under the direction of the Executive Mayor. The IDP and Budget Steering Committee consists of the Executive Mayor, the Chairperson of the Budget and Treasury Standing Committee, the City Manager and senior officials. The primary aims of the Committee are to ensure that:

- The budget compilation process complies with legislation;

- There is proper alignment between the service delivery priorities as set out in the Municipality's IDP and the Budget, taking into account the need to maintain the financial sustainability of the Municipality;
- The Municipality's revenue and tariff determination strategies generate sufficient cash resources to deliver services; and
- The various spending priorities of the different municipal directorates are properly evaluated and prioritised in the allocation of resources.

2.1.1 IDP & Budget Timetable 2015/16 to 2017/18

The preparation of the 2015/16 to 2017/18 IDP and Budget was guided by the following schedule of key deadlines as approved by Council on 7 August 2014.

Activity	Date
IDP/Budget Schedule approved by Council	7 August 2014
Budget Strategy and Assumptions approved by Council	19 September 2014
Tabling of draft IDP and Budget in Council	31 March 2015
Public Participation	2 to 22 April 2015
Final adoption of IDP and Budget by Council	28 May 2015
Approval of SDBIP by Executive Mayor	25 June 2015

2.2 ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the IDP, in accordance with the Municipal Systems Act,was guided and informed by the following principles:

- Achievement of the five strategic priorities of the NMBM.
- Focusing on service delivery backlogs and the maintenance of infrastructure.
- Addressing community priorities (needs) as identified in the IDP.

The review of the IDP focused on establishing measurable performance indicators and targets. These targets informed the preparation of the multi-year budget, as well as the Service Delivery and Budget Implementation Plan (SDBIP).

The 2015/16 to 2017/18 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- Municipal transformation and development
- Service delivery and infrastructure development
- Local economic development
- Financial sustainability and viability
- Good governance and public participation

The abovementioned strategic focus areas informed the preparation of the Budget.

After the tabling of the Budget, a series of meetings was held throughout the municipal area to consult with the elected public representatives, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments on how the budget addresses the IDP priorities and objectives. The feedback flowing from these meetings was referred to the relevant Directorates for their attention.

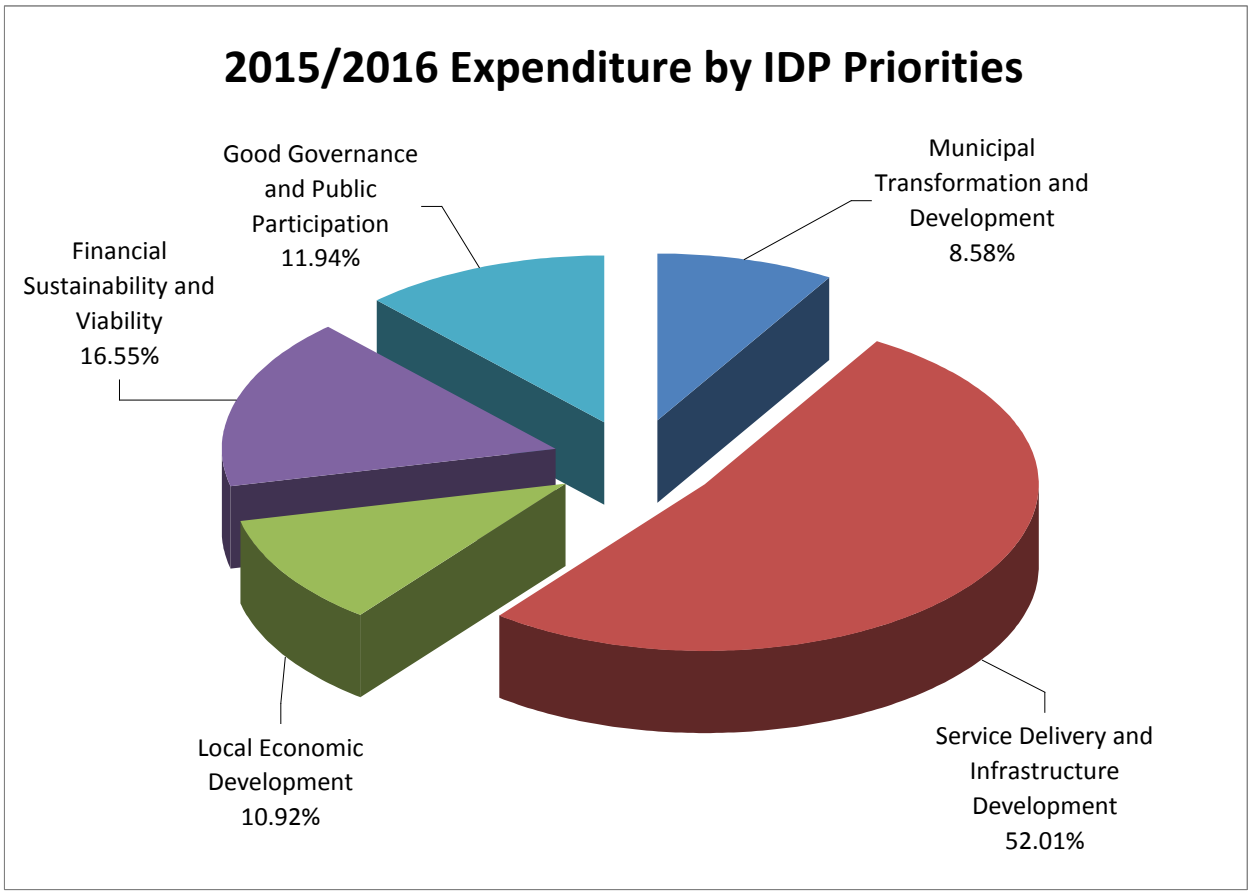
The linking of capital projects to the IDP priorities has been relatively simple, whilst the difficulty in the past has been to link the Operating budget to the IDP. This is now facilitated through the SDBIP.

Below is a table, which illustrates the link between the Budget and the IDP.

BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES

	Municipal Transformation and Development	Service Delivery and Infrastructure Development	Local Economic Development	Financial Sustainability and Viability	Good Governance and Public Participation	Total
	R '000	R '000	R '000	R '000	R '000	R '000
2015/16 Budget						
Capital Expenditure	8,675	1,341,115	163,040	40,985	4,075	**1,557,890**
Operating Expenditure	883,479	4,064,004	971,827	1,678,610	1,236,871	**8,834,791**
Total	**892,154**	**5,405,119**	**1,134,867**	**1,719,595**	**1,240,946**	**10,392,681**
2016/17 Budget						
Capital Expenditure	8,150	1,323,768	154,026	27,000	3,750	**1,516,694**
Operating Expenditure	951,556	4,377,619	1,046,822	1,808,147	1,332,319	**9,516,563**
Total	**959,706**	**5,701,387**	**1,200,848**	**1,835,147**	**1,336,069**	**11,033,257**
2017/18 Budget						
Capital Expenditure	6,250	1,391,132	154,727	30,785	3,000	**1,585,894**
Operating Expenditure	1,036,674	4,768,702	1,140,342	1,969,681	1.451,344	**10,366,743**
Total	**1,042,924**	**6,159,834**	**1,295,069**	**2,000,466**	**1,454,344**	**11,952,637**

Figure 3 – 2015/16 Expenditure by IDP Priorities



2.2.1 Alignment with National and Provincial Priorities

The Municipality's priorities are aligned to those of the National and Provincial Governments.

The matrix below shows the alignment with National and Provincial Government priorities:

Infrastructure and services	Economic Transformation	Social Transformation	Financial Management	Institutional Transformation
Roads and Stormwater	Economic Development	Safety and Security	Budget and Treasury	Executive and Council
Electricity and Energy		Human Settlements		Corporate Services
Water Services		Public Health		
Sanitation		Recreational Services		
Strategic Programmes Directorate				

The above is an indication of NMBM's alignment to the National and Provincial Key Performance Areas and how Directorates are aligned thereto. It should, however, be noted that in terms of implementation all Directorates are focusing on the five areas. In order to monitor and evaluate service delivery and financial performance, key performance indicators are included in all Executive Directors' performance agreements.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

This section contains the key performance indicators.

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Credit Rating		A1.za	A1.za	A1.za	A1.za	A1.za	A1.za	A1.za	A1.za	A1.za
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.2%	4.2%	4.0%	3.5%	3.4%	3.4%	3.1%	2.6%	2.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.6%	5.2%	4.8%	4.3%	4.4%	4.4%	3.6%	3.0%	2.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	1029.9%	753.2%	352.7%	2846.7%	2846.7%	2846.7%	2456.6%	2213.1%	1998.0%
Liquidity										
Current Ratio	Current assets/current liabilities	1.0	1.1	1.4	1.1	1.1	1.1	1.1	1.3	1.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.0	1.1	1.4	1.1	1.1	1.1	1.1	1.3	1.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.7	0.7	0.5	0.4	0.4	0.5	0.6	0.8
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.3%	95.5%	94.3%	86.0%	88.3%	88.3%	88.0%	88.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		98.9%	95.3%	93.9%	86.0%	87.9%	87.9%	88.0%	88.0%	88.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14.2%	14.7%	20.7%	13.3%	17.4%	17.4%	17.8%	17.4%	16.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	73.0%	75.0%	75.0%	80.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Creditors to Cash and Investments		123.7%	98.5%	104.9%	145.4%	199.1%	199.1%	158.4%	124.6%	99.2%

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other Indicators										
	Total Volume Losses (kW)	346,577	346,577	346,577	242,561	242,561	242,561	319,834	319,834	319,834
	Total Cost of Losses (Rand '000)	179,380	179,380	224,600	200,979	200,979	200,979	185,503	185,503	185,503
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	12.0%	10.7%	10.0%	10.0%	10.0%	10.0%	8.0%	6.0%	6.0%
	Total Volume Losses (kℓ)	19,272	19,272	27,933	29,551	29,551	29,551	29,403	29,256	29,110
	Total Cost of Losses (Rand '000)	127	127	208	279	279	279	314	353	396
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	19.0%	21.0%	28.2%	41.3%	41.3%	41.3%	43.1%	22.1%	19.7%
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.7%	24.3%	23.5%	27.0%	26.3%	26.3%	25.6%	25.6%	25.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.4%	25.1%	24.2%	27.7%	27.1%	27.1%	26.4%	26.3%	26.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.8%	6.7%	6.6%	7.5%	7.5%	7.5%	5.9%	6.0%	5.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	16.9%	13.8%	21.1%	12.9%	12.1%	12.1%	11.7%	9.6%	8.3%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	32.0	31.1	35.0	38.5	38.5	38.5	45.8	51.8	57.6
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	20.7%	21.4%	30.4%	18.3%	25.2%	25.2%	24.7%	23.6%	22.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.3	3.0	3.2	2.0	1.4	1.4	1.9	2.3	2.7

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure may be funded from capital grants, internal sources and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependant on its creditworthiness and financial position. The following financial performance indicators formed part of the compilation of the 2015/16 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing, compared to the total operating expenditure. The cost of borrowing is decreasing from 3.1% in 2015/16 to 2.3% in 2017/18. The decrease is attributable to no further borrowing being planned over the MTREF period.

2.3.1.2 Liquidity

- The c*urrent ratio* is a measure of the current assets divided by the current liabilities. The Municipality has set a benchmark limit of 1. For the 2015/16 MTREF, the current ratio increases from 1.1 in 2015/16 to 1.5 in 2017/18.

- *The liquidity ratio* is a measure of the municipality's ability to utilise cash and cash equivalents to meets its current liabilities. A liquidity ratio of 1 should be maintained. For the 2015/16 MTREF, the liquidity ratio increases from 0,5 in 2015/16 to 0.8 in 2017/18. This represents a significant risk for the Municipality, as any under collection of revenue will result in serious financial challenges for the Municipality. As part of the medium term financial planning objectives, this ratio must be maintained at a minimum of 1.

2.3.1.3 Revenue Management

- As part of the Financial Recovery Plan, an aggressive revenue management framework is being implemented to increase cash inflows from current billings, as well as from debtors that are in arrears in excess of 120 days.

2.3.2 Drinking Water Quality and Waste Water Management

The Municipality performs the dual roles of a Water Service Authority and a Water Service Provider, in managing the provision of drinking water and the treatment of wastewater.

The Municipality achieved a scoring of 90,11% in relation to its Blue Drop status for the supply of water, compared to the scoring of 95,08% achieved in the previous assessment. The decline is attributable to a lack of an annual process audit. In order to enhance its Blue Drop status in the next assessment cycle, the Municipality will have to focus specifically on the monitoring and recordkeeping of analyses results.

An average Green Drop Score of 80,8% was achieved for the seven Waste Water Treatment Systems managed by the Municipality, compared to the scoring of 70% achieved in the previous assessment.

The assessment revealed the following: -

- Training of process controllers not yet adequate, even though there is a significant improvement since the previous assessment.

- Special attention should be given to process optimisation (especially disinfection, to ensure compliance with authorisation limits.

Despite the areas requiring attention to improve the Green Drop rating of the Municipality, it achieved the second highest average score for the Eastern Cape Province.

It is furthermore, the Municipality's intention to address the areas requiring attention in the forthcoming financial year.

2.3.3 Basic social services package for indigent households

The Constitution stipulates that a municipality must structure and manage its administration, budgeting and planning so as to give priority to the basic needs of the community and to promote their social and economic development. The basic social package is an affirmation of the Municipality's commitment to push back the frontiers of poverty by providing social welfare to those residents who cannot afford to pay, as a result of adverse social and economic conditions.

The initiatives carried out by the Municipality in this regard are detailed below.

Service	Social Package	Approximate Cost R'000	Est. No. of Housholds
Assessment Rates	All residential property owners are exempted from paying rates on the first R15 000 of their property values.	31 937	229 979
	Full credit for property rates for indigent consumers	83 009	65 367
Water	The first 8kl of water per month provided free to indigent consumers	78 350	75 071
Electricity	The first 75kwh of electricity provided free to indigent consumers	46 402	64 747
Refuse removal	Full credit for the monthly charge.	78 453	66 898
Sewerage	Full credit for monthly charge of sewerage to indigent consumers (For waterborne sewerage removal the maximum credit is based on 11kl per month)	115 302	75 309
MURP Allocation	Developmental Nodal Areas	15 993	
Indigent control admin costs	Costs to administer and monitor indigent customers	20 396	
Water maintenance	Maintenance provided in Wards where the majority are indigent consumers	12 691	
Refuse co-ops	Co-ops to clean indigent and informal residential areas	13 685	
Total Operating Costs		**496 218**	

In addition to the aforementioned operating costs, the Equitable Share allocation is fully utilised towards capital projects linked to the Wards where the majority of the indigent consumers reside.

The Municipality thus fully utilises the Equitable Share allocation towards assisting the poor. It is however clear that the Equitable Share allocation is not sufficient to assist in addressing all the needs

of the communities and the pressure on this vital funding source is ever increasing due to the high increases in specifically the electricity tariffs.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis.

2.4.1 Financial Management Policies

The policies were adopted by the Council in May 2010. The policies govern the financial management functions of the Municipality, such as budgeting, virements, financial statements, etc.

2.4.2 Review of credit control and debt collection policies

The Collection Policy was reviewed and approved by Council in March 2011. A review of certain components of the policy was considered necessary to achieve a higher collection rate.

The 2015/16 MTREF has been prepared on the basis of achieving an average revenue collection rate of 94% on current billings, excluding ATTP subsidies. In addition, the collection of debt in excess of 120 days has been prioritised as a specific strategy, in order to improve the Municipality's cash position.

2.4.3 Budget Adjustment Policy (part of Financial Management Policies)

The adjustments budget process is regulated by the MFMA and is aimed at entrenching increased levels of discipline, responsibility and accountability in the financial management practices of the Municipality. In order to ensure that the Municipality continues to deliver on its core service delivery mandate, the mid-year review and adjustments budget processes are utilised to ensure that underperforming functional areas are identified and funds redirected to performing functional areas.

2.4.4 Supply Chain Management Policy

A revised Supply Chain Management Policy was adopted by Council in September 2013.

2.4.5 Cash Management and Investments Policy

The Cash Management and Investments Policy was amended by Council in December 2005. The aim of the policy is to ensure that surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

2.4.6 Tariff Policies

The different tariff policies provide a broad framework for the determination of tariffs. The different policies were approved on various dates, whilst a consolidated tariff by-law is in the process of being finalised.

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

- Asset Management Policy;
- Property Rates Policy;
- Funding and Reserves Policy;

- Borrowing Policy;
- Basic Social Services Package (Assistance to the Poor Policy);
- Financial Management Policies, which includes virement policy.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets.

The municipal fiscal environment is influenced by a variety of macro economic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Operating Budget, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases and the Department of Water Affairs (DWA) regulates bulk water tariff increases. The Municipality's employee related costs are also influenced by collective agreements concluded in the South African Local Government Bargaining Council. Various government departments also affect municipal service delivery through the level of grants and subsidies.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- No loan funding is available to support the Capital Budget, in view of financial affordability considerations.
- No budget allocations have been made to programmes and projects, unless the respective programme and project plans have been submitted by the relevant Acting/Executive Directors.
- An assessment of the relative human resources capacity to implement the Budget.
- No growth in revenue sources has been provided for in view of current consumption trends in municipal services.
- No growth in property rates income has been provided for, in view of the depressed property market.

The Municipality faced the following significant challenges in preparing the 2015/16 – 2017/18 Budget:

- Budgeting for a surplus on the Operating Budget;
- Fully implementing cost containment measures and removing non-core expenditure items;
- Maintaining revenue collection rates at the targeted levels;
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on municipal tariff increases. Continued high tariff increases may soon render municipal services financially unaffordable;
- Maintaining electricity and water losses at acceptable levels;
- A collective agreement to determine salary increases has not yet been concluded;
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of rates and tariff increases;
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure;
- Allocation of the required operating budget provision for staffing requirements, including the implementation of the Task Job Evaluation System and the associated maintenance phase;

- Depleted Capital Replacement Reserve, impacting on the Municipality's ability to fund capital expenditure from internal sources;
- Maintaining an acceptable cost coverage ratio;
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the municipality's declining cash position into account.

The multi-year budget is therefore underpinned by the following assumptions:

	2015/16	**2016/17**	**2017/18**
Income	%	%	%
Tariff Increases for water	13	13	13
Tariff Increases for sanitation	12	12	13
Tariff Increases for refuse	11	12	13
Property rates increase	9.5	10	10.5
Electricity tariff increase	12.20	12.20	12.20
Revenue collection rates (excluding ATTP subsidies)	94	94	94
Total expenditure increase allowed (excluding repairs and maintenance)	**6**	**6**	**6**
Salary increase	7.5	8	8.5
Increase in repairs and maintenance	8	8	8
Increase in bulk purchase of power costs	14.24	14.24	14.24
Increase in bulk purchase of water costs	12	12	12

No growth in revenue sources has been provided for, in view of the current consumption trends relating to municipal services. Furthermore, no growth in property rates has been provided for, in view of the depressed property market.

It is to be noted that the Budget has been prepared, based on Generally Recognised Accounting Practice (GRAP).

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Medium-term outlook: operating revenue

The following table provides a breakdown of operating revenue over the medium-term:

Table 29 (Breakdown of the operating revenue over the medium-term)

Description	2015/16 Medium Term Revenue & Expenditure Framework					
R thousands	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue by Source						
Property rates	1,504,945	16.96	1,655,443	17.08	1,829,265	17.11
Service charges	4,817,334	54.28	5,413,213	55.86	6,085,342	56.91
Investment revenue	66,845	0.75	70,855	0.73	75,106	0.70
Transfers recognised - operational	1,320,241	14.88	1,318,013	13.60	1,390,010	13.00
Other own revenue	1,165,560	13.13	1,232,808	12.72	1,312,334	12.27
Total Revenue (excluding capital transfers and contributions)	**8,874,926**	**100.00**	**9,690,332**	**100.00**	**10,692,057**	**100.00**
Total Expenditure	**8,834,791**		**9,516,562**		**10,366,743**	
Surplus/	**40,135**		**173,770**		**325,314**	

The following graph is a breakdown of the operational revenue per main category for the 2015/16 financial year.

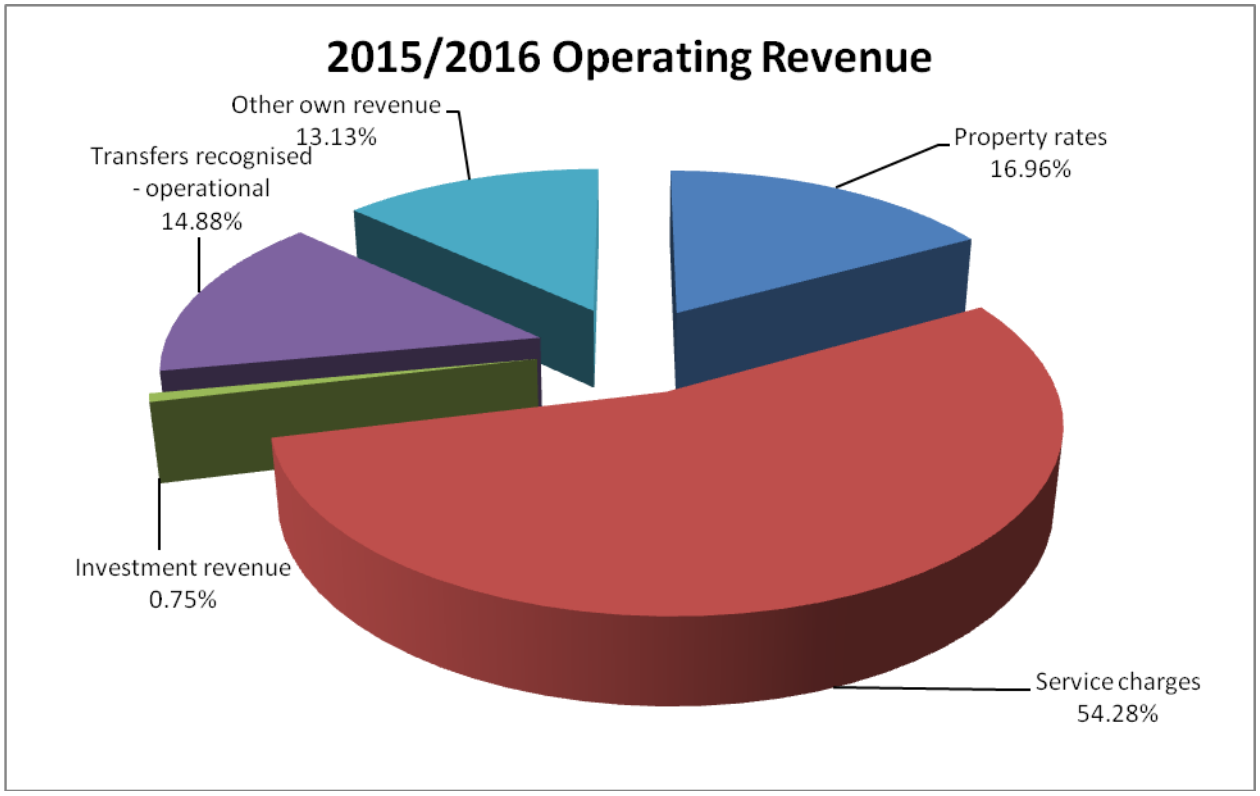


Figure 4 Breakdown of operating revenue over the 2015/16 MTREF

Tariff determination is important in ensuring appropriate levels of revenue, in order to achieve a credible and funded budget. Operating revenue is mainly derived from service charges, such as water, electricity, sanitation and refuse collection and disposal, property rates and operating grants.

The revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard;
- The Property Rates Policy;
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to provide for the maintenance and replacement of infrastructure, including the expansion of services;
- Ensuring fully cost reflective tariffs for trading services;
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Water bulk tariff increases as approved by the Department of Water Affairs (DWA);
- Efficient revenue management, targeting a 94% annual collection rate for property rates and service charges, after discounting the Assistance to the Poor (ATTP) subsidies;
- Growth in the revenue base.

The aforementioned principles guided the annual increases in property rates and tariffs, charged to the consumers.

Property rates amount to R1.50 billion in the 2015/16 financial year and increases to R1,83 billion in 2017/18, representing 16,9% of the total operating revenue for the 2015/16 budget. It increases from 16.9% to 17.1% over the MTREF.

Services charges relating to electricity, water, sanitation and refuse collection and disposal constitute the largest component of the revenue base, amounting to R4,8 billion in the 2015/16 financial year and increasing to R6.1 billion in 2017/18. For the 2015/16 financial year, services charges amount to 54.3% of the total revenue base and increases to 56.9% for 2017/18.

Operational grants and subsidies amount to R1.32 billion, R1.31 billion and R1,39 billion for each of the respective financial years of the MTREF, or 14.88%, 13.60% and 13.00% of total operating revenue.

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

Table 30 (SA15 – Detail Investment Information)

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	988,702	1,247,280	1,424,007	976,951	665,837	665,837	954,054	1,354,138	1,870,685
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Municipal Bonds									
Municipality sub-total	**988,702**	**1,247,280**	**1,424,007**	**976,951**	**665,837**	**665,837**	**954,054**	**1,354,138**	**1,870,685**
Entities									
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									
Entities sub-total	**–**	–	–	–	–	–	–	–	–
Consolidated total:	**988,702**	**1,247,280**	**1,424,007**	**976,951**	**665,837**	**665,837**	**954,054**	**1,354,138**	**1,870,685**

Investments are anticipated to increase from R954,1 million in 2015/16 to R1.87 billion in 2017/18.

Table 31 (SA16 – Investment particulars by maturity)

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of invest-ment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	**Yrs/Months**												
Parent municipality													
Investec	1-3 months	Term / deposit	no	variable		0	N/A	1-3 months	133,147	13,369	-	44,295	**190,811**
Stanlib	1-3 months	Term / deposit	no	variable		0	N/A	1-3 months	133,147	13,369	-	44,295	**190,811**
Nedbank	1-3 months	Term / deposit	no	variable		0	N/A	1-3 months	133,147	13,369	-	44,295	**190,811**
Standard Bank	1-3 months	Term / deposit	no	variable		0	N/A	1-3 months	133,147	13,369	-	44,295	**190,811**
First National Bank	1-3 months	Term / deposit	no	variable		0	N/A	1-3 months	133,147	13,369	-	44,295	**190,811**
TOTAL									**665,736**		**-**	**221,473**	**954,054**

2.6.2 Medium-term outlook: capital revenue

The following table provides a breakdown of the funding components of the 2015/16 medium-term capital programme:

Table 32 (Sources of capital revenue over the MTREF)

Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Capital Transfers and Grants								
National Government:	889,180	60.6	941,157	60.41	1,015,472	66.9	1,056,139	66.6
Provincial Government:	0	0.0	0	0.0	0	0.0	0	0.0
Other grant providers:	8,652	0.6	0	0.0	0	0.0	0	0.0
Transfers recognised - capital	**897,831**	**61.2**	**941,157**	**60.41**	**1,015,472**	**67.0**	**1,056,139**	**66.6**
Public contributions and donations	53,000	3.6	53,000	3.4	53,000	3.5	53,000	3.3
Internally generated funds	517,057	35.2	563,733	36.19	448,222	29.6	476,754	30.1
Total Capital Transfers and Grants	**1,467,888**	**100.0**	**1,557,890**	**100.0**	**1,516,694**	**100**	**1,585,893**	**100**

The above table is graphically represented as follows for the 2015/16 financial year.

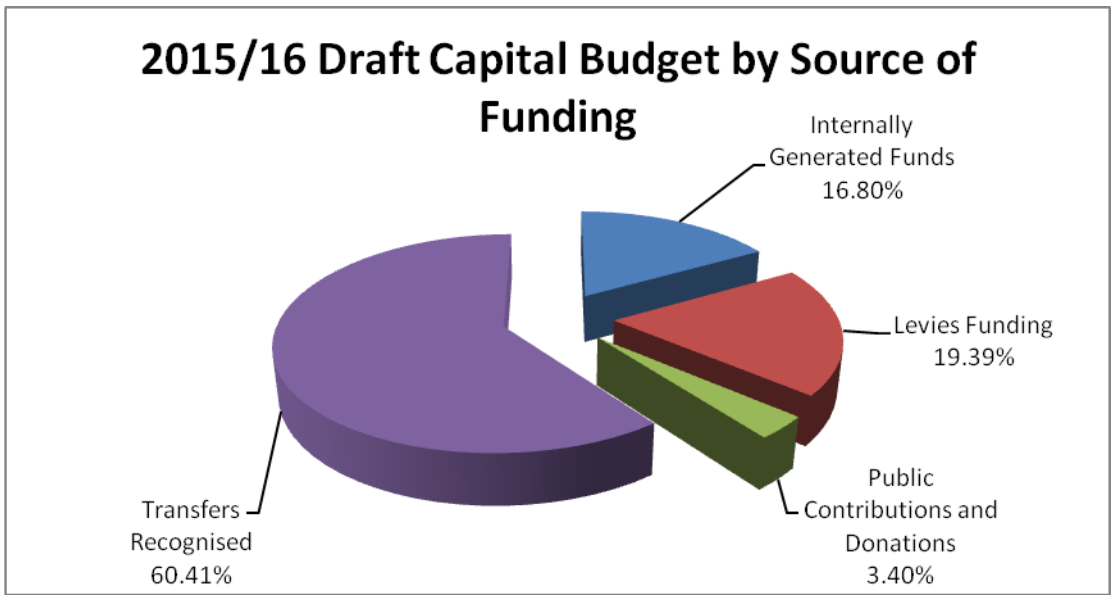


Figure 5 Sources of Capital Revenue for the 2015/16 financial year

Capital Grants constitute 60.41% of the total funding sources, amounting to R941.16 million for the 2015/16 financial year and amounting to R1.05 billion or 66,6% in the 2016/17 financial year.
It is to be noted that no borrowing is planned for the 2015/16 MTREF, in view of financial affordability considerations.

The following table provides a detailed analysis of the Municipality's borrowings.

The following table provides a detailed analysis of the Municipality's borrowings.

Table 33 (Table SA 17 - Detail of borrowings)

Borrowing – Categorised by type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year 2016/17	Budget Year 2017/18
Parent municipality									
Long-Term Loans (annuity/reducing balance)	1,822,724	1,716,181	1,578,058	1,411,952	1,411,952	1,411,952	1,318,032	1,231,623	1,151,863
Total Borrowing	**1,822,724**	**1,716,181**	**1,578,058**	**1,411,952**	**1,411,952**	**1,411,952**	**1,318,032**	**1,231,623**	**1,151,863**

The following graph illustrates the outstanding borrowing for the 2008/09 to 2017/18 period:

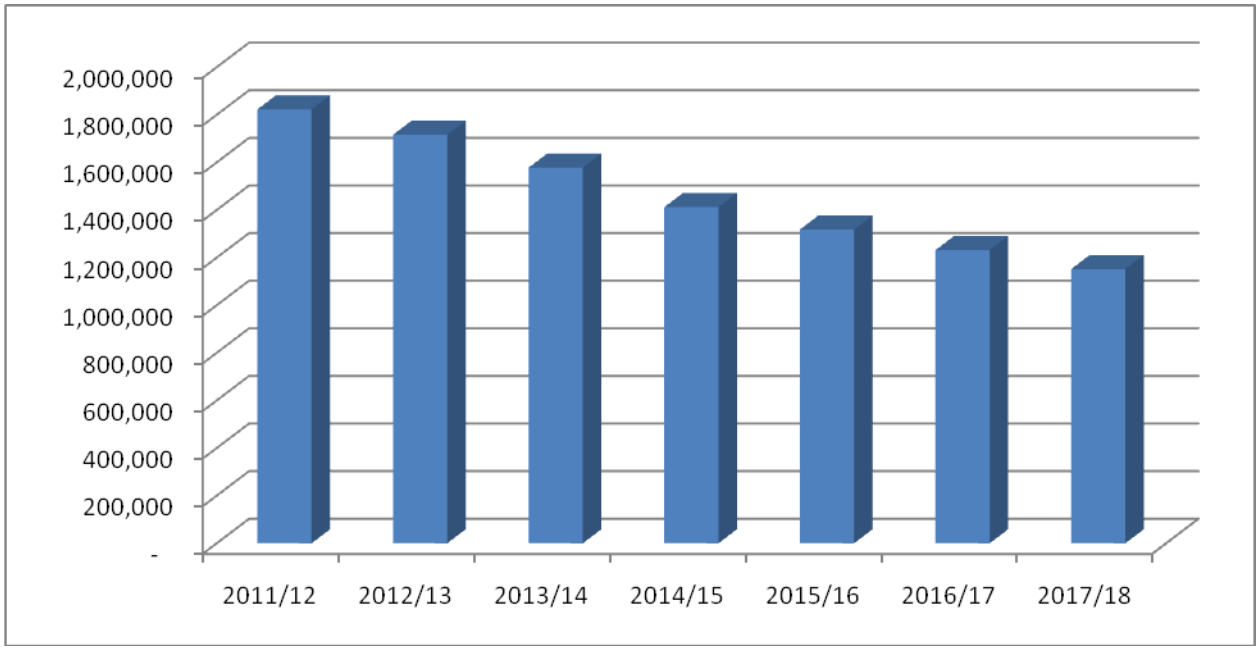


Figure 6 Growth in outstanding borrowing (long-term liabilities)

The following table indicates the capital transfers and grant receipts:

Table 34 (Table SA 18 - Capital transfers and grant receipts)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**753,269**	**981,402**	**993,267**	**969,135**	**924,835**	**924,835**	**1,024,702**	**983,340**	**1,039,005**
Local Government Equitable Share	656,653	729,226	742,909	761,606	761,606	761,606	774,616	789,729	834,568
Energy Efficiency and Demand Management	10,000		12,000	10,000	10,000	10,000	10,000	5,625	5,236
EPWP Incentive	5,123	14,696	20,885	13,439	13,439	13,439	8,664		
Public Transport Network Operations	–		100,000	130,000	60,000	60,000	150,000	150,000	157,500
Finance Management	1,250	1,250	1,250	1,250	1,250	1,250	1,050	1,050	1,050
Infrastructure Skills Development	5,000	2,300	8,200	8,000	8,000	8,000	9,000	12,000	12,806
Intergrated City Development			3,193	4,133	4,133	4,133	5,708	15,089	16,521
Municipal Disaster Recovery'			71,961						
Urban Settlements Development			6,170		25,700	25,700	51,317		
Municipal Human Settlements Capacity				37,707	37,707	37,707	9,847	9,847	11,324
LGSETA	6,203	7,576	4,699	3,000	3,000	3,000	4,500		
Off- Grid Electrification			22,000						
Municipal Disaster		6,730							
Water Demand Management	2,000	4,999							
Intergrated Public Transport System	67,040	198,702							
AFCON Cup		15,923							
Other		–	–						
Provincial Government:	**412,266**	**405,349**	**521,611**	**357,172**	**409,809**	**409,809**	**323,144**	**356,432**	**373,911**
Sport and Recreation	5,747	3,752	3,752	3,752	3,752	3,752	9,752	9,752	9,752
Health subsidy	93,495	63,338	6,627		3,772	3,772	1,957	624	800
Human Settlements Development	307,605	333,162	484,581	348,000	396,865	396,865	310,905	346,056	363,359

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Housing Accreditation	5,000	4,887	19,997						
DRPW(Maintenance of Roads)			5,699	5,000	5,000	5,000	–		
Vuna Awards			60						
Swartkops Monitoring			265						
Elections Infrastructure									
SMME- Textile Hub DEAT									
Marine and Coastal Management	420	210	630	420	420	420	530		
Other									
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:	**7,558**	**37,600**	**17,216**	**952**	**952**	**952**	**842**	**–**	**–**
Lotteries		–	1,000						
SALA/IDA				110	110	110			
EU Funding	68	32,010							
Groen Sebenza (SANBI)			71	842	842	842	842		
Other grant providers:	4,863	5,590	16,145						
HIV/Aids Columbia University Project	2,626								
Total Operating Transfers and Grants	**1,173,094**	**1,424,351**	**1,532,094**	**1,327,259**	**1,335,596**	**1,335,596**	**1,348,689**	**1,339,772**	**1,412,916**
Capital Transfers and Grants									
National Government:	**1,245,586**	**772,062**	**897,997**	**965,324**	**1,015,163**	**1,015,163**	**1,072,919**	**1,157,638**	**1,203,999**
Public Transport and Systems	252,960	100,000	85,000	100,000	170,000	170,000	222,256	209,330	199,984
Neighbourhood Development Partnership	15,000	64,062	32,121	18,461	9,000	9,000	20,000	20,000	25,000
Urban Settlements Development	502,626	593,000	721,816	828,863	803,163	803,163	795,163	888,308	939,015
Intergrated National Electrification	25,000	15,000	53,585	18,000	18,000	18,000	35,500	40,000	40,000
Drought Relief	450,000								
United Nations Development partnership grant			5,475						
Smart Grid					15,000	15,000			
Provincial Government:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other capital transfers/grants [insert description]									
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Transfers and Grants	**1,245,586**	**772,062**	**897,997**	**965,324**	**1,015,163**	**1,015,163**	**1,072,919**	**1,157,638**	**1,203,999**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**2,418,680**	**2,196,413**	**2,430,090**	**2,292,583**	**2,350,759**	**2,350,759**	**2,421,607**	**2,497,410**	**2,616,915**

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining whether the budget is funded over the medium-term. The table includes some specific features:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 35 (Table A7 - Budget cash flow statement)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	866,019	987,192	1,079,793	1,223,197	1,214,974	1,214,974	1,335,680	1,469,345	1,623,725
Service charges	3,270,111	3,484,912	3,629,747	3,675,143	3,758,191	3,758,191	4,228,898	4,751,298	5,339,772
Other revenue	1,308,899	458,330	308,782	948,735	838,314	838,314	982,438	1,030,917	1,087,373
Government - operating	1,204,454	1,299,252	1,504,855	1,327,149	1,335,596	1,335,596	1,348,689	1,339,772	1,412,916
Government - capital	919,158	895,330	920,097	965,324	1,015,163	1,015,163	1,072,919	1,157,638	1,203,999
Interest	56,734	65,458	80,682	63,192	63,192	63,192	66,845	70,855	75,106
Dividends							–	–	–
Payments									
Suppliers and employees	(5,418,224)	(5,192,099)	(5,446,835)	(6,484,127)	(6,858,944)	(6,858,944)	(6,839,921)	(7,522,712)	(8,300,222)
Finance charges	(201,286)	(205,109)	(192,715)	(181,344)	(179,733)	(179,733)	(168,258)	(157,028)	(151,989)
Transfers and Grants	(40,896)	(83,564)	(95,622)	(91,490)	(96,640)	(96,640)	(105,090)	(131,149)	(125,671)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**1,964,969**	**1,709,703**	**1,788,784**	**1,445,779**	**1,090,112**	**1,090,112**	**1,922,199**	**2,008,937**	**2,165,010**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE							–	–	–
Decrease (Increase) in non-current debtors					19,820	19,820	–	–	–
Decrease (increase) other non-current receivables	19,777	9,779	19,819				–	–	–
Decrease (increase) in non-current investments					20	20	–	–	–
Payments									
Capital assets	(1,176,458)	(1,268,632)	(1,680,827)	(1,276,757)	(1,690,898)	(1,690,898)	(1,529,889)	(1,514,933)	(1,562,054)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(1,156,681)**	**(1,258,852)**	**(1,661,008)**	**(1,276,757)**	**(1,671,058)**	**(1,671,058)**	**(1,529,889)**	**(1,514,933)**	**(1,562,054)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							–	–	–

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing long term/refinancing							–	–	–
Increase (decrease) in consumer deposits		7,935	7,189		7,189	7,189	–	–	–
Payments									
Repayment of borrowing	(77,058)	(97,444)	(105,159)	(112,968)	(112,968)	(112,968)	(104,093)	(93,920)	(86,409)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(77,058)**	**(89,509)**	**(97,970)**	**(112,968)**	**(105,779)**	**(105,779)**	**(104,093)**	**(93,920)**	**(86,409)**
NET INCREASE/ (DECREASE) IN CASH HELD	**731,230**	**361,342**	**29,806**	**56,054**	**(686,725)**	**(686,725)**	**288,217**	**400,084**	**516,547**
Cash/cash equivalents at the year begin:	**427,657**	**1,158,887**	**1,520,229**	**1,120,877**	**1,552,562**	**1,552,562**	**865,837**	**1,154,054**	**1,554,138**
Cash/cash equivalents at the year end:	**1,158,887**	**1,520,229**	**1,550,035**	**1,176,931**	**865,837**	**865,837**	**1,154,054**	**1,554,138**	**2,070,685**

For the 2015/16 MTREF, the cash and cash equivalents over the medium-term is anticipated to increase from R1.15 billion to R2.07 billion in 2017/18.

Table 36 (Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	1,158,887	1,520,229	1,550,035	1,176,931	865,837	865,837	1,154,054	1,554,138	2,070,685
Other current investments > 90 days	1,463	1,882	2,527	0	(0)	(0)	(0)	(0)	(0)
Non current assets - Investments	20	20	–	20	–	–	–	–	–
Cash and investments available:	**1,160,370**	**1,522,131**	**1,552,562**	**1,176,951**	**865,837**	**865,837**	**1,154,054**	**1,554,138**	**2,070,685**
Application of cash and investments									
Unspent conditional transfers	440,759	364,675	260,757	2,141	32,141	32,141	270,075	282,337	294,544
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	469,129	603,633	353,654	771,348	464,547	464,547	444,525	465,311	488,433
Other provisions				85,717	85,717	85,717	211,402	190,664	202,104
Long term investments committed	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	67,250	118,131	337,720	49,600	49,600	49,600	53,652	55,652	57,652
Total Application of cash and investments:	**977,139**	**1,086,439**	**952,131**	**908,806**	**632,005**	**632,005**	**979,654**	**993,964**	**1,042,733**
Surplus(shortfall)	**183,232**	**435,692**	**600,431**	**268,145**	**233,832**	**233,832**	**174,400**	**560,174**	**1,027,952**

The underlying purpose of Table A8 is to reflect the predicted cash and investments that are available at the end of a particular budget year and how these funds were used. A surplus would indicate that sufficient cash and investments were available to meet commitments, whilst a shortfall would indicate inadequate cash and investments were available to meet commitments.

The available cash and investments amount to R1.15 billion in the 2015/16 financial year and increases to R2.07 billion in 2017/18. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) – unspent grant funding is anticipated over the 2015/16 MTREF.

- There is no unspent borrowing from previous financial years.

- The main purpose of the other working capital requirements is to ensure that sufficient funds are available to meet commitments as and when they fall due. A key challenge is often the mismatch between the timing of receipts from debtors and payments due to employees and creditors. High levels of non-payment by debtors will result in a greater requirement for working capital, ultimately causing cash flow challenges.

  For the purposes of the cash backed reserves and accumulated surplus reconciliation, a provision equivalent to approximately two month's operational expenditure has been provided for. The desired cash levels over the medium term are, however, three months' operational expenditure in order to ensure the continued liquidity of the Municipality. Any underperformance in relation to debtors' collections could place upward pressure on the Municipality's ability to meet its commitments, whilst expenditure must be contained within the levels of the approved budget.

- Reserves must be cash backed in order to support the budget. The reserves requiring cash backing, includes the Self Insurance Fund and COID.

- Current provisions relating to the rehabilitation of landfill sites and post retirement benefits have been provided for.

- An amount of R31,5 million has been cashbacked to provide for the rehabilitation of the Koedoeskloof Tip site, which must be rehabilitated in the 2015/16 financial year, in accordance with the licensing conditions governing the tip site.

It is concluded that the Municipality's cash backed and accumulated surpluses reconciliation reflects surpluses of R174.4 million, R560.2 million and R1.03 billion for the 2015/16, 2016/17 and 2017/18 financial years, respectively.

It is to be noted that the 2015/16 MTREF is funded, when considering the funding requirements of section 18 and 19 of the MFMA. The cost coverage ratio is, however, 1,9 months, 2,3 months and 2,7 months for the 2015/16, 2016/17 and 2017/18 financial years, respectively.

2.6.5 Funding Compliance Measurement

National Treasury requires the Municipality to assess its financial sustainability against the different measures outlined below.

Description	MFMA Section	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	1,158,887	1,520,229	1,550,035	1,176,931	865,837	865,837	1,154,054	1,554,138	2,070,685
Cash + investments at the yr end less applications - R'000	18(1)b	183,232	435,692	600,431	268,145	233,832	233,832	174,400	560,174	1,027,952
Cash year end/monthly employee/supplier payments	18(1)b	2.3	3.0	3.2	2.0	1.4	1.4	1.9	2.3	2.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	357,885	872,004	1,124,870	1,182,397	804,179	804,179	609,126	883,922	1,086,952
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	6.1%	0.9%	7.6%	(6.8%)	(6.0%)	5.8%	5.8%	6.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	105.7%	86.2%	82.5%	87.1%	87.3%	87.3%	87.4%	87.4%	87.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7.1%	8.7%	4.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Capital payments % of capital expenditure	18(1)c;19	104.5%	106.3%	106.7%	95.1%	115.2%	115.2%	98.2%	99.9%	98.5%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	15.4%	52.3%	(31.7%)	36.6%	0.0%	9.8%	6.6%	6.5%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(23.4%)	(62.1%)	163.9%	(62.1%)	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	3.6%	3.7%	3.7%	4.5%	4.6%	4.6%	3.7%	3.9%	4.0%
Asset renewal % of capital budget	20(1)(vi)	35.4%	51.0%	41.2%	55.8%	53.6%	53.6%	46.5%	53.7%	54.5%

Below is a discussion of the different measures.

2.6.5.1 Cash/cash equivalent position

The forecasted cash and cash equivalents for the 2015/16 MTREF amounts to R1.15 billion, R1.56 billion and R2.07 billion for the respective financial years.

2.6.5.2 Cash plus investments less application of funds

For the 2015/16, 2016/17 and 2017/18 budgets, the available cash and investments exceed the application of funds by an amount of R174.4 million, R560.2 million and R1.03 billion respectively.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

As part of the 2015/16 MTREF, the projected cash position causes the ratio to increase from 1,9 months to 2,7 months.

2.6.5.4 Surplus/deficit excluding depreciation offsets

For the 2015/16 MTREF the indicative outcome is a surplus of R609.1 million, R883.9 million and R1.09 billion. The surplus is made up as follows:

	2015/16	2016/17	2017/18
	R	R	R
Operating Budget Surplus	40 135	173 770	325 314
Capital Grants (Transfers)	941 157	1 015 472	1 056 139
Depreciation Offsets	(372 166)	(305 320)	(294 501)
Total	**609 126**	**883 922**	**1 086 952**

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

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

This is calculated by deducting the maximum macro-economic inflation target (which is currently 3 - 6 %), so as to determine the real increase in revenue. The percentage growth totals 5.8%, 5.8% and 6,0% for the respective financial years of the 2015/16 MTREF. The real increases in revenue are more or less in line with the inflation target figures.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

The outcome is approximately 87% for each of the respective financial years.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

The provision has been set at 6% over the MTREF, in line with the revenue collection trends.

2.6.5.8 Capital payments percentage of capital expenditure

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

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

No borrowing has been planned for the 2015/16 MTREF.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. All transfers are included in the budget.

2.6.5.11 Repairs and maintenance expenditure level

The expenditure constitutes 3,7%, 3,9% and 4,0% of Property, Plant and Equipment respectively, over the 2015/16 MTREF, whilst National Treasury has suggested an 8% level.

2.6.5.12 Asset renewal/rehabilitation expenditure level

The expenditure constitutes 46,5%, 53,7% and 54,5% of the capital budget respectively, over the 2015/16 MTREF, whilst National Treasury has suggested a 40% level.

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

GRANTS RECEIVED

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**753,269**	**981,402**	**993,267**	**969,135**	**924,835**	**924,835**	**1,024,702**	**983,340**	**1,039,005**
Local Government Equitable Share	656,653	729,226	742,909	761,606	761,606	761,606	774,616	789,729	834,568
Energy Efficiency and Demand Management	10,000		12,000	10,000	10,000	10,000	10,000	5,625	5,236
EPWP Incentive	5,123	14,696	20,885	13,439	13,439	13,439	8,664		
Public Transport Network Operations	–		100,000	130,000	60,000	60,000	150,000	150,000	157,500
Finance Management	1,250	1,250	1,250	1,250	1,250	1,250	1,050	1,050	1,050
Infrastructure Skills Development	5,000	2,300	8,200	8,000	8,000	8,000	9,000	12,000	12,806
Intergrated City Development			3,193	4,133	4,133	4,133	5,708	15,089	16,521
Municipal Disaster Recovery'			71,961						
Urban Settlements Development			6,170		25,700	25,700	51,317		
Municipal Human Settlements Capacity				37,707	37,707	37,707	9,847	9,847	11,324
LGSETA	6,203	7,576	4,699	3,000	3,000	3,000	4,500		
Off- Grid Electrification			22,000						
Municipal Disaster		6,730							
Water Demand Management	2,000	4,999							
Intergrated Public Transport System	67,040	198,702							
AFCON Cup		15,923							
Other		–	–						
Provincial Government:	**412,266**	**405,349**	**521,611**	**357,172**	**409,809**	**409,809**	**323,144**	**356,432**	**373,911**
Sport and Recreation	5,747	3,752	3,752	3,752	3,752	3,752	9,752	9,752	9,752

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Health subsidy	93,495	63,338	6,627		3,772	3,772	1,957	624	800
Human Settlements Development	307,605	333,162	484,581	348,000	396,865	396,865	310,905	346,056	363,359
Housing Accreditation	5,000	4,887	19,997						
DRPW(Maintenance of Roads)			5,699	5,000	5,000	5,000	–		
Vuna Awards			60						
Swartkops Monitoring			265						
Elections Infrastructure									
SMME- Textile Hub DEAT									
Marine and Coastal Management	420	210	630	420	420	420	530		
Other									
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:	**7,558**	**37,600**	**17,216**	**952**	**952**	**952**	**842**	**–**	**–**
Lotteries		–	1,000						
SALA/IDA				110	110	110			
EU Funding	68	32,010							
Groen Sebenza (SANBI)			71	842	842	842	842		
Other grant providers:	4,863	5,590	16,145						
HIV/Aids Columbia University Project	2,626								
Total Operating Transfers and Grants	**1,173,094**	**1,424,351**	**1,532,094**	**1,327,259**	**1,335,596**	**1,335,596**	**1,348,689**	**1,339,772**	**1,412,916**
Capital Transfers and Grants									
National Government:	**1,245,586**	**772,062**	**897,997**	**965,324**	**1,015,163**	**1,015,163**	**1,072,919**	**1,157,638**	**1,203,999**
Public Transport and Systems	252,960	100,000	85,000	100,000	170,000	170,000	222,256	209,330	199,984
Neighbourhood Development Partnership	15,000	64,062	32,121	18,461	9,000	9,000	20,000	20,000	25,000
Urban Settlements Development	502,626	593,000	721,816	828,863	803,163	803,163	795,163	888,308	939,015
Intergrated National Electrification	25,000	15,000	53,585	18,000	18,000	18,000	35,500	40,000	40,000
Drought Relief	450,000								
United Nations Development partnership grant			5,475						
Smart Grid					15,000	15,000			
Provincial Government:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other capital transfers/grants [insert description]									
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Capital Transfers and Grants	**1,245,586**	**772,062**	**897,997**	**965,324**	**1,015,163**	**1,015,163**	**1,072,919**	**1,157,638**	**1,203,999**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**2,418,680**	**2,196,413**	**2,430,090**	**2,292,583**	**2,350,759**	**2,350,759**	**2,421,607**	**2,497,410**	**2,616,915**

GRANTS EXPENDITURE

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	**753,943**	**968,831**	**940,372**	**969,135**	**998,440**	**998,440**	**1,024,702**	**983,340**	**1,039,005**
Local Government Equitable Share	656,653,000	729,226	742,909	761,606	761,606	761,606	774,616	789,729	834,568
Energy Efficiency and Demand Management	25,505,515		12,000	10,000	10,000	10,000	10,000	5,625	5,236
EPWP Incentive		8,000	22,052	13,439	18,968	18,968	8,664		
Public Transport Network Operations	0		96,932	130,000	69,468	69,468	150,000	150,000	157,500
Finance Management	1,250,000	1,250	1,250	1,250	1,250	1,250	1,050	1,050	1,050
Infrastructure Skills Development		3,800	11,140	8,000	8,560	8,560	9,000	12,000	12,806
Intergrated City Development			–	4,133	4,133	4,133	5,708	15,089	16,521
Municipal Disaster Recovery'			43,158		28,803	28,803			
Urban Settlements Development			6,170		25,700	25,700	51,317		
Municipal Human Settlements Capacity				37,707	37,707	37,707	9,847	9,847	11,324
LGSETA			4,763	3,000	10,244	10,244	4,500		
Off- Grid Electrification					22,000	22,000			
Municipal Infrastructure Grant	1,494,413								
Municipal Disaster		6,730							
AFCON Cup		15,923							
Water Demand Management	2,000,000	4,999							
Other		–	–						
Intergrated Public Transport System	67,040,387	198,902							
Provincial Government:	**416,116**	**394,774**	**410,132**	**357,172**	**548,165**	**548,165**	**328,144**	**356,432**	**373,911**
Sport and Recreation	5,747	3,752,000	3,752	3,752	3,752	3,752	9,752	9,752	9,752
Health subsidy	94,699	63,373,863	6,627		3,772	3,772	1,957	624	800

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Human Settlements Development	309,419	317,256,522	379,122	348,000	526,860	526,860	310,905	346,056	363,359
Housing Accreditation	5,585	9,766,344	12,127		7,870	7,870			
DRPW(Maintenance of Roads)			5,699	5,000	5,000	5,000	5,000		
Vuna Awards			45						
Swartkops Monitoring			265						
Elections Infrastructure			218						
SMME- Textile Hub DEAT	193	415,514	1,648		27	27			
Marine and Coastal Management	420	210,000	630	420	884	884	530		
Walmer Youth Development Project	54								
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:	**22,792**	**16,173**	**7,570**	**952**	**13,451**	**13,451**	**842**	**–**	**–**
National Lotteries			901		4,704	4,704			
European Funding	2,546	413	5,387		7,796	7,796			
SALA/IDA			376	110	110	110			
Other	17,619	15,760	836						
HIV/AIDS Columbia University Project	2,626								
Groen Sebenza (SANBI)			71	842	842	842	842		
Total operating expenditure of Transfers and Grants:	**1,192,851**	**1,379,779**	**1,358,075**	**1,327,259**	**1,560,056**	**1,560,056**	**1,353,689**	**1,339,772**	**1,412,916**
Capital expenditure of Transfers and Grants									
National Government:	**1,033,775**	**892,302**	**1,162,884**	**965,324**	**1,015,163**	**1,015,163**	**1,072,919**	**1,157,638**	**1,203,999**
Public Transport and Systems	81,864	161,378	357,022	100,000	170,000	170,000	222,256	209,330	199,984
Neighbourhood Development Partnership	33,364	64,062	24,986	18,461	9,000	9,000	20,000	20,000	25,000
Urban Settlements Development	502,210	593,000	721,816	828,863	803,163	803,163	795,163	888,308	939,015
Intergrated National Electrification	25,000	15,000	53,585	18,000	18,000	18,000	35,500	40,000	40,000
Drought Relief	391,338	58,862							
United Nations Development partnership Grant			5,475						
Smart Grid					15,000	15,000			
Provincial Government:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other capital transfers/grants [insert description]									
District Municipality:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
{insert description]									

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Other grant providers:	**–**	**–**	**13,050**	**–**	**8,652**	**8,652**	**–**	**–**	**–**
European Funding Grant			13,050		7,089	7,089			
Mendi Bottle Store					1,563	1,563			
Total capital expenditure of Transfers and Grants	**1,033,775**	**892,302**	**1,175,933**	**965,324**	**1,023,815**	**1,023,815**	**1,072,919**	**1,157,638**	**1,203,999**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**2,226,626**	**2,272,081**	**2,534,009**	**2,292,583**	**2,583,871**	**2,583,871**	**2,426,607**	**2,497,410**	**2,616,915**

GRANTS RECONCILIATION

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	20,773	20,100	16,660	1,863	249,279	249,279	37,809	37,809	37,809
Current year receipts	753,269	981,402	993,267	969,135	924,835	924,835	1,024,702	983,340	1,039,005
Conditions met - transferred to revenue	**753,943**	**968,831**	**940,372**	**969,135**	**1,136,305**	**1,136,305**	**1,024,702**	**983,340**	**1,039,005**
Conditions still to be met - transferred to liabilities	20,100	32,671	69,554	1,863	37,809	37,809	37,809	37,809	37,809
Provincial Government:									
Balance unspent at beginning of the year	17,395	13,961	26,401		27	27			
Current year receipts	412,266	405,349	521,611	357,172	409,809	409,809	323,144	356,432	373,911
Conditions met - transferred to revenue	**416,116**	**394,774**	**410,132**	**357,172**	**409,836**	**409,836**	**323,144**	**356,432**	**373,911**
Conditions still to be met - transferred to liabilities	13,546	24,536	137,880						
District Municipality:									
Balance unspent at beginning of the year	–	–	–						
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities	–	–	–						
Other grant providers:									
Balance unspent at beginning of the year	23,201	7,620	36,543	378	13,972	13,972	1,009	1,009	1,009

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Current year receipts	7,558	37,600	17,216	952	952	952	842	–	
Conditions met - transferred to revenue	**22,723**	**16,173**	**7,570**	**1,330**	**13,915**	**13,915**	**842**	**–**	**–**
Conditions still to be met - transferred to liabilities	8,036	29,047	46,188		1,009	1,009	1,009	1,009	1,009
Total operating transfers and grants revenue	**1,192,782**	**1,379,779**	**1,358,075**	**1,327,637**	**1,560,056**	**1,560,056**	**1,348,689**	**1,339,772**	**1,412,916**
Total operating transfers and grants - CTBM	**41,681**	**86,253**	**253,622**	**1,863**	**38,818**	**38,818**	**38,818**	**38,818**	**38,818**
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	187,268	398,662	272,022		15,930	15,930	15,930	15,930	15,930
Current year receipts	1,245,586	772,062	897,997	965,324	1,015,163	1,015,163	1,072,919	1,157,638	1,203,999
Conditions met - transferred to revenue	**1,033,776**	**892,303**	**1,162,884**	**965,324**	**1,015,163**	**1,015,163**	**1,072,919**	**1,157,638**	**1,203,999**
Conditions still to be met - transferred to liabilities	399,078	278,422	7,135		15,930	15,930	15,930	15,930	15,930
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	–	–	13,050		8,652	8,652			
Current year receipts									
Conditions met - transferred to revenue	**–**	**–**	**13,050**	**–**	**8,652**	**8,652**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	**1,033,776**	**892,303**	**1,175,933**	**965,324**	**1,023,815**	**1,023,815**	**1,072,919**	**1,157,638**	**1,203,999**
Total capital transfers and grants - CTBM	**399,078**	**278,422**	**7,135**	**–**	**15,930**	**15,930**	**15,930**	**15,930**	**15,930**
TOTAL TRANSFERS AND GRANTS REVENUE	**2,226,558**	**2,272,081**	**2,534,009**	**2,292,961**	**2,583,871**	**2,583,871**	**2,421,607**	**2,497,410**	**2,616,915**
TOTAL TRANSFERS AND GRANTS - CTBM	**440,759**	**364,675**	**260,757**	**1,863**	**54,748**	**54,748**	**54,748**	**54,748**	**54,748**

2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The table below reflects the grants and allocations made by the Municipality. It includes grants-in-aid made in accordance with the Municipality's grants-in-aid policy and transfers to entities and other organisations to primarily support their operational expenditure.

ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Transfers to other municipalities									
Total Cash Transfers To Municipalities:	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms									
MBDA	19,015	16,294	20,277	64,394	69,894	69,894	77,097	101,506	94,280
Total Cash Transfers To Entities/Ems'	**19,015**	**16,294**	**20,277**	**64,394**	**69,894**	**69,894**	**77,097**	**101,506**	**94,280**
Cash Transfers to other Organs of State									
Grants in Aid	5,647	6,006	5,739	8,741	8,391	8,391	8,540	9,022	9,534
Grants to Other Organisations	16,234	15,169	17,241	18,355	18,355	18,355	19,453	20,620	21,858
Total Cash Transfers To Other Organs Of State:	**21,881**	**21,176**	**22,980**	**27,096**	**26,746**	**26,746**	**27,993**	**29,643**	**31,391**
Cash Transfers to Organisations									
Total Cash Transfers To Organisations	–	–	–	–	–	–	–	–	–
Cash Transfers to Groups of Individuals									
Total Cash Transfers To Groups Of Individuals:	–	–	–	–	–	–	–	–	–
TOTAL CASH TRANSFERS AND GRANTS	**40,896**	**37,470**	**43,257**	**91,490**	**96,640**	**96,640**	**105,090**	**131,149**	**125,671**
Groups of Individuals									
Insert description				348,563	364,959	364,959	402,515	450,950	506,632
Total Non-Cash Grants To Groups Of Individuals:	–	–	–	**348,563**	**364,959**	**364,959**	**402,515**	**450,950**	**506,632**
TOTAL NON-CASH TRANSFERS AND GRANTS	–	–	–	**348,563**	**364,959**	**364,959**	**402,515**	**450,950**	**506,632**
TOTAL TRANSFERS AND GRANTS	**40,896**	**37,470**	**43,257**	**440,053**	**461,599**	**461,599**	**507,605**	**582,099**	**632,303**

2.9 COUNCILLORS AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

Summary of Employee and Councillor remuneration	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	48,591	50,973	52,955	57,752	57,752	57,752	61,205	66,101	71,720
Pension and UIF Contributions					–	–			
Medical Aid Contributions					–	–			
Motor Vehicle Allowance					–	–			
Cellphone Allowance	1,513	1,604	2,534	2,760	2,760	2,760	2,760	2,980	3,234
Housing Allowances					–	–			
Other benefits and allowances		432	83	464	464	464	464	502	544
Sub Total - Councillors	**50,104**	**53,010**	**55,572**	**60,976**	**60,976**	**60,976**	**64,429**	**69,583**	**75,498**
% increase		**5.8%**	**4.8%**	**9.7%**	**–**	**–**	**5.7%**	**8.0%**	**8.5%**
Senior Managers of the Municipality									
Basic Salaries and Wages	9,150	8,286	9,035	22,445	21,330	21,330	19,780	21,542	23,587
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus	740	36	(2,428)	3,151	2,752	2,752	2,769	3,003	3,272
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Senior Managers of Municipality	**9,890**	**8,322**	**6,607**	**25,596**	**24,082**	**24,082**	**22,549**	**24,545**	**26,859**
% increase		**(15.9%)**	**(20.6%)**	**287.4%**	**(5.9%)**	**–**	**(6.4%)**	**8.9%**	**9.4%**
Other Municipal Staff									
Basic Salaries and Wages	1,138,808	1,076,584	1,198,159	1,448,498	1,423,225	1,423,225	1,484,206	1,621,248	1,773,668
Pension and UIF Contributions	184,609	187,171	198,952	224,349	230,176	230,176	249,662	272,056	297,810
Medical Aid Contributions	101,949	106,482	114,914	120,108	120,368	120,368	130,517	142,260	155,773
Overtime	74,052	83,919	106,681	94,108	97,194	97,194	105,334	114,869	126,067
Performance Bonus	18,916	19,489	23,995	23,538	28,034	28,034	31,820	34,691	37,994
Motor Vehicle Allowance	52,877	58,299	60,972	64,396	65,236	65,236	67,622	73,683	80,647
Cellphone Allowance	41	33	26	34	52	52	56	62	67
Housing Allowances	8,046	7,325	6,542	6,619	7,597	7,597	8,351	9,102	9,965
Other benefits and allowances	97,955	78,702	93,712	83,675	84,843	84,843	69,300	75,419	82,535

Summary of Employee and Councillor remuneration	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Payments in lieu of leave	28,692		14,464	11,885	11,945	11,945	12,841	13,871	15,047
Long service awards	29,586	32,089	39,531	33,142	36,939	36,939	40,423	43,367	47,125
Post-retirement benefit obligations	285,301	58,201	(113,478)	48,467	48,467	48,467	52,102	56,270	61,053
Sub Total - Other Municipal Staff	**2,020,832**	**1,708,294**	**1,744,471**	**2,158,819**	**2,154,075**	**2,154,075**	**2,252,234**	**2,456,898**	**2,687,752**
% increase		**(15.5%)**	**2.1%**	**23.8%**	**(0.2%)**	**–**	**4.6%**	**9.1%**	**9.4%**
Total Parent Municipality	**2,080,826**	**1,769,626**	**1,806,650**	**2,245,390**	**2,239,133**	**2,239,133**	**2,339,212**	**2,551,027**	**2,790,109**
		(15.0%)	**2.1%**	**24.3%**	**(0.3%)**	**–**	**4.5%**	**9.1%**	**9.4%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**2,080,826**	**1,769,626**	**1,806,650**	**2,245,390**	**2,239,133**	**2,239,133**	**2,339,212**	**2,551,027**	**2,790,109**
% increase		**(15.0%)**	**2.1%**	**24.3%**	**(0.3%)**	**–**	**4.5%**	**9.1%**	**9.4%**
TOTAL MANAGERS AND STAFF	**2,030,722**	**1,716,617**	**1,751,078**	**2,184,415**	**2,178,157**	**2,178,157**	**2,274,784**	**2,481,443**	**2,714,611**

DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors						
Speaker	1,022,420		48,830			1,071,250
Chief Whip	958,520		26,300			984,820
Executive Mayor	1,265,970		48,830			1,314,800
Deputy Executive Mayor	1,022,420		48,830			1,071,250
Executive Committee	9,521,230		263,030			9,784,260
Total for all other councillors	47,414,370		2,788,130			50,202,500
Total Councillors	**61,204,930**	**–**	**3,223,950**			**64,428,880**
Senior Managers of the Municipality						
City Manager (MM)	2,150,000			301,000		2,451,000
Chief Financial Officer	1,935,000			270,900		2,205,900
Chief Operating Officer	1,935,000			270,900		2,205,900
Executive Director : Corporate Services	1,720,000			240,800		1,960,800
Executive Director : Sports, Recreation, Arts and Culture	1,720,000			240,800		1,960,800
Executive Director : Public Health	1,720,000			240,800		1,960,800
Executive Director : Economic Development, Tourism and Agriculture	1,720,000			240,800		1,960,800

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
Executive Director : Electricity and Energy	1,720,000			240,800		1,960,800
Executive Director : Safety and Security	1,720,000			240,800		1,960,800
Executive Director : Human Settlements	1,720,000			240,800		1,960,800
Executive Director : Infrastructure and Engineering	1,720,000			240,800		1,960,800
Total Senior Managers of the Municipality	**19,780,000**	**–**	**–**	**2,769,200**		**22,549,200**
A Heading for Each Entity						
List each member of board by designation						
Total for municipal entities	**–**	**–**	**–**	**–**		**–**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**80,984,930**	**–**	**3,223,950**	**2,769,200**		**86,978,080**

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	Jul	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	112,040	118,083	102,197	128,632	105,676	111,080	100,139	112,673	107,549	112,502	112,175	112,934	1,335,680	1,469,345	1,623,725
Property rates - penalties & collection charges							–					–			
Service charges - electricity revenue	266,015	304,058	367,130	324,479	263,406	241,431	237,679	241,675	240,616	242,843	248,696	286,424	3,264,451	3,662,823	4,109,794
Service charges - water revenue	41,136	45,487	52,715	50,771	43,352	41,586	41,073	42,451	41,838	41,642	41,570	44,047	527,669	596,265	673,780
Service charges - sanitation revenue	22,098	25,578	29,313	30,336	25,889	24,725	24,431	23,187	23,872	23,872	23,872	24,601	301,773	341,004	385,334
Service charges - refuse revenue	9,730	11,891	13,719	12,925	10,918	9,993	10,470	10,470	12,067	10,174	11,190	11,461	135,006	151,207	170,863
Service charges - other												–			
Rental of facilities and equipment	1,868	1,855	1,861	1,830	1,880	1,848	1,849	1,856	1,888	1,888	1,889	1,990	22,502	23,866	25,318
Interest earned - external investments	7,306	7,278	6,703	6,119	5,469	7,098	7,934	5,557	3,257	3,200	3,500	3,424	66,845	70,855	75,106
Interest earned - outstanding debtors												–			
Dividends received												–			
Fines	990	990	980	960	1,000	1,000	1,000	1,000	1,000	980	980	981	11,861	12,569	13,319
Licences and permits	990	991	986	998	992	995	1,054	998	996	992	993	978	11,963	12,681	13,442
Agency services	200	200	200	200	208	208	202	202	202	202	202	202	2,428	2,574	2,729
Transfer receipts - operational	375,331	39,279	15,471	105,092	276,495	56,667	25,216	34,976	292,659	45,719	45,719	36,066	1,348,689	1,339,772	1,412,916
Other revenue	55,607	201,298	77,406	45,040	35,600	255,682	35,718	6,526	147,021	15,607	14,607	43,573	933,683	979,227	1,032,565
Cash Receipts by Source	**893,310**	**756,987**	**668,679**	**707,382**	**770,884**	**752,313**	**486,764**	**481,571**	**872,965**	**499,620**	**505,392**	**566,681**	**7,962,550**	**8,662,189**	**9,538,893**
Other Cash Flows by Source															
Transfer receipts - capital	186,746			40,000		285,394		190,829	369,950			–	1,072,919	1,157,638	1,203,999
Contributions recognised – capital& Contributed assets												–			
Proceeds on disposal of PPE												–			
Short term loans												–			
Borrowing long term/refinancing												–			

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	Jul	Aug	Sept.	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Increase (decrease) in consumer deposits												–			
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**1,080,056**	**756,987**	**668,679**	**747,382**	**770,884**	**1,037,707**	**486,764**	**672,400**	**1,242,915**	**499,620**	**505,392**	**566,681**	**9,035,469**	**9,819,827**	**10,742,892**
Cash Payments by Type															
Employee related costs	172,761	178,582	177,132	178,312	229,467	183,209	180,064	188,643	186,927	187,867	187,810	222,436	2,273,210	2,479,638	2,712,537
Remuneration of councillors	5,065	5,065	5,065	5,065	5,065	5,065	6,715	5,465	5,465	5,465	5,465	5,464	64,429	69,583	75,498
Finance charges	35,012	75	23,204	22,497	4,530	80	35,116	50	22,059	21,971	60	3,605	168,258	157,028	151,989
Bulk purchases - Electricity	326,840	321,306	314,117	191,687	197,989	182,065	162,086	178,861	177,395	179,147	180,409	184,357	2,596,260	2,984,384	3,416,350
Bulk purchases - Water & Sewer	8,495	7,850	7,692	8,802	7,950	9,827	8,631	8,560	8,722	8,554	8,679	8,601	102,363	114,646	128,404
Other materials	26,267	55,247	48,703	81,913	42,055	64,859	36,149	33,981	33,787	33,790	33,940	37,208	527,899	575,632	624,919
Contracted services	33,607	31,083	31,987	30,478	17,135	32,277	23,286	24,816	24,025	23,759	23,593	23,588	319,634	352,000	392,116
Transfers and grants – other municipalities												–			
Transfers and grants - other	187	14,694	23,336	10,906	53	2,510	30,047	5,634	17,593	1,967		(1,838)	105,090	131,149	125,671
Other expenditure	145,252	93,779	80,961	103,448	53,223	94,027	45,299	60,932	64,837	67,224	69,006	78,139	956,126	946,830	950,399
Cash Payments by Type	**753,485**	**707,682**	**712,198**	**633,109**	**557,467**	**573,919**	**527,393**	**506,942**	**540,810**	**529,743**	**508,962**	**561,560**	**7,113,269**	**7,810,890**	**8,577,882**
Other Cash Flows/Payments by Type															
Capital assets	291,578	50,750	78,165	134,027	117,900	162,999	78,901	72,994	129,070	148,194	146,922	118,390	1,529,889	1,514,933	1,562,054
Repayment of borrowing	17,472		22,440		5,342	15,000		17,338	5,642		5,858	15,000	104,093	93,920	86,409
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**1,062,535**	**758,432**	**812,802**	**767,136**	**680,709**	**751,918**	**606,294**	**597,274**	**675,522**	**677,937**	**661,742**	**694,950**	**8,747,251**	**9,419,743**	**10,226,345**
NET INCREASE/(DECREASE) IN CASH HELD	**17,521**	**(1,445)**	**(144,123)**	**(19,754)**	**90,176**	**285,789**	**(119,530)**	**75,125**	**567,393**	**(178,317)**	**(156,350)**	**(128,269)**	**288,217**	**400,084**	**516,547**
Cash/cash equivalents at the month/year begin:	865,837	883,358	881,914	737,791	718,037	808,213	1,094,002	974,472	1,049,597	1,616,990	1,438,673	1,282,323	865,837	1,154,054	1,554,138
Cash/cash equivalents at the month/year end:	883,358	881,914	737,791	718,037	808,213	1,094,002	974,472	1,049,597	1,616,990	1,438,673	1,282,323	1,154,054	1,154,054	1,554,138	2,070,685

2.11 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS –DIRECTORATES

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality's delivery of services and its annual budget, which must include the following:

(a) Monthly projections of

- Revenue to be collected, by source; and
- Operational and capital expenditure, by vote.

(b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Executive Mayor is required to approve the SDBIP within 28 days after the approval of the budget. Furthermore, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Executive Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the City Manager to monitor the performance of the Executive Directors, the Executive Mayor/Council to monitor the performance of the City Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2015/16 financial year will be approved by the Executive Mayor during July 2015, following the approval of the Budget.

2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Below the schedule of contracts impacting on future budgets:

Contracts impacting on the Municipality's revenue

	Description of lease	Start of lease contract	End of lease contract	Escal-ation %	Period	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
1	Isimilo Investments (PTY) LTD (Beachview, Maitland 487/35 & Maitland Beach)	01-10-04	30-09-44	0	40	240,000	240,000	240,000	240,000	240,000	240,000
2	Buhlebendalo Properties (PTY) LTD (Van Staden Resorts)	05-08-04	04-08-44	0	40	240,000	240,000	240,000	240,000	240,000	240,000
3	Logistics Park Lease	01-04-08	31-05-58	0	50	1	1	1	1	1	1
						480,001	**480,001**	**480,001**	**480,001**	**480,001**	**480,01**

Contracts Impacting on the Municipality's Expenditure

No contracts exceeding the R5 million limit in respect of MFMA section 33 expenditure.

	Description of lease	Start of contract	End of contract	Escal-ation %	Period	2012/13	2013/14	2014/15	2015/16	2016/17
1	ABSA Bank Ltd – Primary Bank account	01-07-12	30-06-17		5 years					

2.13 LEGISLATION COMPLIANCE STATUS

Below a discussion of the Municipality's progress relating to the implementation of the MFMA:

Implementation of the MFMA

The municipality has been implementing the provisions of the MFMA in accordance with a documented Implementation Plan. The municipality monitors its implementation status on an ongoing basis through reporting via its Committees, including the following:

- The City Manager's Management Team includes all Executive Directors, which meets fortnightly and attends to MFMA issues requiring attention.
- The Budget and Treasury Committee – a standing committee of the Council, which meets every six weeks. The committee considers specific MFMA implementation issues and reports via the Mayoral Committee to Council.
- Meetings between the City Manager, COO and CFO to discuss MFMA implementation issues, as and when necessary. Issues requiring attention are monitored so that actions are taken to ensure compliance.

The following reflects the status of implementation of some of the key MFMA areas:

IDP

A draft revised 2015/16 IDP has been developed, which was considered at a Council meeting held on 31 March 2015. At this meeting consideration of the draft IDP was deferred, with the draft IDP being adopted by Council on 24 April 2015. The IDP includes specific deliverables that forms the basis for the Budget and SDBIP.

Budget

The annual budget document has been developed taking the MFMA and National Treasury (NT) requirements into account. Budgets are being tabled and approved within the required legislated timeframes.

Annual Report

The Annual Report has been developed taking the MFMA and NT requirements into account. The 2013/14 Annual Report was tabled in January 2015.

Oversight Report

The Municipal Public Accounts Committee has considered the 2013/14 Annual report. Its Oversight Report was considered and adopted at a Council meeting held on 31 March 2015.

In-Year Reporting

The municipality submits the various reports required to the Executive Mayor, Council, and NT on an ongoing basis, in accordance with the MFMA.

Supply Chain Management Policy (SCM)

A Supply Chain Management Policy has been adopted and implemented in accordance with the MFMA and NT requirements.

All the required committee structures are in place. Whilst the municipality is working at making these new processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines.

Budget and Treasury

A Budget and Treasury Office has been established in accordance with the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

Audit Committee

An Audit Committee has been established and meets on a quarterly basis.

Internal Audit Function

The Municipality has an Internal Audit sub-directorate reporting to the City Manager and operating in accordance with an audit plan.

In relation to the 2014/15 financial year and beyond, the municipality plans to focus on the following high priority areas:

- Addressing the qualified audit opinion expressed by the Auditor–General (AG) in relation to the 2013/14 Financial Statements. An action plan has been developed to address any shortcomings. Implementation of the plan is monitored by the City Manager in the first instance.

- Further strengthening of the integration and linkages between the IDP, Budget, SDBIP and Annual Report.

Internship Programme

The Municipality had a total of six Interns on the Municipal Financial Management Internship programme, as approved by National Treasury. In the 2014/15 financial year, however, three Interns have been appointed to permanent positions – one within the Budget and Treasury Directorate and the remaining two externally, leaving a total of three Interns remaining.

The municipality is in the process of recruiting a further four Interns.

The Interns undergo training in various sections of the Budget and Treasury Directorate and monthly meetings are held to assess their progress and to discuss their future assignments. All Interns have completed the National Treasury MFMA Learnership programme as well as the fifteen National Treasury minimum competency training modules.

2.14 CAPITAL EXPENDITURE DETAILS

A summary of the budgeted capital expenditure is reflected in **Annexure "A".**

2.15 CITY MANAGER'S QUALITY CERTIFICATION

Quality Certificate

I, MPILO SAKILE MBAMBISA, City Manager of Nelson Mandela Bay Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : MPILO SAKILE MBAMBISA

CITY MANAGER OF NELSON MANDELA BAY MUNICIPALITY (EC000)

Signature : _____

Date : _____

	APPROVED CAPITAL BUDGET BY PROJECT PROGRAMMES FOR 2015/16 - 2017/18			
				ANNEXURE A
	Human Settlements (1191)			
		Approved 2015/16 Capital Budget	Approved 2016/17 Capital Budget	Approved 2017/18 Capital Budget
	Programme: Services for Housing Delivery (10074)	**175,107,820**	**219,100,000**	**251,997,368**
20110091	Khayamnandi Extension - Human Settlement (Services)	17,465,000	-	25,000,000
20110092	Missionvale Garden Lots - Human Settlement (Services)	5,625,000	-	-
20110096	Rosedale Extension - 804 Sites (Phase 2) - Human Settlement (Service	15,831,800	-	-
20120030	Kwanobuhle Area 11 - Human Settlement (Services)	11,000,000	20,000,000	25,000,000
20120031	Ekuphumleni - Kwazakhele - Human Settlement (Services)	13,288,430	-	-
20120033	Jagvlagte (Chatty 11-14) - Human Settlement (Services)	-	55,000,000	40,000,000
20120043	Seaview Housing Job - Human Settlement (Services)	500,000	-	20,000,000
20120047	Walmer Development - Human Settlement (Services)	33,205,160	15,000,000	35,000,000
20120048	Hunters Retreat - Grogro - Human Settlements (Services)	1,500,000	25,000,000	10,000,000
20120053	MK Silver 2 Qaqawuli - Human Settlement (Services)	27,000,000	-	-
20120055	Motherwell NU 30 - Human Settlement (Services)	15,580,000	40,000,000	30,000,000
20120059	Malabar Ext 6 Phase 2 - Human Settlement (Services)	15,884,230	-	-
20120060	Masakhana Village - Human Settlement (Services)	7,000,000	-	-
20120061	Motherwell NU 31 - Human Settlement (Services)	-	25,000,000	45,000,000
20120062	Kuyga Phase 3 - Human Settlement (Services)	500,000	-	-
20130038	Kwanobuhle ERF 8228 - Human Settlement (Services)	500,000	-	-
20130040	Nkatha/Seyisi - Human Settlement (Services)	1,500,000	1,100,000	-
20130041	Raymond Mhlaba (Buyambo) - Human Settlement (Services)	4,065,420	-	-
20130054	Bethelsdorp Ext 32, 34 & 36 - Human Settlement (Services)	500,000	20,000,000	-
20130057	Kleinskool Kliprand - Human Settlement (Services)	400,000	18,000,000	2,000,000
20130060	Pola Park - Human Settlement (Services)	3,762,780	-	-
20130065	Witteklip - Human Settlement (Services)	-	-	19,997,368
	Total	**175,107,820**	**219,100,000**	**251,997,368**

	Infrastructure & Engineering Unit - Rate and General (0384)			
		Approved 2015/16 Capital Budget	**Approved 2016/17 Capital Budget**	**Approved 2017/18 Capital Budget**
	Programme: Resurfacing of Minor Roads (10002)	**5,000,000**	**6,000,000**	**6,000,000**
19930026	Resurfacing Tar roads (non-subsidy)	5,000,000	6,000,000	6,000,000
	Programme: Resurfacing of Major Roads (10018)	**5,000,000**	**5,000,000**	**6,000,000**
19930002	Resurfacing of Subsidised Roads	5,000,000	5,000,000	6,000,000
	Programme: Rehabilitation of Minor Tar Roads (10019)	**3,500,000**	**4,000,000**	**5,000,000**
20070137	Rehabilitation of roads	3,500,000	4,000,000	5,000,000
	Programme: Rehabilitation of Minor Concrete Roads (10020)	**-**	**-**	**1,100,000**
19980218	Rehabilitate Concrete Roads - Northern Areas	**-**	-	1,100,000
	Programme: Rehabilitation of Minor Concrete Roads (10021)	**1,500,000**	**1,500,000**	**1,500,000**
20030084	Peri-urban: Rehabilitation of Gravel Roads	1,500,000	1,500,000	1,500,000
	Programme: Buildings, Depots Upgrading & Additions (10009)	**4,500,000**	**3,000,000**	**2,000,000**
20042767	Upgrading Depots and Offices	2,500,000	1,000,000	1,000,000
20140008	Rehabilitation of Workshop Buildings	2,000,000	2,000,000	1,000,000
	Programme: Vehicles & Plant (10010)	**4,000,000**	**6,000,000**	**7,000,000**
19940289	Replacement Vehicles Fleet	4,000,000	6,000,000	7,000,000
	Programme: Tarring of Gravel Roads (10023)	**80,000,000**	**60,000,000**	**55,000,000**
20050286	Tarring of Gravel Roads	80,000,000	60,000,000	55,000,000
	Programme: Construction of Stormwater Infrastructure (10025)	**4,000,000**	**2,000,000**	**5,000,000**
20030379	Motherwell NU29 & 30 : Roads & S/w Bulk Infrastructure	4,000,000	2,000,000	5,000,000
	Programme: Stormwater Improvements (10026)	**103,100,000**	**39,100,000**	**39,600,000**
20030453	Flood Risk Improvements: Chatty River	2,000,000	2,000,000	3,000,000
20030609	Flood Risk and Improvements (Swartkops & Chatty)	1,500,000	1,500,000	2,000,000
20030670	Rehabilitation of Infrastructure Salt Pans	100,000	100,000	100,000
20043188	Miscellaneous Investigations & Designs - Roads and Stormwater	2,000,000	2,000,000	2,000,000
20060241	Blue Horizon Bay Bulk Stormwater	2,000,000	2,000,000	3,000,000
20060286	Groundwater Problem Elimination Northern Areas	1,000,000	1,000,000	1,000,000
20070234	Summerstrand Blk Sstormwater	22,000,000	-	-
20080080	Cannonville/ Colchester: Sstormwater Improvements	2,000,000	1,000,000	5,000,000
20080081	Greenbushes: Sstormwater Improvemements	1,500,000	1,000,000	4,000,000
20060240	Theescombe / Gqebera Bulk Stormwater	27,000,000	10,000,000	-
20030017	Paapenkuils Canal Rehabilitation	500,000	1,500,000	500,000
20060237	Zwide Bulk Stormwater	3,000,000	2,000,000	4,000,000
20090038	Stormwater Improvements: Ikamvelihle	2,000,000	2,000,000	2,000,000
20080079	Wells Estate: Stormwater Improvements	-	1,000,000	3,000,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	2,000,000	2,000,000	3,500,000
20020149	Stormwater Improvements	2,500,000	2,500,000	2,500,000
20080078	Chatty: Stormwater Improvement	5,000,000	4,000,000	-
20140009	Rehabilitation of Stormwater Ponds	2,000,000	2,000,000	2,000,000
19980323	Lorraine Stormwater Control	4,000,000	-	-
19940233	Motherwelll Cana Wetlands	1,000,000	1,500,000	2,000,000
20150063	Stormwater Improvements - Mayoral Project	20,000,000	-	-
	Programme: Traffic and Signage Improvements (10031)	**5,500,000**	**8,750,000**	**18,100,000**
20070132	New Traffc Signals	750,000	1,000,000	2,000,000
20010023	Glen Hurd Drive Upgrading	-	3,000,000	11,000,000
19940195	TM24 Guidance Signs	250,000	250,000	350,000
19940376	Traffic Control Equipment (Subsidy)	500,000	500,000	750,000
19980220	Traffic Calming Measures	4,000,000	4,000,000	4,000,000
	Programme: Construction of Major Roads (10027)	**11,000,000**	**21,000,000**	**2,000,000**
20070235	Planning and Design of Main Roads	1,000,000	1,000,000	1,500,000
20020073	Fairview/ Lorraine Arterial: Montmedy to Overbaakens	-	-	500,000
20140010	Construction of Bloemendal Arterial	10,000,000	20,000,000	-

		Approved 2015/16 Capital Budget	Approved 2016/17 Capital Budget	Approved 2017/18 Capital Budget
	Programme: Rehabilitation of Major Roads (10028)	**7,000,000**	**12,000,000**	**2,000,000**
20010257	Magennis Street Reconstruction	7,000,000	12,000,000	-
19980319	Upgrade Main Road through Swartkops	-	-	1,000,000
19990144	Rehabilitation of William Moffett Expressway	-	-	1,000,000
	Programme: Improvements to Minor Roads (10022)	**3,000,000**	**6,000,000**	**8,500,000**
20043187	Provision of Rudimentary Services - Roads and Stormwater	1,000,000	1,000,000	2,500,000
19930030	Rehabilitation of Verges and Sidewalks -Northern Areas	1,000,000	1,000,000	1,000,000
20150034	Upgrading of Fountain Road - Walmer Township	1,000,000	4,000,000	5,000,000
	Programme: Improvements to Major Roads (10029)	**15,458,282**	**28,543,860**	**22,929,825**
19980253	Minor Intersection Improvements	1,000,000	1,000,000	1,000,000
19990168	Njoli Square Redevelopment	4,458,282	17,543,860	21,929,825
19940204	H103: Heugh Road (MR427) Widening (3rd - 10th Avenue)	10,000,000	10,000,000	
	Programme: Management Systems (10024)	**4,000,000**	**4,750,000**	**3,750,000**
20030386	Road Management System	500,000	750,000	750,000
20050041	Development of Stormwater Management System	750,000	1,000,000	1,000,000
20070102	Fleet Management System	1,750,000	2,000,000	1,000,000
20080061	Laborotory Information System	1,000,000	1,000,000	1,000,000
	Programme: Rehabilitation of Bridge Structures (10030)	**3,000,000**	**4,000,000**	**4,000,000**
20070246	Rehabilitation of Bridge Structures	2,000,000	2,000,000	2,000,000
20090079	Construction of Footbridges	1,000,000	2,000,000	2,000,000
	Programme: Non-Motorised Transport Facilities (10032)	**8,700,000**	**7,200,000**	**8,200,000**
20050042	Facilities for the Disabled	200,000	200,000	200,000
20060020	Provision of Sidewalks	8,500,000	7,000,000	8,000,000
	Programme: Specialised Equipment (10081)	**2,380,000**	**1,980,000**	**2,000,000**
20070201	Laboratory equipment - Scientific Services	1,880,000	1,480,000	2,000,000
20100084	Fleet Management - Workshop Equipment	500,000	500,000	-
	Programme: 2010 World Cup Work Packages (10034)	**147,961,404**	**143,622,807**	**175,424,561**
20070215	IPTS - Work Package Pedestrian Bridges (Stanford road)	15,000,000	-	
20070244	IPTS - Work Package: Bus Rapid Transit	132,961,404	143,622,807	175,424,561
	Total	**418,599,686**	**364,446,667**	**375,104,386**

	Sanitation - Metro (1411)			
		Approved 2015/16 Capital Budget	**Approved 2016/17 Capital Budget**	**Approved 2017/18 Capital Budget**
	Programme: Buildings, Depots Upgrading & Additions (10009)	**2,000,000**	**2,000,000**	**2,000,000**
20042918	Office Accommodation: Sanitation	2,000,000	2,000,000	2,000,000
	Programme: Bucket Eradication (10043)	**29,000,000**	**32,000,000**	**32,000,000**
20050247	Rudimentary Services: Sanitation	2,000,000	2,000,000	2,000,000
20050248	Bucket Eradication Programme	27,000,000	30,000,000	30,000,000
	Programme: Reticulation Sewers - Rehabiliation & Refurbishment (10044)	**8,100,000**	**17,100,000**	**17,100,000**
20030672	Sewers: Maintenance Backlog	-	5,000,000	5,000,000
19930112	Sewer Replacement and Relining	8,000,000	12,000,000	12,000,000
20060101	Colchester - Sewer Reticulation	100,000	100,000	100,000
	Programme: Reticulation Sewers - New, Augmentation & Upgrade (10045)	**10,000,000**	**11,600,000**	**13,600,000**
19940098	Improvements to Sewerage System	9,000,000	10,000,000	12,000,000
20080138	Kwanobuhle: Upgrade of sewer reticulation	-	1,000,000	1,000,000
20080137	Reclaimed Wastewater	200,000	200,000	200,000
20080136	TEI: Sampling Stations	400,000	400,000	400,000
20130045	Upgrade and Rehabilitation of Korsten Dry Lake Area	400,000	-	-
	Programme: Bulk Sewers - Rehabiliation & Refurbishment (10046)	**2,000,000**	**11,200,000**	**10,200,000**
20070143	Rehabilitation of Kwazakhele Collector Sewer	1,500,000	9,200,000	5,000,000
20030034	Markman - Replace 600mm Sewer	500,000	2,000,000	5,200,000
	Programme: Bulk Sewers - New, Augmentation & Upgrade (10047)	**73,900,000**	**91,000,000**	**139,500,000**
20060106	Motherwell North Bulk Sewerage	1,000,000	2,000,000	5,000,000
19980348	Paapenkuils Main Sewers Augmentation	5,000,000	5,000,000	10,000,000
20030030	Lorraine - Bulk Sewerage Augmentation	36,500,000	23,000,000	20,000,000
20060102	Colchester - Bulk Sewerage Infrastructure & WWTW	500,000	500,000	500,000
20050105	Sewer Protection works for collector sewers	-	2,500,000	1,000,000
20060103	Jagtvlakte Bulk Sewerage	1,000,000	3,000,000	3,000,000
20050064	Augment Collector Sewer for Walmer Heights and Mt Pleasant	-	7,000,000	10,000,000
19960525	Chatty Valley Collector Sewer Stage 1 (nodes 20 -24)	2,000,000	4,000,000	1,000,000
20110054	Motherwell Main Sewer Upgrade	1,000,000	6,000,000	10,000,000
20110056	Swartkops Low Level Colector Sewer Upgrade	7,000,000	10,000,000	36,000,000
20030407	Seaview Bulk Sewer	1,000,000	2,000,000	2,000,000
20060177	Driftsands Collector Sewer - Augmentation	900,000	14,000,000	20,000,000
20110066	Bulk Sewers Joe Slovo, Mandelaville, Allenridge West UIT	2,000,000	8,000,000	15,000,000
20110067	Industrial Site (Airport Valley) - Bulk Sewer	1,000,000	3,000,000	5,000,000
20110068	KwaNobuhle Area 11 - Link Sewer	15,000,000	1,000,000	1,000,000
	Programme: Sewerage Pump Stations - Rehabiliation & Refurbishment (10048)	**7,000,000**	**9,000,000**	**10,000,000**
20060178	Sewerage Pump Station : Maintenance Backlog	7,000,000	9,000,000	10,000,000
	Programme: Sewerage Pump Stations - New, Augmentation & Upgrade (10049)	**100,000**	**2,200,000**	**5,000,000**
20030167	Rocklands PHB Housing project WWTW	100,000	2,200,000	5,000,000
	Programme: Waste Water Treatment Works - Rehabiliation & Refurbishment (10050)	**37,800,000**	**31,400,000**	**26,800,000**
20000072	WWTW: Building Repairs and Concrete Rehab.	6,300,000	10,000,000	2,000,000
20070147	Kelvin Jones WWTW: Upgrade	17,000,000	18,000,000	20,000,000
20050088	WWTW: Improve access roads	1,000,000	1,000,000	2,000,000
19990130	Telemetry - Pump Stations	400,000	400,000	800,000
20070153	Brickfields: Upgrade	13,100,000	2,000,000	2,000,000

		Approved 2015/16 Capital Budget	Approved 2016/17 Capital Budget	Approved 2017/18 Capital Budget
	Programme: Waste Water Treatment Works - New, Augmentation & Upgrade (10051)	**97,300,000**	**151,600,000**	**89,000,000**
20050250	Driftsands WWTW Phase 3 extension	2,000,000	12,000,000	12,000,000
20070156	Fishwater Flats WWTW Upgrade	87,000,000	110,000,000	60,000,000
20070144	Kwanobuhle WWTW : Upgrading	4,000,000	9,000,000	1,000,000
20060075	Cape Receife WWTW : Upgrade	1,000,000	16,000,000	10,000,000
20030182	Upgrade Despatch Reclamation Works	2,000,000	-	-
20050068	WWTW : SCADA / Telemetry links	100,000	100,000	500,000
20030405	Witteklip Bulk Sewerage	1,000,000	4,000,000	5,000,000
20000066	WWTW - Sludge Treatment and disposal facilities	200,000	500,000	500,000
	Programme: Vehicles (10009)	**2,500,000**	**4,000,000**	**2,000,000**
19980344	Replacement of Sewerage Collection Vehicles	2,500,000	4,000,000	2,000,000
	Programme: Management Systems (10024)	**250,000**	**250,000**	**400,000**
20042912	Sewerage Master Plan Updating	250,000	250,000	400,000
	Total	**269,950,000**	**363,350,000**	**347,600,000**

	Metro Water Service (1412)			
		Approved 2015/16 Capital Budget	**Approved 2016/17 Capital Budget**	**Approved 2017/18 Capital Budget**
	Programme: Vehicles and Plant (10010)	**2,500,000**	**4,000,000**	**2,000,000**
20070160	Purchase New Vehicles	2,500,000	4,000,000	2,000,000
	Programme: Dams - Drought Relief Projects	**72,103,276**	**46,017,544**	**40,000,000**
20050097	Nooitgedagt/Coega Low Level System	72,103,276	46,017,544	40,000,000
	Programme: Dams - Rehabilitation & Refurbishment (10061)	**-**	**2,000,000**	**1,500,000**
20080094	Water Service Maintenace Backlog: Dams	-	2,000,000	1,500,000
	Programme: Water Treatment Works - New, Augmentation & Upgrade (10063)	**39,000,000**	**36,000,000**	**34,000,000**
20000037	Loerie Treatment Works: Rehabilitation	4,000,000	10,000,000	6,000,000
20060080	Upgrading of Churchill Water Treatment Works	6,000,000	11,000,000	20,000,000
20010307	Upgrading Groendal Treatment Works	25,000,000	3,000,000	-
20060082	Upgrading Springs Water Treatment Works	-	1,000,000	1,000,000
20070162	Desalination Augmentation	4,000,000	7,000,000	5,000,000
20042889	Linton: Additional Treatment Facility	-	4,000,000	2,000,000
	Programme: Water Treatment Works - Rehabilitation & Refurbishment (10064)	**13,000,000**	**12,000,000**	**12,000,000**
19960156	Elandsjagt - Upgrade to Restore Capacity	13,000,000	12,000,000	12,000,000
	Programme: Water Pump Stations - Rehabilitation & Refurbishment (10065)	**4,000,000**	**5,000,000**	**5,000,000**
20050106	Seaview Pump Station: Upgrade	4,000,000	5,000,000	5,000,000
	Programme: Supply Pipe Lines - New, Augmentation & Upgrade (10067)	**2,000,000**	**12,500,000**	**15,500,000**
20030511	Seaview Bulk Water	1,000,000	5,000,000	5,000,000
20030512	St Albans Bulk Water	-	1,000,000	6,000,000
20060081	Coega Reclaimed Effluent Scheme	1,000,000	1,000,000	2,000,000
20080048	Jagtvlakte: Bulk Water Supply Pipeline	-	4,500,000	2,000,000
20080144	Kwanobuhle: Upgrading of water reticulation	-	1,000,000	500,000
	Programme: Supply Pipe Lines - Rehabilitation & Refurbishment (10068)	**2,000,000**	**10,000,000**	**11,000,000**
20030630	Water Services Maintenance Backlog: Pipelines	2,000,000	6,000,000	9,000,000
20042883	Older Dams Pipelines Augmentation	-	4,000,000	2,000,000
	Programme: Reservoirs - Rehabilitation & Refurbishment (10069)	**400,000**	**6,500,000**	**8,000,000**
19990185	Rehabilitation of Reservoirs	-	4,000,000	6,000,000
19990184	Reservoir Fencing	400,000	500,000	1,000,000
20120085	Kwanobuhle Resevoir Link Watermain	-	2,000,000	1,000,000
	Programme: Reservoirs - New, Augmentation & Upgrade (10070)	**-**	**9,000,000**	**14,000,000**
20030297	Van der Kemp's Reservoir and Approach Main	-	-	-
20100034	Balmoral Reservoir and Bulk Pipeline	-	2,000,000	1,000,000
20030295	Construction of Amanzi Resevoir and Pipeline	-	2,000,000	5,000,000
20030601	Construction of a 1,0 Ml reclaimed effluent reservoir: Uitenhage	-	5,000,000	8,000,000
	Programme: Buildings, Depots Upgrading & Additions (10009)	**5,000,000**	**8,000,000**	**9,000,000**
20042881	Regionalisation: New Water Depot	4,000,000	6,000,000	6,000,000
20070152	Access Roads: Upgrade	1,000,000	2,000,000	3,000,000
	Programme: Management Systems (10024)	**7,000,000**	**9,000,000**	**10,250,000**
20042885	Metro Water: Master Plan	1,000,000	1,000,000	1,250,000
20070157	Telemetry Systems Upgrade	1,000,000	2,000,000	2,000,000
20070161	Groundwater Investigation	5,000,000	6,000,000	7,000,000
	Programme: Distribution Pipe Lines - New, Augmentation & Upgrade (10071)	**2,500,000**	**3,000,000**	**3,000,000**
20080089	Van Stadens Village Upgrade	-	-	-
20060083	Rudimentary Service: Water	500,000	1,000,000	1,000,000
20080088	Bulk Water Metering and Control	2,000,000	2,000,000	2,000,000

		Approved 2015/16 Capital Budget	Approved 2016/17 Capital Budget	Approved 2017/18 Capital Budget
	Programme: Distribution Pipe Lines - Rehabilitation & Refurbishment (10072)	**18,000,000**	**27,500,000**	**33,500,000**
19930320	Improvements to System - General	4,000,000	7,000,000	10,000,000
20080093	Water Service Maintenance Backlog: Pump Stations	4,000,000	5,000,000	5,000,000
20000052	Purchase of Water Meters - Metro	8,000,000	8,000,000	10,000,000
20000051	Installation of Zone Water meters	2,000,000	2,000,000	2,500,000
20080087	Rehabilitation of Pipe Bidges	-	3,500,000	4,000,000
19950866	Cathodic Protection of Steel Pipelines	-	2,000,000	2,000,000
	Total	**167,503,276**	**190,517,544**	**198,750,000**

	Electricity & Energy (1477)			
		Approved 2015/16 Capital Budget	Approved 2016/17 Capital Budget	Approved 2017/18 Capital Budget
	Programme: Customer Requirements (10003)	**46,833,300**	**46,500,000**	**46,500,000**
19930259	Private Township Development	15,000,000	15,000,000	15,000,000
19930255	Miscellaneous Mains and Substations	20,000,000	20,000,000	20,000,000
19940149	Meters and Current Transformers	2,000,000	2,000,000	2,000,000
19930256	Peri-Urban Network	1,333,300	1,500,000	1,500,000
20130022	Relocation of existing electrical services	5,500,000	5,000,000	5,000,000
19930233	Non Electrification Areas - Service Connections	3,000,000	3,000,000	3,000,000
	Programme: Network Reinforcements (10005)	**59,768,700**	**51,992,000**	**74,860,000**
20042993	HV Network Reinforcement - Overhead Cabling	24,000,000	7,000,000	18,000,000
20100122	HV Network Reinforcement - New Substations	4,500,000	8,500,000	20,000,000
19990104	Reinforcement of Electricity Network - Coega	15,000,000	15,000,000	15,000,000
20042992	Reinforcement of Electricity Network - Western	2,000,000	2,000,000	2,000,000
20030472	Reinforcement of Electricity Network - Hunters Retreat	2,000,000	2,000,000	2,000,000
20030470	Reinforcement of Electricity Network- Despatch	274,100	500,000	550,000
20030074	Reinforcement of Electricity Network- Mount Road	1,000,000	1,000,000	1,000,000
20010119	Reinforcement of Electricity Network - Uitenhage	2,224,750	2,592,000	2,420,000
20010118	Reinforcement of Electricity Network - Ibhayi	622,200	1,500,000	1,650,000
20000175	Reinforcement of Electricity Network- Swartkops	-	2,000,000	2,200,000
20000172	Reinforcement of Electricity Network- Korsten	1,206,600	1,000,000	1,000,000
19970063	Reinforcement of Electricity Network- Bethelsdorp 11kV	771,500	1,000,000	1,100,000
19960193	Reinforcement of Electricity NetworkWells Estate	1,333,300	500,000	550,000
19970061	Reinforcement of Electricity Network - Newton Park	888,900	500,000	550,000
20030471	Reinforcement of Electricity Network- Walmer Lorraine	1,314,000	4,000,000	3,000,000
19960190	Reinforcement of Electricity Network- Redhouse	88,900	400,000	540,000
19960195	Reinforcement of Electricity Network - Summerstrand	1,300,000	1,200,000	1,500,000
19980402	Reinforcement of Electricity Network - Malabar/ Helenvale	444,450	500,000	1,000,000
19930254	Low Voltage Reticulation Improvement	800,000	800,000	800,000
	Programme: Radio Communication Systems (10006)	**2,000,000**	**2,000,000**	**2,000,000**
19930232	Radio & Test Equipment	2,000,000	2,000,000	2,000,000
	Programme: Technical Control Systems (10007)	**14,500,000**	**18,000,000**	**18,000,000**
20070209	Substation Fibre Optic Backbone	2,000,000	2,000,000	2,000,000
19990109	Substation Security Alarm Upgrade	7,000,000	8,000,000	8,000,000
19940414	Supervisory Control Systems Upgrade	2,000,000	2,500,000	2,500,000
20060174	Control Room Upgrade	3,500,000	5,500,000	5,500,000
	Programme: Data & Communication Systems (10008)	**1,500,000**	**2,000,000**	**2,000,000**
20030467	Computer Systems Upgrade	1,500,000	2,000,000	2,000,000
	Programme: Buildings, Depots Upgrading & Additions (10009)	**4,000,000**	**4,000,000**	**4,000,000**
20150030	North Depot Improvements	2,000,000	4,000,000	4,000,000
20150031	Munelek Yard Resealing	2,000,000		
	Programme: Vehicles and Plant (10010)	**4,300,000**	**4,000,000**	**3,000,000**
20150029	HV Cable Oil Pressure Plant	800,000	-	-
20020093	New/Replacement of Plant and Motor Vehicle	3,500,000	4,000,000	3,000,000
	Programme: Cables & Distribution Kiosks (10013)	**4,000,000**	**4,000,000**	**4,200,000**
19980174	Distribution Kiosk Replacement	2,000,000	2,000,000	2,000,000
19970064	Cable Replacement 6.6kV	2,000,000	2,000,000	2,200,000
	Programme: Transformers & Switchgear (10014)	**17,250,000**	**20,300,000**	**22,000,000**
20042989	MV and HV Switchgear replacement	14,000,000	17,000,000	18,700,000
19970070	Relay Replacement	3,000,000	3,000,000	3,000,000
20050189	Replace Switchgear in Mini susbs - KwaNobuhle	250,000	300,000	300,000

		Approved 2015/16 Capital Budget	Approved 2016/17 Capital Budget	Approved 2017/18 Capital Budget
	Programme: Line Refurbishment (10015)	**21,000,000**	**26,000,000**	**27,500,000**
20042988	Overhead Lines Refurbishement	6,000,000	6,000,000	6,000,000
20050187	HV Line Refurbishment (66 & 132kV)	4,000,000	6,000,000	6,000,000
20090039	Fairview Refurbishment	2,000,000	2,500,000	2,500,000
20150028	Refurbishment of Power Transformers	7,000,000	9,000,000	10,000,000
20060217	Gas Turbine Refurbishment	2,000,000	2,500,000	3,000,000
	Programme: Furniture and Equipment (10073)	**2,500,000**	**2,000,000**	**2,000,000**
19930234	Electricity Buildings improvements	2,500,000	2,000,000	2,000,000
	Programme: Informal Housing Electrification (10012)	**36,140,351**	**40,087,719**	**37,087,719**
19930264	Informal Housing Electrification	36,140,351	40,087,719	37,087,719
	Programme: Street Lighting (10017)	**16,000,000**	**8,000,000**	**8,000,000**
19930283	Public Lighting	16,000,000	8,000,000	8,000,000
	Total	**229,792,351**	**228,879,719**	**251,147,719**

	Public Health (1193)			
		Approved 2015/16 Capital Budget	Approved 2016/17 Capital Budget	Approved 2017/18 Capital Budget
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	**8,432,550**	**5,400,000**	**8,400,000**
19980266	Secure Municipal Parks Facilities	2,500,000	2,500,000	-
20100095	Upgrade Major Parks	2,932,550	-	-
20150035	Upgrade of Magennis Park - Uitenhage	-	-	1,000,000
20150036	Upgrade of Willow Dam Park - Uitenhage	-	1,000,000	1,000,000
20150038	Tarring and Paving of Depots	-	-	2,500,000
20150043	Security Cameras for Parks and Cemeteries	-	-	3,000,000
20150037	Upgrade of Varslvei Park	-	1,000,000	-
20070191	Occupational Health and Welness Center at Walmer	1,500,000	-	-
20030658	Upgrade Infrastructure: Metro Integration	500,000	500,000	500,000
20090053	Upgrade of Uitenhage Dog Pound	1,000,000	400,000	400,000
	Programme: Medical Equipment (10041)	**1,500,000**	**1,500,000**	**500,000**
20000141	Specialized Equipment	500,000	500,000	500,000
20100099	Occupational Health Rehabilitation Medical Equipment	1,000,000	1,000,000	-
	Programme: Upgrade and Rehabilitation of Beaches (10052)	**2,500,000**	**3,000,000**	**3,000,000**
20010064	Beachfront	1,000,000	1,000,000	1,000,000
20010059	Reinstate of Embankment - Tygerbay	1,500,000	2,000,000	2,000,000
	Programme: Greening and Development of Gateways and Public Open Spaces (10053)	**11,000,000**	**7,500,000**	**13,500,000**
20010362	Upgrade and Development of Public Open Spaces	5,000,000	3,000,000	6,000,000
20060110	Greenhouse Upgrade - Peter Gibbs Nursery	1,000,000	-	-
20030420	Develop Floodplains	1,000,000	1,000,000	1,000,000
20000203	Implementation - Van Der Kemp's Kloof	1,000,000	-	-
20150039	Upgrade of Public Toilets	1,500,000	2,000,000	5,000,000
20100100	New Playground Equipment	1,500,000	1,500,000	1,500,000
	Programme: Cemetery Development and Upgrading (10054)	**10,500,000**	**4,500,000**	**10,000,000**
20150042	Provision of Office and Ablution Facilities at Cemeteries	-	-	5,000,000
20140003	Water drainage and roads at cemeteries	2,000,000	2,000,000	2,000,000
20030421	Cemeteries	2,500,000	2,500,000	3,000,000
20120045	Fencing of Cemeteries	6,000,000	-	-
	Programme: Specialised Vehicles (1011)	**4,000,000**	**7,500,000**	**5,000,000**
20150041	Mobile Unit - Occupational Health Service & Wellness	-	2,500,000	-
20150044	Replacement of Animal Control Vehicles	1,000,000	1,000,000	-
20010370	Specialised Vehicles and Plant (Parks)	3,000,000	4,000,000	5,000,000
	Programme: Refuse, Tip Sites, Recycle Stations and Equipment (10055)	**16,700,000**	**20,200,000**	**21,000,000**
20010391	Waste Management Containers	2,700,000	3,200,000	4,000,000
20030177	Development of Waste Disposal Facilities	2,000,000	3,000,000	2,000,000
19940138	Replacemnet of Refuse Compactors	8,000,000	10,000,000	10,000,000
20000106	Urban Refuse Transfer/Recycling Station	3,000,000	3,000,000	4,000,000
20150040	Climate change	1,000,000	1,000,000	1,000,000
20060117	IWMP Projects	-	-	-
	Total	**54,632,550**	**49,600,000**	**61,400,000**

	Safety & Security (1195)			
		Approved 2015/16 Capital Budget	**Approved 2016/17 Capital Budget**	**Approved 2017/18 Capital Budget**
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	**5,430,000**	**2,150,000**	**710,000**
20090019	Replacement of engine bay doors	530,000	650,000	710,000
20080023	Storage Facilities	500,000	500,000	-
20080065	Additional Satelite Office	500,000	-	-
20100060	New Firestation - Motherwell	-	1,000,000	-
20080073	Disaster management Center / South End Fire Station	2,000,000	-	-
20150049	Refurbishment of Korsten Security Offices	400,000	-	-
20150052	Resurfaing of Driver's Testing Ground	800,000	-	-
20150050	Extension of Pound	200,000	-	-
20120049	Elevator for Traffic Sidwel	500,000	-	-
	Programme: Specialised Vehicles (1011)	**400,000**	**2,000,000**	**2,800,000**
20060221	Replacement of Off-Road appliance	-	2,000,000	2,800,000
20130053	Repairs to facility for Mobile Surveillance Vehicle	400,000	-	-
	Programme: Management Systems (10024)	**1,170,000**	**-**	**-**
20120050	EFMS Additional Software and Hardware Applications	370,000	-	-
20140014	GIS equipment	800,000	-	-
	Programme: Vehicles and Plant (10010)	**200,000**	**3,200,000**	**4,260,000**
20140015	Vehicles for Safety and Security (Security Only)	200,000	200,000	-
20150045	Replacement of Truck, Tractor and trailer appliances	-	1,500,000	2,000,000
20150048	Replacement Vehicle Fleet 9363	-	-	260,000
20150046	Replacement of Service Vehicles	-	1,500,000	2,000,000
	Programme: Safety and Security Equipment (10057)	**4,500,000**	**3,200,000**	**3,500,000**
20050142	Firearms and Accessories	500,000	-	-
20090062	CCTV Equipment & Infrastructure	1,500,000	-	-
20100059	Replacement of Radios	1,500,000	1,200,000	500,000
20150047	Purchase of Plant and Equipment (Fire & Emergency services)	1,000,000	2,000,000	3,000,000
	Programme: Furniture and Equipment (10073)	**818,000**	**414,500**	**439,400**
20150051	Upgrade and replacement of Computers	500,000	-	-
20090017	Replacement of standby generator	318,000	414,500	439,400
	Total	**12,518,000**	**10,964,500**	**11,709,400**

	Corporate Services (1197)			
		Approved 2015/16 Capital Budget	**Approved 2016/17 Capital Budget**	**Approved 2017/18 Capital Budget**
	Programme: Upgrading of Computer Systems and Software Enhancement (10037)	**6,000,000**	**7,000,000**	**5,000,000**
19930187	Computer Enhancements - Corporate	6,000,000	7,000,000	5,000,000
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	**21,050,000**	**19,900,000**	**14,100,000**
20060149	Lillian Diedericks Building - Upgrading and Rehabilitation	1,000,000	1,500,000	1,500,000
20030221	Ofiice Accommodation -Ward Councillors	4,500,000	2,500,000	2,000,000
20043125	Upgrade of Community Halls	3,150,000	1,500,000	1,000,000
20050222	Office Renovation	2,500,000	3,000,000	3,000,000
20080041	Rehabilitation of Noninzi Luzipho Building	900,000	-	700,000
20100077	KwaNobuhle Municipal Aerodome - Upgrade of Perimeter Fencing	500,000	500,000	500,000
20070196	Mfanasekhaya Gqobose Building - Upgrade and Rehabilitation	-	500,000	500,000
20120076	Woolboard Conference Centre - Rehabilitation and Upgrade	-	400,000	400,000
20120078	Upgrade of Municipal Depots	4,500,000	7,000,000	1,500,000
20130067	Algoa House Upgrade	1,500,000	1,000,000	1,000,000
20060065	Air Conditioning of Buildings	2,500,000	2,000,000	2,000,000
	Total	**27,050,000**	**26,900,000**	**19,100,000**
	Budget & Treasury (1198)			
		Approved 2015/16 Capital Budget	**Approved 2016/17 Capital Budget**	**Approved 2017/18 Capital Budget**
	Programme: Management Systems (10024)	**75,500,000**	**26,500,000**	**30,284,600**
20043111	Financial Accounting Control and Systems Development	4,000,000	5,000,000	8,784,600
20080162	Financial Asset Management Integration: Computer Hardware	1,000,000	1,000,000	1,000,000
20140011	System Enhancements - Various	70,000,000	20,000,000	20,000,000
20050130	Replacement of Revenue Sub Directorate Computer Equipment	500,000	500,000	500,000
	Programme: Furniture and Equipment (10073)	**1,500,000**	**1,350,000**	**1,300,000**
20120080	Replacement of Vending POS Equipment	600,000	600,000	500,000
20120079	Replacement Handheld Devices - Meter Reading	900,000	750,000	800,000
	Total	**77,000,000**	**27,850,000**	**31,584,600**
	Chief Operating Officer (1656)			
		Approved 2015/16 Capital Budget	**Approved 2016/17 Capital Budget**	**Approved 2017/18 Capital Budget**
	Programme: Upgrading of Computer Systems and Software Enhancement (10037)	**6,850,000**	**3,800,000**	**4,000,000**
20080063	Corporate GIS Application	6,850,000	3,800,000	4,000,000
	Total	**6,850,000**	**3,800,000**	**4,000,000**
	Motherwell Urban Renewal Programme (1474)			
		Approved 2015/16 Capital Budget	**Approved 2016/17 Capital Budget**	**Approved 2017/18 Capital Budget**
	Programme: Buildings, Depots Upgrading & Additions (10009)	**8,059,913**	**2,285,500**	**-**
20090018	Motherwell Traffic and Licencing Centre	8,059,913	2,285,500	-
	Total	**8,059,913**	**2,285,500**	**-**

	Recreational & Cultural Services (1194)			
		Approved 2015/16 Capital Budget	**Approved 2016/17 Capital Budget**	**Approved 2017/18 Capital Budget**
	Programme: 2010 World Cup Work Packages (10034)	**4,000,000**	**4,500,000**	**5,000,000**
20000149	Maintain/Rehabilitate Sports Facility Infrastructure	4,000,000	4,500,000	5,000,000
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)	**11,500,000**	**12,000,000**	**9,500,000**
20100104	Mendi Bottle Store Renovation	9,000,000	4,000,000	4,000,000
20060113	Upgrade and Restoration of Libraries	2,000,000	7,500,000	5,000,000
20030427	Secure Recreational Buildings / Facilities	500,000	500,000	500,000
	Programme: Upgrading and Development of Sport and RecreationFacilities (10058)	**70,500,000**	**10,500,000**	**13,500,000**
19980285	Upgrade Existing Sports Facilities	10,000,000	4,500,000	4,500,000
20010221	Springs Resort-Upgrade Infrastructure	3,000,000	3,000,000	5,000,000
20030795	Upgrade Beaches -Tourism	3,000,000	3,000,000	4,000,000
20150060	Sport and Recreational Facilities - Mayoral Project	54,500,000		
	Programme: Upgrade and Development of Swimming Pools (10059)	**1,500,000**	**1,000,000**	-
20000160	Rehabilitate and Upgarding of Swimming Pool Structures	1,500,000	1,000,000	-
	Programme: Upgrade and Development of Heritage Sites, Memorials and Cultural Centres (10060)	17,000,000	1,000,000	5,500,000
20150059	Memorial Sites - Mayoral Project	8,000,000		
20150061	Red City Soccer Field - Mayoral Project	1,000,000		
20150062	Rivonia Trial Sculpture - Mayoral Project	8,000,000		
20060281	Motherwell Cultural Centre	-	1,000,000	5,500,000
	Total	**104,500,000**	**29,000,000**	**33,500,000**
	Economic Development, Tourism and Agriculture (1196)			
		Approved 2015/16 Capital Budget	**Approved 2016/17 Capital Budget**	**Approved 2017/18 Capital Budget**
	Programme: Improvements to Minor Roads (10022)	**6,325,665**	**-**	**-**
20080163	Fountain Road Redevelopment	6,325,665	**-**	**-**
	Total	**6,325,665**	**-**	**-**
	Total	**1,557,889,261**	**1,516,693,930**	**1,585,893,473**

2.14 CAPITAL EXPENDITURE DETAILS

A summary of the budgeted capital expenditure is reflected in **Annexure "A".**

2.15 CITY MANAGER'S QUALITY CERTIFICATION

Quality Certificate

I, MPILO SAKILE MBAMBISA, City Manager of Nelson Mandela Bay Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : **MPILO SAKILE MBAMBISA**

CITY MANAGER OF NELSON MANDELA BAY MUNICIPALITY (EC000)

Signature : _____

Date : 30/6/15