
4. Net Surplus /Deficit Refuse

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering refuse service. The purpose of the Ratio is to determine the contribution made by the provision of refuse service being one of the major functions of a municipality.

Formula

Total Refuse Revenue less Total Refuse Expenditure /Total Refuse Revenue x 100%

Norm

The Norm is equal to or greater than 0% and will be superseded by the Sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that refuse service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Refuse Services are at least recovered with a margin for future growth and/ or capital funding for Refuse assets.

5. Net Surplus / Deficit Sanitation and Waste Water

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipality generates surplus or deficit in rendering sanitation and waste water service. The purpose of the Ratio is to determine the contribution made by the provision of sanitation and waste water services being one of the major functions of a municipality.

Formula

Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure / Total Sanitation and Waste Water Revenue x 100%

Norm

The norm is equal to or greater than 0% and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

Interpretation of Results

A ratio below 0% depicts that sanitation and waste water is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of sanitation and waste water are at least recovered with a margin for future growth and / or capital funding for assets.

B. Distribution Losses

1. Electricity Distribution Losses (Percentage)

Purpose/ Use of the Ratio

The purpose is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold as a result of losses incurred through theft (illegal connections), non or inaccurate metering or wastage. It is expected that implementation of the free basic service policy is included in the calculation for sale of electricity.

Formula

(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) × 100

Norm

The Norm is between **7% and 10%** and will be superseded by the sector determination.

Interpretation of Results

A ratio below the norm depicts that electricity losses are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, deteriorating electricity infrastructure or poor management of the networks, affecting the Municipality or Municipal Entity, which would require further analysis to determine the reasons for such losses. In addition, the root causes should be addressed.

2. Water Distribution Losses (Percentage)

Purpose/ Use of the Ratio

The purpose of this ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure. It is expected that implementation of the free basic service policy is included in the calculation for sale of water.

Formula

(Number of Kiloliters Water Purchased or Purified - Number of Kilolitres Water Sold) /
Number of Kiloliters Water Purchased or Purified × 100

Norm

The Norm is between **15% and 30%**

Interpretation of Results

A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality or Municipal Entity, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed.

C. Revenue Management**1. Growth in Number of Active Consumer Accounts****Purpose/ Use of the Ratio**

The ratio measures the actual growth in the Revenue base of the Municipality brought about by an increase in the Consumer base rather than tariff increases.

Formula

(Period under Review's Number of Active Debtor Accounts - Previous Period's Number of Active Debtor Accounts) / Previous Period Number of Active Debtor Accounts x 100

Norm

No Norm is currently being proposed for this Ratio but will be monitored and a determined in the future. Municipalities are requested to report on this aspect to its Council.

Interpretation of Results

The results from this analysis will have to be taken into consideration when assessing the Growth in Revenue to determine the Real Growth in the Customer base vs growth due to tariff and inflationary adjustments. Growth in number of active consumers indicates an increase in revenue base.

Further, the impact of growth on the Indigent Base vs Growth in Paying Consumers should be assessed regularly as this must be used to inform Councils policy.

2. Revenue Growth (%)

Purpose/ Use of the Ratio

This Ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by an increase in Revenue base or by some other means.

Formula

$$\frac{(\text{Period Under Review's Total Revenue} - \text{Previous Period's Total Revenue})}{\text{Previous Period's Total Revenue}} \times 100$$

Norm

The norm is at the rate of **CPI**

Interpretation of Results

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base and number of consumer accounts to determine the real Growth in Revenue.

3. Revenue Growth (%) - Excluding Capital Grants

Purpose/Use of the Ratio

This Ratio measures the overall Revenue Growth adjusted for Capital Grants. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by the increased Revenue Base or by some other means.

Formula

$$\frac{((\text{Period Under Review's Total Revenue Excluding Capital Grants} - \text{Previous Period's Total Revenue Excluding Capital Grants}) / \text{Previous Period's Total Revenue Excluding Capital Grants}) \times 100$$

Norm

The norm is at the rate of **CPI**

Interpretation of Results

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base, number of consumer accounts to determine the real Growth.

D. Expenditure Management**1. Creditors Payment Period (Trade Creditors)****Purpose/ Use of the Ratio**

This ratio indicates the average number of days taken for Trade Creditors to be paid.

Formula

Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365

Norm

The norm is **30 days**

Interpretation of Results

A period of longer than 30 days to settle creditors is normally an indication that the Municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc. In addition, a ratio that exceeds the norm indicates that the Municipality may not be adequately managing its Working Capital or that effective controls are not in place to ensure prompt payments. The municipality will be required to provide further explanations in this regard.

2. Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure**Purpose/ Use of the Ratio**

The ratio measures the extent to which the Municipality has incurred Irregular, Fruitless and Wasteful and Unauthorised Expenditure.

Formula

(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100

The net amount after condonement should be used in this calculation.

Norm

The norm is **0%**

Interpretation of Results

A ratio that exceeds 0% must be investigated and acted upon.

3. Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)

Purpose/ Use of the Ratio

The ratio measures the extent of Remuneration to Total Operating Expenditure.

Formula

Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100

Norm

The norm range between **25% and 40%**

Interpretation of Results

If the ratio exceed the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors.

4. Contracted Services % of Total Operating Expenditure

Purpose/ Use of the Ratio

This ratio measures the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions.

Formula

Contracted Services / Total Operating Expenditure x 100

Norm

The norm range between **2% and 5%**

Interpretation of Results

A ratio in excess of the Norm could indicate that many functions are being outsourced to Consultants, or that Contracted Services are not effectively utilised. This also depends on the model of service delivery selected by the municipality. In addition, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in this ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on Contractors.

E. Grant Dependency**1. Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) to Total Capital Expenditure****Purpose/ Use of the Ratio**

The Ratio measures the extent to which the municipality's Total Capital Expenditure is funded through Internally Generated Funds and Borrowings.

Formula

Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) / Total Capital Expenditure x 100

Norm

No norm is proposed at this time. It is critical that the funding mix of capital expenditure is undertaken in such a manner that affordable borrowing is directed towards addressing service delivery needs and that there is also opportunity for increased capacity on internally generated funding to attain an improved balance of the funding sources.

2. Own Funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure**Purpose/ Use of the Ratio**

The Ratio measures the extent to which Total Capital Expenditure of the Municipality is funded through Internally Generated Funds.

Formula

Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100

Norm

No norm is proposed at this time. The funding mix for capital expenditure is dependent on the municipal policy and ability to raise revenue from different sources. Increased capacity for internally generated funding is required in some circumstances, which could also improve the balance in funding sources.

3. Own Source Revenue to Total Operating Revenue (Including Agency Revenue)**Purpose/ Use of the Ratio**

The Ratio assesses the extent of Own Source Revenue to Total Operating Revenue, including Agency Revenue hence self-sufficiency.

Formula

Own Source Revenue (Total Revenue - Government Grants and Subsidies – Public Contribution and Donations)/ Total Operating Revenue (Including Agency Services) x 100

Norm

No norm is proposed at this time. The municipal specific circumstances, including the powers and functions assigned to it, must be considered when assessing the level of own source revenue or its self-sufficiency. An analysis of the trends and levels of own source of revenue will also inform the municipality and users of measures taken to optimise own revenues. The ratio measuring own source revenue should be increasing over time as it reflects municipal efforts towards self-sufficiency.

3. BUDGET IMPLEMENTATION**1. Capital Expenditure Budget Implementation Indicator****Purpose/ Use of the Ratio**

This ratio measures the extent to which Budgeted Capital Expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

Formula

Actual Capital Expenditure / Budget Capital Expenditure x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

This can be used in-year to monitor progress. Any variance below 95% indicates discrepancies in planning and budgeting, capacity challenges to implement projects and/or Supply Chain Management process failures, which should be investigated and corrective measures implemented.

Under-spending is also an indicator that the Municipality might be experiencing possible cash flow difficulties to implement projects. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control.

2. Operating Expenditure Budget Implementation Indicator

Purpose/ Use of the Ratio

This ratio measures the extent to which Budgeted Operating Expenditure has been spent during the financial year, under review. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

Formula

Actual Operating Expenditure / Budgeted Operating Expenditure x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

Any variance from 100% indicates either challenge in capacity to implement, issues of financial controls and management and/or poor budgeting.

Under-spending normally is an indicator that the Municipality experiences possible Cash Flow difficulties or capacity challenges to undertake Budgeted/ planned service delivery, and/ or does not prepare accurate and credible Budgets. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control in respect of budget control.

3. Operating Revenue Budget Implementation Indicator

Purpose/ Use of the Ratio

This ratio measures the extent of Actual Operating Revenue (Excl. Capital Grant Revenue) received in relation to Budgeted Operating Revenue during the financial year, under review.

Formula

Actual Operating Revenue / Budgeted Operating Revenue x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

4. Service Charges and Property Rates Revenue Budget Implementation Indicator**Purpose/ Use of the Ratio**

The ratio measures the extent of Actual Service Charges and Property Rates Revenue received in relation to Budgeted Service Charges and Property Rates Revenue during the financial year, under review.

Formula

Actual Service Charges and Property Rates Revenue / Budgeted Service Charges and Property Rates Revenue x 100

Norm

The norm range between **95% and 100%**

Interpretation of Results

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

Monitoring

It is important that these indicators are not seen or used in isolation of one another but used in a combined manner so as to provide a holistic picture of the financial status of the municipality or municipal entity. Poor outcomes with relation to these indicators can also point to weaknesses in Institutional and Governance aspects in a municipality that need attention. Therefore, Councillors, Municipal Managers, Chief Financial Officers, Accounting Offices of Municipal Entities, and all financial officials should derive benefits from a deeper understanding of these Ratios and Norms and their implications. The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality and proper monitoring and use of these indicators, will support decision-makers overcome such challenges.

The use of these Ratios and Norms should assist Municipalities and Municipal Entities to predict, identify, prevent, avoid, and resolve financial problems/crisis timeously and serve as an early warning mechanism. Moreover, this will ensure that Municipalities and Municipal Entities make strategic decisions based on empirical and factual information and analysis for a sustainable outcome. Monitoring and trend analysis of these ratios is critical to ensure that measures are introduced to address areas needing attention and that there is progressive improvements of municipalities own position against the norms. These indicators and their norms, when viewed holistically, provide an overview of the financial position and performance of the Municipalities and Municipal Entities, while recognising institutional differences. Sound and effective financial management practices form the basis for an effective long term sustainable municipality.

The oversight role played by the Municipal Executive, Audit Committee, and Municipal Public Account Committee will also be enhanced with the use of these financial Ratios and Norms through implementation and reporting of financial information. The financial ratios and norms will strengthen financial management and accountability and be used throughout the cycle - integrated development plans (including long term financial plan), budgets, in-year reports for example section 52, 71 and 72 reports, annual financial statements, annual report and oversight reports. Comparison with other municipalities is now possible.

An Excel template has been developed (Annexure 2 of this Circular) to assist municipalities and Municipal Entities to populate relevant financial information, automate calculations, and assist in interpretation thereof.

These Ratios and Norms will be used to assess financial position and performance, quality of budgeting, management, and other characteristics of Municipalities and Municipal Entities, and should holistically provide an overview of the financial health of the Municipality or Municipal Entity, taking the respective and unique circumstances into account. Benchmarking and comparisons between Municipalities and Municipal Entities can also be undertaken, made simpler in future, and will further assist in targeting assistance and support, where needed.

Different institutions including, financial institutions, research organisations, rating agencies, national and provincial government, legislatures, amongst others, can use these uniform set of financial indicators, ratios and norms to monitor the financial position and performance of municipalities.

Implementation

The ratios and norms provided in this Circular and elaborated in the annexures are to be understood in an aspirational context and utilised as soon as possible to enable municipal councils to commence with the process of introducing measures to address areas needing attention. Municipalities and Municipal Entities should take advantage of the transition period, covering the medium term, to allow for progressive improvements of their own status against the ratios and norms.

Conclusion

The variety of financial ratios and norms, over 200, used by various institutions to assess and compare the financial health and performance of Municipalities and Municipal Entities has resulted in confusion across the sector, as users formulate assumptions based on different interpretation of the same financial information.

The Circular creates a uniform categorisation of ratios, standardising formulas and inputs, providing guidance on norms and interpretation of the financial ratio analysis, as applicable to Municipalities and Municipal Entities. There may be other ratios and norms used by analysts that are more appropriate to the financial status of private sector institutions, therefore, the use, differentiation and range described in this Circular should be understood within the context of a public sector institution.

This Circular therefore attempts to address the above challenges and also provide a more structured approach for holistic analysis, taking into cognisance the different type of Municipalities and Municipal Entities. The consistent use of these ratios and norms will assist in reporting accurately the status of municipal finances.

Institutions performing financial ratio analysis for Municipalities and Municipal Entities should therefore refer to this Circular and interpretation therein to ensure uniformity and consistency of application.

It is important that the Municipal Manager ensure that this Circular is brought to the attention of the Municipal Council, Board of Directors of Municipal Entities, relevant oversight structures (Municipal Executive, Audit Committee, and Municipal Public Account) and all other relevant stakeholders. Training providers are also requested to bring this Circular to the attention of trainees.

The introduction and application of these uniform norms, coupled with other financial reforms, will allow for comparisons with different type of municipalities and municipal entities and it is expected that they will replace earlier regulations issued that cover financial ratios and norms as these are based on the latest reforms in financial management.



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17 January 2014

Annexure 1: Summary of the financial ratios, norms, formulae and data sources

Annexure 2: Excel template for calculation of the ratios and interpretation of results

SUMMARY OF UNIFORM FINANCIAL RATIO, FORMULAE, DATA SOURCE AND NORMS

1. FINANCIAL POSITION

A. Asset Management

1	RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
	Capital Expenditure to Total Expenditure	$\frac{\text{Total Capital Expenditure}}{\text{Total Expenditure (Total Operating expenditure + Capital expenditure)}} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value)	$\frac{\text{Property, Plant and Equipment Impairment} + \text{Investment Property Impairment} + \text{Intangible Assets Impairment}}{\text{Property, Plant and Equipment} + \text{Investment Property} + \text{Intangible Assets}} \times 100$	Statement of Financial Position, Notes to the AFS and AR	0%
3	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value)	$\frac{\text{Total Repairs and Maintenance Expenditure}}{\text{Property, Plant and Equipment and Investment Property (Carrying value)}} \times 100$	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%

B. Debtors Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Collection Rate	$\frac{\text{Gross Debtors Closing Balance} + \text{Billed Revenue} - \text{Gross Debtors Opening Balance} + \text{Bad Debts Written Off}}{\text{Billed Revenue}} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%
2 Bad Debts Written-off as % of Provision for Bad Debt	$\text{Bad Debts Written-off} / \text{Provision for Bad Debt} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%
3 Net Debtors Days	$\frac{\text{Gross Debtors} - \text{Bad debt Provision}}{\text{Actual Billed Revenue}} \times 365$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days

C. Liquidity Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants)	$((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment}) / \text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months
2 Current Ratio	$\text{Current Assets} / \text{Current Liabilities}$	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1

D. Liability Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	$\text{Capital Cost (Interest Paid and Redemption)} / \text{Total Operating Expenditure} \times 100$	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%
2 Debt (Total Borrowings) / Revenue	$(\text{Overdraft} + \text{Current Finance Lease Obligation} + \text{Non Finance Lease Obligation} + \text{Short Term Borrowings} + \text{Long Term Borrowings}) / \text{Total Operating Revenue}$	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%

E. Sustainability

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	$\frac{\text{(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest - Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve)}}{100\%}$	Statement Financial Position, Budget and AR	100%

2. FINANCIAL PERFORMANCE

A. Efficiency

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Net Operating Surplus Margin	$(\text{Total Operating Revenue} - \text{Total Operating Expenditure}) / \text{Total Operating Revenue}$	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Assets	= or > 0%
2 Net Surplus /Deficit Electricity	$\text{Total Electricity Revenue less Total Electricity Expenditure} / \text{Total Electricity Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%
3 Net Surplus /Deficit Water	$\text{Total Water Revenue less Total Water Expenditure} / \text{Total Water Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
4 Net Surplus /Deficit Refuse	$\text{Total Refuse Revenue less Total Refuse Expenditure} / \text{Total Refuse Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
5 Net Surplus /Deficit Sanitation and Waste Water	$\text{Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure} / \text{Total Sanitation and Waste Water Revenue} \times 100$	Statement of Financial Performance, Notes to AFS Budget, IDP, In-Year reports and AR	= or > 0%

B. Distribution Losses

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Electricity Distribution Losses (Percentage)	$\frac{\text{Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold}}{\text{Number of Electricity Units Purchased and/or Generated}} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%
2 Water Distribution Losses (Percentage)	$\frac{\text{Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold}}{\text{Number of Kilolitres Water Purchased or Purified}} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%

C. Revenue Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Growth in Number of Active Consumer Accounts	$\frac{\text{(Period under review's number of Active Debtor Accounts - previous period number of Active Debtor Accounts)}}{\text{previous period number of Active Debtor Accounts}} \times 100$	Debtors System	None
2 Revenue Growth (%)	$\frac{\text{(Period under review's Total Revenue - previous period's Total Revenue)}}{\text{previous period's Total Revenue}} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI
3 Revenue Growth (%) - Excluding capital grants	$\frac{\text{(Period under review's Total Revenue Excluding capital grants - previous period's Total Revenue excluding capital grants)}}{\text{previous period's Total Revenue excluding capital grants}} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI

D. Expenditure Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Creditors Payment Period (Trade Creditors)	$\frac{\text{Trade Creditors Outstanding} / \text{Credit Purchases (Operating and Capital)} \times 365}{\text{Capital}} \times 365$	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days
2 Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	$\frac{\text{(Irregular, Fruitless and Wasteful and Unauthorised Expenditure)}}{\text{Total Operating Expenditure}} \times 100$	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%
3 Remuneration as % of Total Operating Expenditure	$\frac{\text{Remuneration (Employee Related Costs and Councillors' Remuneration)}}{\text{Total Operating Expenditure}} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%
4 Contracted Services % of Total Operating Expenditure	$\frac{\text{Contracted Services}}{\text{Total Operating Expenditure}} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%

E. Grant Dependency

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	$\frac{\text{Own funded Capital Expenditure (Internally generated funds + Borrowings)}}{\text{Total Capital Expenditure}} \times 100$	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None
2 Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	$\frac{\text{Own funded Capital Expenditure (Internally Generated Funds)}}{\text{Total Capital Expenditure}} \times 100$	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None
3 Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	$\frac{\text{Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services)}}{\text{Total Operating Revenue}} \times 100$	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None

3. BUDGET IMPLEMENTATION

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Capital Expenditure Budget Implementation Indicator	$\text{Actual capital Expenditure} / \text{Budget Capital Expenditure} \times 100$	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%
2 Operating Expenditure Budget Implementation Indicator	$\text{Actual Operating Expenditure} / \text{Budgeted Operating Expenditure} \times 100$	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
3 Operating Revenue Budget Implementation Indicator	$\text{Actual Operating Revenue} / \text{Budget Operating Revenue} \times 100$	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
4 Service Charges and Property Rates Revenue Budget Implementation Indicator	$\text{Actual Service Charges and Property Rates Revenue} / \text{Budget Service Charges and Property Rates Revenue} \times 100$	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%



NATIONAL TREASURY
MFMA Circular No 71
Municipal Finance Management Act No. 56 of 2003

Annexure 2
Interpretation of results

- The green colour indicates that the result is within the norm set in acceptable.
- The red colour indicates that the result is not acceptable and corrective actions should be put in place to improve the results.
- Blue should be reported in the Data column cell to calculate a ratio.
- In instances where a result is not within the acceptable norm, corrective actions should be taken and reflected.

Template for Calculation of Uniform Financial Ratios and Norms

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	10% - 20%	Total Operating Expenditure Taxation Expense Total Capital Expenditure	97.5% 964 529 285 103 914 091	Please refer to page 2 of MFMA Circular No. 71	Maximum capital accommodated according to resources
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment / Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	0%	PPE, Investment Property and Intangible Impairment PPE at carrying value Investment at carrying value Intangible Assets at carrying value	0% 3 122 146 945 164 500 500 5 368 442	Please refer to page 3 of MFMA Circular No. 71	
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying value) x 100	8%	Total Repairs and Maintenance Expenditure PPE at carrying value Investment Property at Carrying value	4% 121 077 256 3 122 146 945 164 500 500	Please refer to page 4 of MFMA Circular No. 71	Repairs & maintenance comprises 12.4% of total expenditure. Asset value was enhanced with the introduction of GRAP i.r.o. Depreciated Replacement Cost.
B. Debtors Management							
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off) / Billed Revenue x 100	95%	Gross Debtors closing balance Gross Debtors opening balance Bad debts written Off Billed Revenue	100% 67 774 367 69 091 265 500 000 729 514 703	Please refer to page 5 of MFMA Circular No. 71	
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off / Provision for Bad debts x 100	100%	Consumer Debtors Bad debts written off	100% 500 000	Please refer to page 5 of MFMA Circular No. 71	

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
		Notes to the AFS, Budget and AR		Consumer Debtors Current bad debt Provision	500 000		
3	Net Debtors Days $\frac{((\text{Gross Debtors} - \text{Bad debt Provision}) / \text{Actual Billed Revenue}) \times 365}{\text{Revenue}}$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	Gross debtors Bad debts Provision Billed Revenue	26 days 67 774 367 16 000 000 729 514 703	Please refer to page 6 of MFMA Circular No. 71	
C. Liquidity Management							
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants) $\frac{((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment}) / \text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}}{\text{Monthly Fixed Operational Expenditure}}$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, in year Reports and AR	1 - 3 Months	Cash and cash equivalents Unspent Conditional Grants Overdraft Short Term Investments Total Annual Operational Expenditure	1 Month 97 546 579	Please refer to page 7 of MFMA Circular No. 71	
2	Current Ratio $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	Current Assets Current Liabilities	1.3 207 929 381 174 459 111	Please refer to page 7 of MFMA Circular No. 71	The current ratio has floated in the range between 1 and 1.5 for approx. 5 years. Additional cash generation vs affordability by the consumers is being considered
D. Liability Management							
1	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure $\frac{\text{Capital Cost (Interest Paid and Redemption)} / \text{Total Operating Expenditure} \times 100}{\text{Total Operating Expenditure}}$	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%	Interest Paid Redemption Total Operating Expenditure Taxation Expense	7% 46 894 846 23 935 655 964 529 285	Please refer to page 8 of MFMA Circular No. 71	
2	Debt (Total Borrowings) / Revenue $\frac{(\text{Overdraft} + \text{Current Finance Lease Obligation} + \text{Non current Finance Lease Obligation} + \text{Short Term Borrowings} + \text{Long term borrowing}) / (\text{Total Operating Revenue} - \text{Operational Conditional Grants}) \times 100}{\text{Total Operating Revenue} - \text{Operational Conditional Grants}}$	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%	Total Debt Total Operating Revenue Operational Conditional Grants	51% 444 111 706 895 035 198 25 726 396	Please refer to page 9 of MFMA Circular No. 71	Ever aware of the high gearing. Due to much needed infrastructure investment over the past decade. Policy in place to lower the gearing by 10% over a period of ten years
E. Sustainability							
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus) $\frac{(\text{Cash and Cash Equivalents} - \text{Bank overdraft} + \text{Short Term Investment} + \text{Long Term Investment} - \text{Unspent grants}) / (\text{Net Assets} - \text{Accumulated Surplus} - \text{Non Controlling Interest Share Premium} - \text{Share Capital} - \text{Fair Value Adjustment} - \text{Revaluation Reserve}) \times 100}{\text{Net Assets} - \text{Accumulated Surplus}}$	Statement Financial Position, Budget and AR	100%	Cash and cash Equivalents Bank Overdraft Short Term Investment Long Term Investment Unspent Grants Net Assets Share Premium Share Capital Revaluation Reserve Fair Value Adjustment Reserve Accumulated Surplus	4778% 97 546 579	Please refer to page 9 of MFMA Circular No. 71	
2. FINANCIAL PERFORMANCE							
A. Efficiency							

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
1	Net Operating Surplus Margin (Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	Total Operating Revenue Depreciation - Revalued Portion <i>(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)</i> Total Operating Expenditure Taxation Expense	#DIV/0!	Please refer to page 10 of MFMA Circular No. 71	N/A - With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life. Due to enhanced depreciation this indicator is not a true reflection. Based on the criteria, this indicator would be - 8%.
2	Net Surplus /Deficit Electricity Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%	Total Electricity Revenue Total Electricity Expenditure	11% 338 360 730 301 229 532	Please refer to page 10 of MFMA Circular No. 71	Includes secondary costs (Overheads)
3	Net Surplus /Deficit Water Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	Total Water Revenue Total Water Expenditure	8% 102 644 773 94 817 407	Please refer to page 11 of MFMA Circular No. 71	Includes secondary costs (Overheads)
4	Net Surplus /Deficit Refuse Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	Total Refuse Revenue Total Refuse Expenditure	5% 59 544 160 62 809 547	Please refer to page 12 of MFMA Circular No. 71	Includes secondary costs (Overheads)
5	Net Surplus /Deficit Sanitation and Waste Water Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%	Total Sanitation and Waste Water Revenue Total Sanitation and Waste Water Expenditure	4% 66 925 990 64 225 056	Please refer to page 12 of MFMA Circular No. 71	Includes secondary costs (Overheads)
B. Distribution Losses							
1	Electricity Distribution Losses (Percentage) (Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated Number of units sold	6% 229 700 000 216 033 000	Please refer to page 13 of MFMA Circular No. 71	SA8
2	Water Distribution Losses (Percentage) (Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%	Number of kilolitres purchased and/or purified Number of kilolitres sold	20% 7 196 903 5 743 727	Please refer to page 13 of MFMA Circular No. 71	
C. Revenue Management							
1	Growth in Number of Active Consumer Accounts (Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts) / previous number of Active Debtor Accounts x 100	Debtors System	None	Number of Active Debtors Accounts (Previous) Number of Active Debtors Accounts (Current)	2% 44 116 45 128	Please refer to page 14 of MFMA Circular No. 71	
2	Revenue Growth (%) (Period under review's Total Revenue - previous period's Total Revenue) / previous period's Total Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI	CPI Total Revenue (Previous) Total Revenue (Current)	11% 5% 867 899 658 959 388 802	Please refer to page 15 of MFMA Circular No. 71	
	Revenue Growth (%) - Excluding capital grants, previous period's Total Revenue	Statement of Financial Performance,		CPI	12% 5%	Please refer to page 15 of	

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
3	$\frac{\text{Revenue from grants excluding capital grants} / \text{previous period's Total Revenue excluding capital grants}}{\text{Revenue excluding capital grants}} \times 100$	Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI	Total Revenue Excl.Capital (Previous) Total Revenue Excl.Capital (Current)	810 350 925 908 211 148	MFMA Circular No. 71	

D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	30 days	Trade Creditors Contracted Services Repairs and Maintenance General expenses Bulk Purchases Capital Credit Purchases (Capital) Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment	24 days 32 184 383 90 127 712 75 902 358 31 853 720 193 573 082 103 914 091	Please refer to page 16 of MFMA Circular No.71	

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure Total Operating Expenditure Taxation Expense	#DIV/0!	Please refer to page 16 of MFMA Circular No. 71	N/A

3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councilors' Remuneration) / Total Operating Expenditure x100	25% - 40%	Employee/personnel related cost Councilors Remuneration Total Operating Expenditure Taxation Expense	31% 291 593 222 8 674 498 964 529 285	Please refer to page 17 of MFMA Circular No. 71	

4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	2% - 5%	Contracted Services Total Operating Expenditure Taxation Expense	125 321 575 964 529 285	Please refer to page 17 of MFMA Circular No. 71	Cost analysis conducted to deliver cost effective service

E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	None	Internally generated funds Borrowings Total Capital Expenditure	38% 6 753 374 32 345 596 103 914 091	Please refer to page 18 of MFMA Circular No. 71	

2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	None	Internally generated funds Total Capital Expenditure	6% 6 753 374 103 914 091	Please refer to page 18 of MFMA Circular No. 71	

3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	None	Total Revenue Government grant and subsidies Public contributions and Donations Capital Grants	97% 895 035 198 90 324 396 64 353 604	Please refer to page 18 of MFMA Circular No. 71	

ANNEXURE I

COMMENTS ON THE DRAFT BUDGET

COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
1	Individual	Anton Kruger Hermanus	01-Apr-15					OBJECTION AGAINST PAYMENT OF PARKING FEES AT GROTTO BEACH
<p>The following recommendation will serve before the council on 28 May 2015: Tariff Codes: S32A – S32E Parking Fee Beaches: Grotto & Kleinmond • Scrap Tariff Codes S32A – S32E</p>								
2	Individu	Mev. S Hamman	08-Apr-15	RECONSIDERING OF WATER TARIFFS FOR SCALE BETWEEN THE 8 kl & 18kl				
<ul style="list-style-type: none"> • Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion; • Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and • Water tariffs are designed to encourage efficient and sustainable consumption. <p>In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.</p> <p>Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. The 6 kℓ free water per 30-day period has since 2014 only been granted to registered indigents. The second level of phasing in the increases in the 0 – 6 kℓ category as implemented during 2013/14, to recover minimum cost of the production of water, further postponed in 2014/15, has now been implemented. This is the reason for the higher than 6% increase in this category of the tariffs.</p>								
3	Kleinmond Belastingbetalersvereniging	Jan van Staden	08-Apr-15					REQUEST THAT THE APPLICATION FOR ENCROACHMENT BE FREE OF CHARGE DUE TO PROPERTIES TOO SMALL
<p>The following recommendation will serve before the council on 28 May 2015: Tariff Codes: S72K2A & S72K2B Application for Departure (Building Lines) • No increase</p>								
4	Individual	Alan Morrison	09-Apr-15	GENERAL ELECTRICITY TARIFFS				
<ul style="list-style-type: none"> • The electricity distribution losses have been managed downwards from 8.3 per cent in the 2010/2011 financial year to 5.9 per cent over the MTREF. This includes measureable technical losses, which amounts to 5 percent as at 30 Junw 2014. The non-technical losses are thus less than 1 percent. <p>The initiatives to ensure these targets are achieved include managing illegal connections, regular meter audits and managing theft of electricity by rolling out smart metering systems, including prepaid meters. It should be noted that technical losses range between 3 – 5 per cent over the Overstrand area. When taking this into consideration it is evident that distribution losses are well managed.</p>								
5	Individual	Lina Steenkamp Klipfonteyn 2, Gansbaai	13-Apr-15	15% INCREASE IN WATER UNACCEPTABLE & REQUEST THAT 5kl FREE WATER SHOULD BE RE-INSTATED TO PENSIONERS AND THE POOR				REQUEST TARRING OF ROADS FOR FUTURE BUDGETS, ESPECIALLY IN FRANSKRAAL
6	Individual	Stefanie De Waal Klipfonteyn 2, Gansbaai	13-Apr-15					
7	Individual	Bernard Olivier Franskraal	13-Apr-15					

COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
	<p>The figures reflected in Table 11 (Household Bills) on page 15 of the draft budget report which indicated that the water consumption would increase by 15% were incorrect. This has been corrected in the final budget report. The correct figure is 6,35%.</p> <ul style="list-style-type: none"> • Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion; • Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and • Water tariffs are designed to encourage efficient and sustainable consumption. <p>In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.</p> <p>Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.</p> <p>The 6 kℓ free water per 30-day period has since 2014 only been granted to registered indigents. The second level of phasing in the increases in the 0 – 6 kℓ category as implemented during 2013/14, to recover minimum cost of the production of water, further postponed in 2014/15, has now been implemented. This is the reason for the higher than 6% increase in this category of the tariffs.</p> <p>The following request for tarring of Roads is included in the Draft IDP Review 2015/16:</p> <p>Gansbaai Mkhane/Ekraal Ward 1 – Tarring of roads R5.000.000</p>							
8	Hermanus Ratepayers Association	Bob Stanway	15-Apr-15					OBJECTION AGAINST PAYMENT OF PARKING FEES AT GROTTTO BEACH
<p>The following recommendation will serve before the council on 28 May 2015: Fee Beaches: Grotto & Kleinmond • Scrap Tariff Codes S32A – S32E</p>								
9	Individu	Tommy Snijsbe Kleinmond	17-Apr-15					Tariff Codes: S32A – S32E Parking CRITISISES ENTIRE BUDGET

COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/ LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
	<p>1. A full explanation of the accounting deficit has been provided in every budget report over the past number of years, as with this budget again: it should be noted that although the 2015/2016 operational budget and indicative years indicate budgeted deficits, this does not reflect the actual cash position. These circumstances arose as the result of the implementation of GRAP, with special reference to GRAP 17 (Property, Plant and Equipment-PPE). The asset value before depreciation is in excess of R6,1 billion, which relates to substantially high depreciation charges. Although accurately reflecting asset value, the cost of a substantial portion of these assets had been fully redeemed previously, but the useful life of assets were extended as well as ever increasing assets funded by grants. The replacement thereof can thus not be recouped via current tariffs as this would lead to taxation in advance of need and no reserves may be established for these purposes. The principle of recovering actual cash costs during each financial period is adhered to.</p> <p>2. The outcome of the LG MTEC 3 FINAL ASSESSMENT REPORT BUDGET & IDP ANALYSIS provides a factual confirmation by the Western Cape Provincial Government (Provincial Treasury) of the healthy status of Overstrand Municipality, in interpreting relevant legislation and financial discipline:</p> <p>Findings:</p> <p>Table 11 Budget Assumptions</p> <p>No. Description of the Budget Assumptions</p> <p>1. The forecasted CPIX is estimated at 4.8 per cent for 2015/16, 5.9 per cent for 2016/17 and 5.6 per cent for the 2017/18 financial years.</p> <p>2 The 2015/16 budget was prepared on a projected revenue collection rate of 99.5 per cent annually.</p> <p>3 The following principles and tariff increases, based on the cost reflectiveness of the tariffs are proposed:</p> <ul style="list-style-type: none"> - Property Rates = 7%. - Electricity = basic charge increases by 6% and consumption by 12.2%.(with a free 50 kWh per month to indigent households only, to be financed from the Equitable share). - Water = Basic charge increase by 6% and consumption 15% (with 6 kilolitres plus the basic levy for water free of charge to indigent households). - Refuse = 6%; Sewerage = 6%. <p>4. Costs of free basic services are covered by the Equitable Share provided by National Government. Any costs over and above the allocation must be paid by the consumer.</p> <p>5. Cost containment measures were provided for in the budget.</p> <p>6. Employment related costs for the entire MTREF period were budgeted at an annual increase of 6.1% (inclusive of annual notch increases). The bargaining council is currently in negotiation on salary increases for 2015/2016.</p> <p>7. The municipality projected to achieve performance of 99% on the operational expenditure and 95% for capital expenditure.</p> <p>8. Bulk electricity purchases are projected to increase by 14.2% in 2015/16.</p> <p>9. Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate, household growth rate and the poor household change rate.</p> <p>Findings:</p> <p>The overall budget assumptions are credible and reasonable. It is noted for the 2014/15 financial period that the adjusted collection rate is 99.6 per cent. The municipality is commended for its efficient revenue management strategies.</p>						
10	Individual	Leon Papenfus Vermont	20-Apr-15			OBJECT TO THE SALARY INCREASES, RELATED TO LABOUR DEMANDS	
<p>In terms of a national agreement between SALGA and the trade unions, all employees, excluding the municipal manager and the directors, receive nationally negotiated salary increases. As part of the Municipality's cost reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. A total of twenty three posts were abolished from the organisational structure. The Protection Services directorate has been restructured whereby a shift system has been introduced resulting in substantial savings on overtime and standby allowances. The outsourcing of the water and waste water treatment plants, in respect of operational efficiencies, are currently being considered.</p>							
11	Individual	Daan Oosthuizen Erf 999, De Kelders Gansbaai	21-Apr-15				OBJECTION AGAINST INCREASE IN VARIOUS TARIFFS, ALSO WITH REFERENCE TO RELEVANT NATIONAL TREASURY CIRCULARS

COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	OTHER (SPECIFIED)	
		<p>The various comments received are viewed as constructive. We do not believe that our average rate increases are one of the highest in the country compared to those of other municipalities, in proportion to the level of services. Where we have compared our rates with 5 municipalities in the Western Cape during 2014, providing similar levels of services, our rates are in line with their rates. We believe that we have tightened our belts by cutting our costs for services to the bare minimum. A total of twenty three posts were abolished from the organisational structure. The Protection Services directorate has been restructured whereby a shift system has been introduced resulting in substantial savings on overtime and standby allowances. The outsourcing of the water and waste water treatment plants, in respect of operational efficiencies, are currently being considered.</p> <p>The outcome of the LG MTEC 3 FINAL ASSESSMENT REPORT BUDGET & IDP ANALYSIS provides a factual confirmation by the Western Cape Provincial Government (Provincial Treasury) of the healthy status of Overstrand Municipality, in interpreting relevant legislation and financial discipline:</p> <p>Findings:</p> <p>Table 11 Budget Assumptions</p> <p>No. Description of the Budget Assumptions</p> <p>1. The forecasted CPIX is estimated at 4.8 per cent for 2015/16, 5.9 per cent for 2016/17 and 5.6 per cent for the 2017/18 financial years.</p> <p>2 The 2015/16 budget was prepared on a projected revenue collection rate of 99.5 per cent annually.</p> <p>3 The following principles and tariff increases, based on the cost reflectiveness of the tariffs are proposed:</p> <ul style="list-style-type: none"> - Property Rates = 7%. - Electricity = basic charge increases by 6% and consumption by 12.2%. (with a free 50 kWh per month to indigent households only, to be financed from the Equitable share). - Water = Basic charge increase by 6% and consumption 15% (with 6 kilolitres plus the basic levy for water free of charge to indigent households). - Refuse = 6%; Sewerage = 6%. <p>4. Costs of free basic services are covered by the Equitable Share provided by National Government. Any costs over and above the allocation must be paid by the consumer.</p> <p>5. Cost containment measures were provided for in the budget.</p> <p>6. Employment related costs for the entire MTREF period were budgeted at an annual increase of 6.1% (inclusive of annual notch increases). The bargaining council is currently in negotiation on salary increases for 2015/2016.</p> <p>7. The municipality projected to achieve performance of 99% on the operational expenditure and 95% for capital expenditure.</p> <p>8. Bulk electricity purchases are projected to increase by 14.2% in 2015/16.</p> <p>9. Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate, household growth rate and the poor household</p>						
12	Franskraal Belastingbetalersvereniging	Theuns Roodman	23-Apr-15	CONCERNED ABOUT WATER ADJUSTMENT OF 11.5% FOR THE CATEGORY 0 - 6kl AND SEWERAGE TARIFFS	CONCERNED ABOUT SEWERAGE TARIFFS AND REQUEST FOR SEWERAGE PIPES IN WARD 1 & 2		COMBINED CONCERN REGARDING THE EXTENT & STANDARD OF INFRASTRUCTURE IN FRANSKRAAL & KLEINBAAL, THAT THE MUNICIPALITY IS NOT REPLACING EQUIPMENT FOR GRASS CUTTING AND OTHER SERVICES. ALSO CONCERNED ABOUT TARRING OF ROADS, STREETLIGHTS AND SIDEWALKS	
13	Kleinbaai Belastingbetalersvereniging	Johan Wiese	23-Apr-15					

COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
14	Individual	Terry McCarthy Hermanus	24-Apr-15				ENQUIRIES REGARDING SALARY INCREASE AND INCOMES.	REQUEST OUTCOME OF UNFUNDED AND UNDERFUNDED MANDATES. CONCERNED ABOUT SURPLUS AND REQUEST HOW IT WORKS.VARIOUS TECHNICAL ENQUIRIES TO UNDERSTAND BUDGET: COMMENT ON SCOA.

To ensure the long term sustainability of the municipal area and its sub-region, the efficient provision, operation and maintenance of infrastructure for basic services are crucial. In the municipal context, basic services are electricity, water, sanitation (sewage and solid waste) and roads (with associated storm water).

Effective Management, Operation and Maintenance of Municipal Infrastructure/Services

The Infrastructure Maintenance Management Policy of the Overstrand Municipality applies to the ongoing maintenance of infrastructure assets, excludes any capital renewal expenditure and includes:

Water & sanitation assets Roads, sidewalks, paths and transportation assets Solid waste assets Storm water assets Building assets Community facilities

Further objectives of the policy:

To ensure the proper maintenance of the infrastructure assets of the municipality as captured in the Asset Management Policy of Overstrand Municipality, and To benchmark the maintenance management approach of Overstrand Municipality in the relevant government guidelines.

Maintenance plans for the following services has been implemented:

- Reseal of roads
- Pothole repairs
- Storm water maintenance
- Mechanical, electrical and telemetry installations at –
- Water treatment plants
- Wastewater treatment plants
- Water-and wastewater pump stations
- Boreholes
- Reservoirs
- Parks
- Amenities (community facilities and sport fields)
- Water meters
- Cemeteries

An asset maintenance plan has been completed with the 2014 asset register (AR) used as the basis for the plan. The maintenance plans developed provide the municipality with a basis for establishing a planned maintenance approach for the municipality's full asset base.

Current maintenance plans will be reviewed in 2015/16 taking in consideration the availability of funding to maintain the assets.

Funding requirements for the maintenance needs are based on the guidelines of the National Infrastructure Maintenance Strategy (NIMS) which is based on a percentage of the value of the assets of the respective services.

COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
15	Fynbospark	Jurie Hamman	25-Apr-15				OBJECTION TO REFUSE POLICY AS PER 2015/16 Draft Budget	
<p>Services relevant to refuse removal, refuse dumps and solid waste disposal mechanisms must comply with stringent legislative requirements such as the National Environmental Management: Waste Act, No 59 of 2008.</p> <p>A tariff such as that for refuse removal is thus required to be adequate to cover collection, transport, disposal and ultimately the rehabilitation of waste disposal sites. Concomitant with the aforementioned, the Local Government: Municipal Systems Act, No 32 of 2000, provides that a Municipality's tariff policy must reflect at least that users of municipal services should be treated equitably in the application of tariffs and the amount individual users pay for services should generally be in proportion to their use of the service.</p> <p>The municipality thus had no other choice than to rectify, as from the 2013/14 financial year, its tariff structure for domestic refuse removal to adhere to the provisions of the legislation referred to above.</p>								
16	Individual	Lisel Krige	30-Apr-15					CONCERN RAISED REGARDING CAPITAL BUDGET, PRIORITISING, INFRASTRUCTURE IN THE AREA AND LACK OF PROPER STORM WATER SYSTEM.

ORGANISATION/ **LODGED BY:** **DATE** **WATER & ELEC** **SEWER** **REFUSE** **REMUNERATION** **OTHER (SPECIFIED)**

1. The assumptions regarding the surplus are correct. The one factor that drives the swing from 2014/15 to 2015/16 is the non-cash provision for the rehabilitation of tip sites in the 2014/15 amounting to R46,2m. Further cash flows that impact on the annual cash surplus relates to redemption on external loans, WSP projects on the capital budget, cash portion of post-retirement benefits etc.

2. The Executive Mayor utilises every opportunity to address unfunded mandates on numerous forums.

3. As part of the Municipality's cost reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. A total of twenty three posts were abolished from the organisational structure. The Protection Services directorate has been restructured whereby a shift system has been introduced resulting in substantial savings on overtime and standby allowances. The outsourcing of the water and waste water treatment plants, in respect of operational efficiencies, are currently being considered.

4. We do not foresee a restatement per line item as a result of SCOA. Most of the line items in Table A4 are comparable except for Other materials, Contracted Services and Other expenditure (Inventory, Contractors, Operational Costs), where major shifts occurred with the SCOA classification.

5. All remuneration increases have been provisionally budgeted at 6,1%, pending the outcome of salary negotiations and determinations. A 1% change would increase or decrease remuneration by approx. R2,9m.

6. The amounts for the outer years were inadvertently omitted in Table 17, but reflected in Table 26. The revenue cost refers to all social assistance provided, which would also include the provision of housing, the reason for the disparity in the amounts. The 'lost' revenue on services is recouped from the Equitable Share allocation from National Government.

7. Compliance measurements are monitored on a monthly basis. These are also reported monthly in the Monthly Budget Report which is placed on the website.

8. The significant variance relates to expenditure on top structures from the Housing Grant. These variances would occur depending on the timing of the building of top structures. The infrastructure services portion for housing would be reflected in the capital budget expenditure.

9. The fines estimate is based on information collected during 2013/2014. The introduction of IGRAP1 brought about this change in estimate. All possible fines issued, where by local or provincial authorities are considered. The estimated no-collection is indicated as impairment. This methodology will be reviewed after the finalisation of the AFS for 30 June 2015.

COMMENTS ON DRAFT 2015/2016 BUDGET

#	ORGANISATION/	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	REMUNERATION	OTHER (SPECIFIED)
	<p>To ensure the long term sustainability of the municipal area and its sub-region, the efficient provision, operation and maintenance of infrastructure for basic services are crucial. In the municipal context, basic services are electricity, water, sanitation (sewerage and solid waste) and roads (with associated storm water).</p> <p>The master plans for each basic infrastructure service was reviewed and realigned to support the GMS.</p> <p>The Water Services Development Plan (WSDP) 2014/15 is attached as Annexure 1 to the IDP Document as published on the website. The next WSDP review will be for 2016/17.</p> <p>The Overstrand Municipality has two distinct structures through which formalised public participation with its communities takes place i.e.</p> <ul style="list-style-type: none"> - Its Ward Committees as well as - The Overstrand Municipal Advisory Forum (OMAF) <p>The Ward Committees are chaired by the respective elected ward councillors and meet on a scheduled monthly basis. Quarterly meetings are advertised on bill boards, media and with loudhailers in certain areas to enhance participation by the broader communities.</p> <p>Ward Committees are responsible for the identification and communication of needs within their local wards as specified in the municipal council's budget process. These —need assessment sessions are held annually with the ward committees between September – January. The costing for the highest prioritised needs/ projects is also done for budgeting purposes. Ward committees are furthermore involved in a consultation process regarding the draft municipal budget.</p> <p>Ward committee consultation sessions: During September/ October 2013 IDP consultation sessions were held with the thirteen (13) ward committees and broader stakeholders (service organisations) to gather information on the “community needs” per ward. The information on community needs was classified as either core municipal functions of Overstrand municipality or a National/ Provincial competence.</p>							

CFO - Fwd: FW: Objection to payment at Grotto

From: Dudley Coetzee
To: CFO
Date: 30-Apr-15 10:44 AM
Subject: Fwd: FW: Objection to payment at Grotto

>>> "Kari Brice" <karibrice@hermanus.co.za> 2015/04/29 01:57 PM >>>

From: Anton Kruger [antonsurfer@gmail.com]
Sent: 29 April 2015 09:24 AM
To: Ratepayers Hermanus; Karl Brice
Subject: Objection to payment at Grotto

I would hereby like to object once again, as I did 3 years ago, to payment at Grotto by Hermanus Locals for the following reasons:

1. A proper Public Participation Process was never followed before Grotto was declared a Blue Flag Beach and a levy was raised for the first time 3 years ago. According to Don Curney the levy was simply hidden between all the others in the budget proposal. This is not at all sufficient and seems like an attempt to slip it in unnoticed by the municipality. This whole process should be reviewed.
2. There is no levy Hawston, which is also a Blue Flag Beach.
3. The rest of Hermanus is also overcrowded during December but you don't have to pay a levy to get in there. It is therefore unfair to charge a levy to get in at Grotto.
4. This whole business is alienating the Municipality from its ratepayers.
5. The ratepayers have already paid for the huge initial cost of construction at the blue flag beach, why should they have to pay to use it as well?
6. According to Don Curney people are passing on the passes between each other. How is this possible when the Car Registration number appears on the pass?
7. Also, according to Don Curney, people are swearing at the levy collectors. This should also be a good indication of the general public feeling about the levies!
8. I have also submitted a petition against the payment at Grotto. I would like to point out that every single person I approached said it was nonsense that they had to pay to go to their own beach.

Therefore please stop this nonsense now.

Anton Kruger

Geelhoutlaan 16

Kleinmond.

8 April 2015

Aan: Finansiële Direkteur

Overstrand Munisipaliteit

Hermanus.

Geagte Heer/ Dame,

Na aanleiding van bespreking is. konsepbegroting van 4 deser, die volgende:

Daar is weer beklemtoon dat insette van belastingbetalers van belang is MAAR, dit is geensins die geval nie, wat deur die raad besluit is, is finaal.

Die afgelope drie jaar lewer ek die dieselfde inset, nl. dat die skale waarteen die water tariewe bereken word hersien moet word, maar sonder enige sukses.

Ek het weereens Dinsdagaand [4 April] die voorstel ingedien dat nog een skaal tussen 8 kl en 18kl ingevoeg word. Meneer Dudley Coetzee het verduidelik hoekom en waarom die skale so moet bly, toe ek hom meedeel dat sy redenasie nie vir my bevredig nie, kry ek sarkastiese teenvraag, of ek weet wat een kl water die munisipaliteit kos, ek vra nie verlagings van tariewe, net nog een skaal wat dit vir ons wat min water gebruik 'n bietjie minder sal kos.

Op my vraag of 70% van water verbruik in somer maande vir riool geboek regverdig is daar groot deel van die water vir tuine gebruik word en glad nie in die rioolstelsel beland nie, weer sarkastiese antwoord, "wees bly dis nie 100% nie'.

Ek is nie 'n kind nie en met my verstand skort ook niks.

Ek hoop dat wie ookal vir vasstelling van die water tarief verantwoordelik is hierdie eenkeer die storie van belastingbetalers se insette in aanmerking sal neem en die woord van die Burgemeester gestand sal doen.

Die uwe,

S. Hamman.



Coenie Groenewald - BEGROTINGS VOORSTELLE

From: "Jan Willem van Staden" <staden@kingsley.co.za>
To: <cgroenewald@overstrand.gov.za>
Date: 08/04/2015 03:00 PM
Subject: BEGROTINGS VOORSTELLE
Attachments: 2015afslagopoorskreiding.pdf; Minutes ward 9 - 16 October 2014.pdf; Minutes ward 9 - 13 November 2014 (1).pdf

Geagte Mnr Groenewald,

Hieraan geheg is voorstelle tov die nuwe begroting.

Vriendelike groete,

J.W. van Staden



**KLEINMOND BELASTINGBETALERSVERENIGING
KLEINMOND RATEPAYERS ASSOCIATION**

Posbus 134, Kleinmond, 7195.
Voorsitter: Jan Willem van Staden. 028 271 4281 / 082 887 6466
Vonkpos: staden@kingsley.co.za
Sekretaris: Jannie Viljoen. 028 271 5958 / 084 589 7444
Vonkpos: jannie100@gmail.com

VOORKEUR KORRESPONDENSIE WYSE is 'n Skrywe na BEIDE bostaande Epos-adresse.

Die Munisipale Bestuurder
Overstrand Munisipaliteit
HERMANUS

8 April 2015

Geagte Mnr Groenewald,

KONSEP BEGROTING 2015/16

Die problematiek ten opsigte van die oorskryding van boulyne is die volgende:

1. Die meeste erwe in Kleinmond is betreklik klein – 595 vk meter. Weens die klein erwe het die meeste huiseienaars tot op die bestaande boulyne gebou.
2. Die boulyne langs en agter op die erwe was 1,5m.
3. Nadat die standaard verlede jaar in die Overstrand Munisipale gebied na 2m vergroot is, beteken dit dat die oorgrootte meerderheid van die huise nou tegnies oor die boulyne gebou is.
4. Wanneer 'n eienaar nou enige verandering aan sy geboue wil aanbring (in elke geval, wat die indien van planne noodsaak) oorskry hy/sy die huidige boulyne en moet daar aansoek gedoen word vir die oorskryding.
5. Aansoeke vir oorskreiding is nie verniet nie (Item S72K2B – R2178)
6. Ons versoek is dat die goedkeuring vir oorskreiding amper outomaties (gratis) aan die aansoeker toegeken moet word. Om aansoek te doen vir oorskreiding kos geld, beide ten opsigte van OM kostes en baie eienaars kry kundige persone om dit namens hulle te hanteer, wat ook uitgewas meebring.
7. Aanbouings het bepaalde voordele vir die OM in die opsig dat dit eiendoms waarde verhoog, werk skep en slegs 'n geringe las op die verskaffing van dienste plaas.
8. Eienaars wat veranderinge aan hulle eiendomme oorweeg sal positief beïnvloed word indien hierdie vergunning gemaak kan word. Die moontlike verlies aan inkomste vir die OM word meer as vergoed deur faktore wat in paragraaf 7 genoem is.

U gunstige oorweging van hierdie voorstel sal hoog op prys gestel word.

Die uwe

JW VAN STADEN Voorsitter,

VOORKEUR KORRESPONDENSIE WYSE in 'n skrywe (PDF-Lêer) na BEIDE
staden@kingsley.co.za en jannie100@gmail.com

370
HANGKLIP- KLEINMOND ADMINISTRATION
WARD 9

MINUTES OF THE PUBLIC WARD COMMITTEE MEETING HELD ON
THURSDAY, 16 OCTOBER 2014 AT 16:00 IN THE LIBRARY HALL, KLEINMOND

Present:	Cllr P Appelgrein	(Chairperson)
Members:	Mr G Fredericks	(Kleinmond Tourism Bureau)
	Mr EJ Watson	(Individual)
	Mr AM Drenth	(Individual)
	Mr JW van Staden	(Kleinmond Ratepayers' Association)
	Mr JJ De Clerk	(Individual)
	Mrs HS Bruwer	(Individual)
	Mrs H Apollis	(Mthimkhulu Village)
	Mrs A Mason	(Kleinmond Nature Conservation Association)
	Mr J Burger	(Kleinmond Skietklub)
Municipal Officials:	Mr D Lakey	(Senior Manager: Kleinmond Administration)
	Mr D van Rhodie	(Senior Manager: Operational Services)
	Mrs S Antonie	(Committee Official)
	Mr R Kuchar	(Manager: Town Planning)
Members of the public:	3 Residents of Kleinmond	
Apology:	Mr R Crowther	(Gemeenskapspolisie Forum)

1. VERWELKOMING / WELCOME

Rdl Appelgrein verwelkom almal hartlik teenwoordig by die vergadering. Hy reik 'n spesiale woord van verwelkoming uit aan Mnr R Kuchar, Bestuurder van die Stadsbeplanningsafdeling.

2. STADSBEPLANNINGSAANGELEENTHEDE – MNR R KUCHAR

Geleentheid word aan Mnr R Kuchar gebied om die vergadering oor verskeie stadsbeplanningsaangeleenthede in te lig.

Mnr Kuchar deel mee dat met die amalgamasie van die verskillende munisipaliteite in die jaar 2000, die Raad besluit het om gedentraliseerde kantore daar te stel. Elke dorp, Hermanus, Kleinmond en Gansbaai het 'n stadsbeplanningsafdeling gehad. 'n Versoek is onlangs deur die Raad aan alle direktorate gerig om te kyk hoe kostes bespaar kan word sonder om die kwaliteit

van werk en dienslewering in te kort. Die stadsbeplanningsafdeling het toe besluit om te sentraliseer, omrede addisionele kantore vir gedentraliseerde kantore gehuur moes word, en Klerk poste en Administratiewe personeel gedupliseer is. In terme van mannekrag kon met sentralisering 'n Senior Administratiewe pos en Stadsbeplanner pos afgeskaf word wat 'n besparing teweeg gebring het, en mannekrag kan nou geoptimaliseer word.

Hy deel verder mee dat nuwe beplanningswetgewing uitgevaardig is deur die Nasionale Departement van Landelike Ontwikkeling en Nedersetting, en dat dit nog nie in werking gestel is nie. Die wetgewing verander die hele proses waarvolgens die munisipaliteit beplannings en beplanningsaansoeke in die toekoms sal moet goedkeur. In terme van stadsbeplanning sal alle stadsbeplanningsaansoeke deur die munisipaliteit hanteer moet word, en geen besluite sal in die toekoms meer na Provinsiale of Nasionale owerhede verwys word nie. Hy verduidelik breedvoerig die drie vlakke van besluitneming wat in terme van die nuwe wetgewing ingestel sal word, en kostes wat aan die munisipaliteit toegewys sal word.

Mnr Kuchar deel verder mee dat 'n Senior Stadsbeplanner elke tweede Vrydag Kleinmond besoek, en dat afsprake vir daardie dae gereël kan word. Indien daar in die tussentyd dringende aangeleenthede opduik, kan afsprake gereël word. Aansoeke word nog steeds plaaslik ingedien, maar dit sal in Hermanus geprosesseer word. Alle aansoeke word geadverteer en by die betrokke administrasie beskikbaar gestel. Enige ander versoeke kan met Mnr Lakey opgeneem word.

Die vergadering word verder oor ander stadsbeplanningsaspekte ingelig, die "Spatial Development Framework", Verdigtingstrategie, "Environmental Framework" en ook die Erfenis register wat opgestel is. Die nuwe Geïntegreerde Skemaregulasies vir Overstrand Munisipaliteit het op 1 Januarie 2014 in werking getree, en Mnr Kuchar stel voor dat wykskomitee lede genoemde dokument bestudeer. In terme van die nuwe wetgewing moet binne vyf jaar na die inwerkingtreding van SPLUMA nuwe Skemaregulasies aanvaar word. 'n Tender is vir die opstel van Oorlegsones voorberei en Mnr Kuchar verduidelik breedvoerig wat dit behels. Dit word ook beoog om na die opstel van die Oorlegsones, sektorale planne vir die sakesentrums en verkeersvloei op te stel.

Melding word gemaak dat met die inwerkingtreding van die nuwe Skemaregulasies, die boulyne vanaf 2m na 1.5m verander het. Dit het tot gevolg dat alle erfeienaars, insluitend diegene wat jare gelede hul wonings opgerig het, nou aansoek om oorskryding moet doen wanneer hulle aanbouings wil doen. Dit bring ook addisionele kostes mee. Die algemene gevoel is dat 'n klousule in die Skemaregulasies ingevoeg moes gewees het wat magtiging vir oorskrydings aan bestaande geboue verleen.

Various aspects were discussed and enquiries were made regarding the "rezoning of land for the construction of cluster housing, extension of commercialisation beyond 7th street, the provision of commercial properties in the Western area, strip development, granting of commercial licence to home owners, etcetera".

Aanbeveling:

Dat oorweging daaraan geskenk word om voorsiening in die Skemaregulasies te maak sodat magtiging vir oorskryding aan bestaande geboue sonder addisionele vergoeding verleen kan word.

Verantwoordelike persoon: Rdl Appelgrein / D Lakey

3. VERSKONINGS / APOLOGIES

Kennis word geneem dat verskoning van Mnr R Crowther ontvang is.

4. BEKRAGTIGING VAN NOTULE

Item 3.1: Die notule van die Wykskomitee vergadering gehou op 11 September 2014 word goedgekeur.

4. SAKE VOORTSPRUITEND UIT DIE VORIGE NOTULES / MATTERS ARISING FROM THE PREVIOUS MINUTES**Item 4.4: Uitbreiding van Kleinmond Biblioteek**

Rdl Appelgrein deel mee dat hy die bouplanne vir die uitbreiding van Kleinmond Biblioteek aangevra het, maar dat hy dit nog nie ontvang het nie.

Kennis geneem.

5. VERSLAG VAN DIE WYKSRAADSLID / REPORT OF THE WARD COUNCILLOR**ITEM 5.1: SAKE DEUR DIE BURGEMEESTERSKOMITEE EN RAAD AFGEHANDEL / MATTERS RESOLVED BY THE MAYORAL COMMITTEE AND COUNCIL**

Rdl Appelgrein deel mee dat Rdl B Solomon en Rdl P Scholtz bedank het. Rdl R Smit is as Onder-Burgemeester aangestel en hy sal ook die Infrastruktuur en Beplanning Portefeulje behartig. Rdl M Opperman word vanaf Beskermingsdienste na Gemeenskapsdienste Portefeulje verskuif. Raadslid, D Coetzee sal die Finansies & Ekonomiese Ontwikkeling Portefeulje behartig, en Rdl Appelgrein sal Beskermingsdiense sowel as die Bestuursdiense portefeulje hanteer.

Rdl Appelgrein deel verder mee dat die Munisipaliteit huidiglik besig is met herstrukturering en dat 'n strategiese sessie gehou was waartydens sekere aspekte goedgekeur is, en sekere nie. Produktiwiteit Suid-Afrika is huidiglik besig om elke Direkoraat in Overstrand Munisipaliteit te ondersoek.

Dit word ook beoog om 'n skof stelsel vroeg in die nuwe jaar in werking te stel. Wetstoepassing sal dan 24 uur per dag plaasvind. Die implikasie is dat 60 nuwe poste geskep moet word wat deur EPWP gedryf sal word. Dit sal 'n besparing van R5, 2 miljoen teweeg bring.

**HANGKLIP- KLEINMOND ADMINISTRATION
WARD 9**

**MINUTES OF THE WARD COMMITTEE MEETING HELD ON
THURSDAY, 13 NOVEMBER 2014 AT 16:00 IN THE LIBRARY HALL, KLEINMOND**

Present - Councillors:	Clr P Appelgrein	(Chairperson)
Members:	Mr EJ Watson	(Individual)
	Mr AM Drenth	(Individual)
	Mr JW Van Staden	(Kleinmond Ratepayers' Association)
	Mr JJ De Clerk	(Individual)
	Mrs HS Bruwer	(Individual)
	Mrs H Apollis	(Mthimkhulu Village)
	Mrs A Mason	(Kleinmond Nature Conservation Association)
	Mr J Burger	(Kleinmond Skietklub)
Municipal Officials:	Mr D Lakey	(Senior Manager: Kleinmond Administration)
	Mr D van Rhodie	(Senior Manager: Operational Services)
	Mrs S Antonie	(Committee Official)
Members of the public:	4 Residents of Kleinmond	
Apology:	Mr R Crowther	(Gemeenskapspolisie Polisie Forum)
Absent:	Mr G Fredericks	(Kleinmond Tourism Bureau)

1. VERWELKOMING / WELCOME

Rdl Appelgrein verwelkom almal hartlik by die laaste vergadering van die jaar, en open die vergadering daarna met gebed.

2. VERSKONINGS / APOLOGIES

Verskoning is van Mnr R Crowther ontvang, omrede hy die algemene jaarvergadering van die Gemeenskapspolisie Forum gaan bywoon.

3. BEKRAGTIGING VAN NOTULE

Item 3.1: Notule van die vergadering gehou op 16 Oktober 2014

Die notule van die vergadering gehou op 16 Oktober 2014 word goedgekeur.

4. SAKE VOORTSPRUITEND UIT DIE VORIGE NOTULES / MATTERS ARISING FROM THE PREVIOUS MINUTES

Item 4.1: Betaling van tarief vir oorskryding van boulyne

Rdl Appelgrein deel mee dat hy die aanbeveling van die Wykskomitee dat voorsiening in die Skemaregulasies gemaak word om magtiging vir oorskryding aan bestaande geboue sonder addisionele vergoeding te verleen, aan die Portefeuljekomitee sal voorlê.

Verantwoordelike persoon: Rdl Appelgrein / D Lakey