SCHEDULE A

BUDGET AND SUPPORTING DOCUMENTATION

DRAFT BUDGET OF

OR TAMBO DISTRICT MUNICIPALITY

2024/2025 TO 2026/2027
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CM	District Municipality Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
mSCOA	Municipal Standard Chart of Accounts
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National ElectriDistrict Municipality Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Foreword by the Executive Mayor

1.2 Council Resolutions

On 27 March 2024 the Council of OR Tambo District Municipality met to consider the budget which the Executive Mayor tabled for the Draft budget year 2024/2025 for noting and for public participation. The Mayor tabled the budget with following resolutions:

The Executive Mayor recommends to Council that Council:

1.2.1 Notes the tabling of Consolidated Draft Budget for 2024/2025 and the two outer financial years 2025/2026 and 2026/2027 for the subsequent stakeholder public participation on the budget and stakeholder input thereafter. Summary as follows

The Executive Mayor recommends the council to note the 2024/2025 Draft budget related policies as follows :

- Budget Policy
- Adjustment budget management policy
- Cash Management and Investment Policy
- Credit Control and Debt Collection Policy
- Funding and Reserves Policy
- Indigent Policy
- Tariff Policy
- Unallocated Deposits Policy
- Virement Policy
- Asset Management Policy
- Supply Chain Management Policy
- Costing Policy
- Expenditure management Policy
- Loss control Policy

Furthermore the Executive Mayor recommends the council to note tabling of 2024/2025 consolidated draft budget and two outer years in terms of National Treasury tables A1 to A10 in accordance with section 24(1) to (2) of MFMA for further public participation of stakeholders as follows:

- Table A1 Consolidated Budget Summary
- Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)
- Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)
- Table A4 Consolidated Budgeted Financial Performance (revenue by source and expenditure by type)
- Table A5 Consolidated Budgeted Capital Expenditure by municipal vote and standard classification and associated funding by source

1.1.1. Table A6 Consolidated Budgeted Financial Position
1.1.2. Table A7 Consolidated Budgeted Cash Flows
1.1.3. Table A8 Consolidated Cash backed reserves and accumulated surplus reconciliation
1.1.4. Table A9 Consolidated Asset management
1.1.5. Table A10 Consolidated Basic service delivery measurement

1.3 Executive Summary

As the country has been engulfed by the load shedding crippling the economy, the municipality is in the midst and there are economic challenges that are faced by the citizens of the district resulting in decrease of the already small revenue base. The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the District Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The District Municipality as required by section 23, 24 and 25 of Municipal Systems act (act 32 of 2000) undertook a strategic planning session with a sole mandate of developmental oriented planning so as to have a Integrated Developmental plan with implementable strategies and prioritisation of projects in compliance with section 29 of Municipal Systems act (34 of 2000). Alignment of strategic objectives, priorities and budget was undertaken. The draft IDP has been tabled to the council and further consultations with community, IGR structures and other stakeholders have been undertaken.

The District Municipality will be embarking on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Firstly there is development and

implementation of by-laws, data cleansing project to ensure the accuracy of billing, billing of peri urban areas, full implementation of credit control and debt collection policy. National Treasury's MFMA Circular No. 51 and 54 and 58 and 59, 66, 67 and 70, 72, 74 and 75, 78, 86, 94, 126 and 128 were used to guide the compilation of the 2024/2025 MTREF.

The main challenges experienced during the compilation of the 2024/2025 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy resulting in low revenue collection due to loads shedding.
- Uncertainty on the political climate due to the state capture commission and the looming general elections.
- Previous unstable political climate within the municipality resulting in unfavourable reputational damage and lower cash reserves.
- Aging and poorly maintained water infrastructure;
- Location of the municipality resulting in subsidising 90per cent of rural households with water without return.
- Water and Sanitation infrastructure backlogs;
- Frequent rain falls resulting in disasters in some areas and drought resulting in water source significantly reducing and some dams running dry in other areas.
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Increase in demand of water in the bulk infrastructure projects undertaken within the district area by National/Provincial government and local municipalities which requires bulk amounts of water whilst there are no means by municipality to monitor and charge the consumption of that water by that (tarring of N2 and provincial roads and access roads).
- The increased cost of bulk water, which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Increase in ESKOM tariffs
- Increase in fuel prices;
- Wage increases for municipal staff that continue to exceed recommended norms and standards, as well as the need to fill critical vacancies;
- Implementation of National Minimum Wage for temporal employees
- Funding the renewal of assets through funding depreciation in the operating budget resulting in cutting down on other operating expenditure.
- Inadequate funding of repairs and maintenance of infrastructure due to lack of funds.
- High cost of delivery of Water to rural communities with no return.
- Implementation of mSCOA requirements in particular the integration of data strings with the entity.

The following budget principles and guidelines directly informed the compilation of the 2024/2025 MTREF with some reference to the SONA 2024:

- The 2023/2024 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were draft as the upper limits for the new baselines for the 2024/2025 annual budget;
- The government theme of **"speeding up the implementation of water projects"**
- Implementation of cost containing measures as per regulations and MFMA circular 82
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff increase of 4.9 percent for residential consumers ,4.9 percent for business and 4.9 percent for government. The tariff is not cost reflective due to the nature of the municipality (mostly rural and few are paying customers)
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- "Separation of Power" for the legislative arm where this has been introduced in 2014/2015 budget but not fully capacitated which will require more resources.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2024/2025 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2024/2025 MTREF

Description	Current Year 2023/24		2024/2025Medium Term Revenue & Expenditure Framework		
R thousands	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Total Revenue (excluding capital transfers and contributions)	1,813,181	1,821,849	1,792,108	1,881,407	1,977,315
Total Expenditure	1,681,510	1,684,615	1,646,924	1,705,372	1,779,613
Surplus/(Deficit)	**131,671**	**137,234**	**145,184**	**176,035**	**197,701**
Transfers recognised - capital	1,190,909	1,111,611	1,326,964	1,357,145	1,494,026
Contributions recognised - capital & contributed assets	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**1,322,579**	**1,248,844**	**1,472,148**	**1,533,180**	**1,691,727**

Operating revenue has decreased by 2per cent or R29.7 million for the 2024/2025 financial year when compared to the 2023/2024 Adjustments Budget this is mainly due to decrease in grants and own revenue.

Total operating expenditure for the 2024/2025 financial year has been appropriated at R1.6 billion and translates into a R145.1 million surplus. When compared to the 2023/2024 Adjustments Budget, operational expenditure has decreased by 2 per cent for 2025 and increased by 4 percent in 2026 and increased by 4 percent in 2027 each respective outer years of the MTREF. The depreciation has been funded and will enable the municipality to set aside funds that will assist in the renewal of infrastructure assets when the need arises in the years to come. The reserves identified to fund depreciation of R173.2 million for 2024/2025.

The capital budget of R1.3 billion for 2024/2025 is 22 per cent more when compared to the 2023/2024 Adjustment Budget. This increase is due to the fact that the municipality had adjusted

downwards its capital expenditure by a net R79.2 million during the adjustment budget of 2324 because of reduction in grant by the National Treasury. The municipality is still grant dependant as the conditional grants amounts to 96 per cent of the total capital budget with only 4 per cent as the own internal funding for the assets. The total allocation for MIG for 2024/2025 is R727.5 million from R713.6 million in 2023/2024 and is divided into water projects and sanitation projects. Since the sanitation projects are mainly made up of construction of VIP toilets, this does not meet the requirements of an asset as per GRAP. Previously the municipality resolved on recognising the sanitation portion as operating and only the water projects were recognised as capital. Upon introduction of circular 58, this practice has ceased and the whole MIG allocation is recognised as capital.

Items classified as asset renewal are as follows: replacement of pipes, replacement of water meters, refurbishment of boreholes, and refurbishment of water pumps. These form part of capital expenditure as they replace components of infrastructure assets. There were strides to increase the asset renewal by reducing the other operating expenditure items as recommended by National Treasury to increase the Asset Renewal.

Operating Revenue Framework

For O.R. Tambo District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty and the municipality is in one of poorest regions in South Africa. This is compounded by the increase in VAT to 15% and sky rocketing fuel prices which is above R22 per litre our customer will feel the impact of the increase in the billing. Our consumers are largely civil servants and the 4percent increment on their earnings also has an impact on the collections.

The expenditure required to address these challenges will inevitably always exceed available funding due to the area the municipality is situated in as the cost of providing water and sanitation services will not be covered by revenue because only 7per cent of consumers of services are able to pay and the 93per cent in rural areas receive the service without paying, this leads to burden of paying for services in the 7per cent who are in urban areas hence difficult to recover cost of providing the services. The municipality amassed a huge debt book which constantly grows per year.. The municipality has embarked on a data cleansing project where it discovered that there are areas where they were not billed before, abnormal monthly billing of some customers due to leakages as a result bills to some of the customers reflects very huge amounts which will not be recovered. There are strategies in place to deal with these challenges. Further there revenue amnesty for consumers where there were incentive by discounting a percentage of old debts if they come forward and pay with strict timelines, this has subsequently lapsed and the municipality is on the drive to recover the outstanding debt after the completion of the data cleansing project. In the credit control and debt collection policy, municipality introduced an incentive with various discounts for the consumers to be encouraged to settle their debts.
Budget also includes the amount projected to be received from peri urban areas. As the municipality comprises of 93% rural and 7% urban, only the urban areas that have been billed. There are semi urban areas which received water at same service standard as urban. The municipality embarked on a strategy and is billing these areas from February 2024 after public participation was done. For 2024/25, only the businesses (warehouses, rental accommodations,

car washes, spaza shops etc) within the peri urban areas are billed at flat rate whilst public participation is conducted for households. Then in the two outer years, the business and households will be billed. These initiatives will result in the improvement of collections and consumers being comfortable to pay their bills knowing that is based on their consumptions.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the District Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 62.5 per cent annual collections
- All government debts do not go beyond 30 days and businesses debts do not go beyond 60 days aging
- Undertaking of data cleansing continuously to ensure completeness and accuracy of debt book.
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the District Municipality.
- Embark on drive to increase revenue by piloting a project for billing the rural areas (peri urban) which receive the high standard of services as urban areas.

The following table is a summary of the 2024/2025 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	239,824	241,297	221,982	280,555	280,555	280,555	187,913	290,327	299,523	308,951
Service charges - Waste Water Management	2	60,340	62,456	66,359	130,587	130,587	130,587	49,816	136,985	143,287	149,878
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		-	3,067	-	38,520	31,691	31,691	-	49,328	51,814	53,706
Agency services											
Interest											
Interest earned from Receivables		24,971	32,878	41,602	22,030	22,230	22,230	29,762	23,320	24,395	25,519
Interest earned from Current and Non Current Assets		15,462	10,790	40,004	30,000	40,500	40,500	46,987	40,500	42,363	44,312
Dividends											
Rent on Land											
Rental from Fixed Assets		7	34	1	40	1,500	1,500	-	1,500	1,500	1,500
Licence and permits											
Operational Revenue		721	203	176	231	231	231	98	231	241	252
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		1,991	1,595	1,691	128,546	128,546	128,546	1,430	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits											
Transfer and subsidies - Operational		1,097,043	961,690	1,065,212	1,182,672	1,186,010	1,186,010	1,126,682	1,249,918	1,318,284	1,393,197
Interest											
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		50	18,941	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		**1,440,410**	**1,332,950**	**1,437,027**	**1,813,181**	**1,821,849**	**1,821,849**	**1,442,687**	**1,792,108**	**1,881,407**	**1,977,315**

Table 3 Percentage growth in revenue by main revenue source

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

As compared to 2023/2024 adjustment budget, the revenue decreased by R29.7 million which is 2 per cent and increases in 2025/2026 by R89.2 million and increases by R95.9 million in 2026/2027. This is mainly as a result of increase in government grants (equitable Share) and also projected service charges revenue.

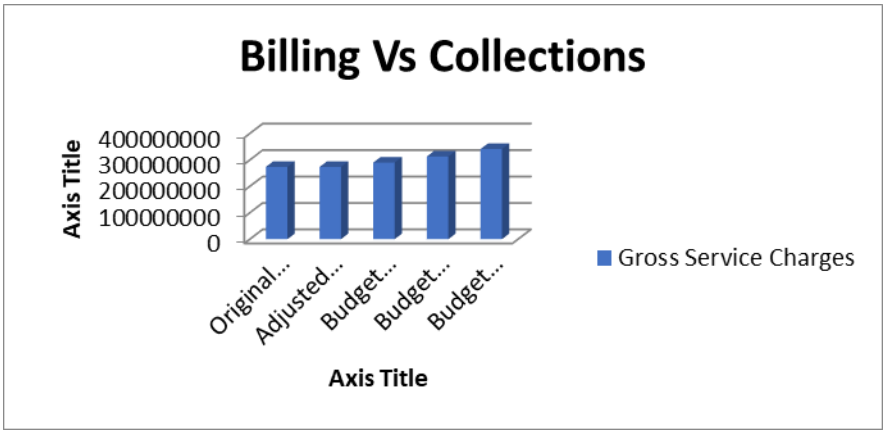
Service Charges

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Service Charges billed	411,141,658	411,141,658	427,311,890	442,809,644	458,829,000
Interest on Debtors	22,030,000	22,230,000	23,319,770	24,394,579	25,518,936
Gross Service Charges	**433,171,658**	**433,371,658**	**450,631,660**	**467,204,223**	**484,347,936**
Less : Debt Impariment	(127,507,624)	(127,507,624)	(107,507,624)	(112,452,975)	(117,513,358)
Service Charges to be Collected	**305,664,034**	**305,864,034**	**343,124,036**	**354,751,248**	**366,834,578**

The gross revenue for service charges in original equals to R411.1 million and adjustment budget equals to R411.1 million relating to 203/24 with interest on outstanding debtors of R22 million and R22 million resulting in the gross service charges anticipated to be R433.1 million in original budget and R433.1 million in adjustment budget. For the 2024/25 MTREF, the gross revenue for services charges amounts to R450.6 million, R467.2 million and R484.3 million respectively. The anticipated debt impairment for 2024/25 MTREF amounts to R107.5 million, R112.4 million and R117.5 million respectively. Resulting in the anticipated collections being R343.1 million, R354.7 million and R366.8 million being 76 percent in 2024/25, and 76 percent in 2025-26 and 76 percent 2026-27 outer years' collection rate.

The propose tariff increase is 4.9 percent for residential, 4.9 percent for business and 4.9 percent for government during 2024/25. The Tariff policy is attached

Graphic illustration of billing vs. collections budgeted for.



Interest received comprises of interest on investments of R40.5 million and interest on debtors of R23.3 million. The interest on investments has been constant from adjustment budget to current year budget for prudence since the economy is projected to worsen due to unstable political climate and impact on load shedding.

Other own revenue consists mainly of sale of goods and rental fees.

Operating grants and transfers totals R1.1 billion in the 2024/2025 financial year and increases to R1.2 billion by 2025/2026 and to R1.3 billion in 2026/2027. The main item in the operating grants and transfers is the Equitable share amounting to R1.1 billion for 2024/2025, R1.2 billion and R1.2 billion for 2025/2026 and R1.3 billion in 2026/2027 years respectively.

The filling of critical vacant positions more especially in BTO will address some of the capacity challenges faced by the municipality in collecting the revenue to further increase the revenue

base of the municipality in order to decrease the dependency of grants and transfers from the government.

Table 3 Operating Transfers and Grant Receipts

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**1,493,355**	**1,337,874**	**1,348,542**	**1,106,941**	**1,146,722**	**1,146,722**	**1,157,851**	**1,199,345**	**1,253,325**
Local Government Equitable Share		1,477,638	1,325,944	1,304,440	1,098,132	1,138,293	1,138,293	1,152,005	1,197,345	1,251,225
Expanded Public Works Programme Integrated Grant		12,532	9,930	11,544	6,809	6,429	6,429	3,846	–	–
Local Government Financial Management Grant		–	2,000	1,574	2,000	2,000	2,000	2,000	2,000	2,100
Municipal Disaster Relief Grant		3,184	–	30,984	–	–	–	–	–	–
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
District Municipality:		**–**	**–**	**–**	**49,726**	**49,224**	**49,224**	**41,314**	**43,084**	**44,524**
Specify (Add grant description)		–	–	–	49,726	49,224	49,224	41,314	43,084	44,524
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total operating expenditure of Transfers and Grants:		**1,493,355**	**1,337,874**	**1,348,542**	**1,156,667**	**1,195,945**	**1,195,945**	**1,199,165**	**1,242,428**	**1,297,850**

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the district municipality.

The percentage increases of both water purchases from Department of Water Affairs (DWA) are far beyond the mentioned inflation target. Given that this tariff increases are determined by external agencies, the impact they have on the municipality's water rate tariffs and in these tariffs are largely outside the control of the district municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the district municipality's future financial position and viability.

It must also be appreciated that the consumer price index (CPI), as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of water, petrol, diesel, chemicals etc more especially that the petrol price is continuing to increase. The current challenge facing the district municipality in managing the gap between cost drivers and tariffs levied as only 7per cent of consumers are charged for consumption and 93per cent is not charged making it difficult to recover costs and at the same time not increasing the tariffs too much for the 7per cent that are charged. Extending the revenue base of the municipality to bill the peri-urban (where most of development of informal and unregulated housing is done) areas around the city boundaries is underway but there are many public participation processes that are required. The municipality has budgeted for revenue

from service changes from peri-urban of R3.9 million in 2024/2025, R4.1 million in 2025/2026 and R4.3 million in 2026/2027.

1.3.1 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply, since demand growth outstrips supply. Review of the level and structure of water tariffs is planned to ensure:

- 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.

Due to the location and the demographics of the district municipality, the challenge is OR Tambo District Municipality is made up of mostly rural areas. This result in municipality having a huge backlog in providing infrastructure for water and sanitation and the construction of infrastructure is mainly on addressing those backlogs in the rural communities. The overall number of households in the district is over 372 561 of which only 7per cent are in the urban areas of whom the revenue for services is received according to the tariffs. Even households that are in the urban areas, the district has to provide subsidies on services (free basic) due to the indigent status of the households. This presents a challenge because, due to the eradication of backlogs, most of the infrastructures assets are constructed in the rural areas where the household do not pay for the services. Resulting in the value of assets reflected in the financial statement located in rural areas. This means the depreciation of R173.2 million is largely made up of assets that are located in rural areas.

Currently the depreciation is funded and funding of depreciation will assist in better maintenance of infrastructure.

Due to the tough economic climate of our customer base, a tariff increase of 4.9 percent for households, 4.9 percent for business and increase of 4.9 per cent for government from 1 July 2024 for water is proposed. This is based on input cost assumptions of 6 per cent increase in the cost of bulk water by DWA, in addition 6 kℓ water is provided for free to the indigent households.

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

Table 4 Proposed Water Tariffs

Kl	Current Tarriff	Proposed Tariff 2024/25	Proposed Increase	Proposed Tariff 2025/26	Proposed Increase	Proposed Tariff 2026/27	Proposed Increase
Households							
0 - 6lk	8.24	8.64		9.04		9.45	
7-10kl	9.36	9.82	4.9%	10.27	4.6%	10.74	4.6%
11-20kl	12.16	12.76		13.35		13.96	
21kl +	14.94	15.67		16.39		17.15	
Business							
0-30kl	16.72	17.54		18.35		19.19	
31-40kl	22.69	23.81	4.9%	24.90	4.6%	26.05	4.6%
41-50kl	26.59	27.89		29.17		30.51	
51kl +	29.99	31.46		32.90		34.42	
Government							
0-30kl	23.23	24.37		25.49		26.66	
31-40kl	31.52	33.07	4.9%	34.59	4.6%	36.18	4.6%
41-50kl	36.93	38.74		40.53		42.39	
51kl +	41.66	43.70		45.71		47.81	

Basic charges are as follows

Chategory	Current Tarriff	Proposed Tariff 2024/25	Proposed Increase	Proposed Tariff 2025/26	Proposed Increase	Proposed Tariff 2026/27	Proposed Increase
Domestic	59.18	62.08		64.94		67.92	
Business	104.13	109.23	4.9%	114.25	4.6%	119.51	4.6%
Government	167.32	175.52		183.59		192.04	

1.3.2 Sanitation and Impact of Tariff Increases

A tariff increase of 4.9 percent on households, 4.9 percent on businesses and 4.9 per cent on government for sanitation from 1 July 2024 is proposed. This is based on number of units (toilets) the household/business/government has. The tariff is per toilet facility on the household or business and this is tabulated here-under.

Table 4 Proposed sanitation tariffs

Chategory	Current Tarriff	Proposed Tariff 2024/25	Proposed Increase	Proposed Tariff 2025/26	Proposed Increase	Proposed Tariff 2026/27	Proposed Increase
Domestic	100.72	105.66		110.52		115.60	
Business	200.33	210.14	4.9%	219.81	4.6%	229.92	4.6%
Government	332.97	349.28		365.35		382.16	

1.3.3 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services. This shows that for the household, the average bill for water and sanitation per month for the middle income range amounts to R173. This depends on the consumptions as more the consumption, the more the bill. This is only an average for water and sanitation only as other services are not offers by the district municipality. For Indigent, the subsidy offered per month amount to R169 and also depending on the consumption because, if indigent households consumes more than 6kl, the from 7kl upwards, the household is charged.

Table 5 MBRR Table SA14 – Household bills

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		54.04	17.00	–	59.17	59.17	59.17	5.3%	62.08	65.00	–
Water: Consumption		11.11	11.55	–	12.16	12.16	12.16	5.3%	12.75	13.35	–
Sanitation		91.97	95.65	–	100.71	100.71	100.71	5.3%	105.65	110.62	–
Refuse removal											
Other											
sub-total		157.12	124.20	–	172.04	172.04	172.04	4.9%	180.48	188.97	–
VAT on Services											
Total large household bill:		157.12	124.20	–	172.04	172.04	172.04	4.9%	180.48	188.97	–
% increase/-decrease		–	(21.0%)	(100.0%)	–	–	–	–	4.9%	4.7%	(100.0%)
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy		54.04	56.20	–	59.17	59.17	59.17	5.3%	62.07	65.00	–
Water: Consumption		8.55	8.89	–	9.36	9.36	9.36	5.3%	9.82	10.28	–
Sanitation		91.97	95.65	–	100.71	100.71	100.71	5.3%	105.65	110.62	–
Refuse removal											
Other											
sub-total		154.56	160.74	–	169.24	169.24	169.24	4.9%	177.54	185.90	–
VAT on Services											
Total small household bill:		154.56	160.74	–	169.24	169.24	169.24	4.9%	177.54	185.90	–
% increase/-decrease			4.0%	(100.0%)	–	–	–	–	4.9%	4.7%	(100.0%)

1.3.4 mSCOA Compliance

mSCOA is a multi-dimensional recording and reporting system across seven segments. Function or sub-function (GFS votes structure) Item (asset, liability, revenue, expenditure, etcetera) Funding source (rates, services charges, grants, loans, etcetera), Region (wards, whole municipality, head office), costing. National Treasury introduced the mSCOA in order to standardize and integrate the municipal activities in order to enhance the comparability, transparency of information for better planning, implementation and reporting.

National Treasury requires that the municipalities be able to transact live to mSCOA by 01 July 2017 with the accounting system recognized and accredited by NT. Monthly data strings are generated and uploaded to LG database.

Governance documentation is in place and an mSCOA audit file is maintained. Costing methodology has been developed and a costing policy drafted that was tabled to council in March 2018. Business processes were developed. Transacting is smooth

Challenges faced in mSCOA

Since mSCOA is a huge reform, there are many areas that totally changed and these are the challenges encountered in implementing mSCOA.

Change Management

The reform seeks to integrate all the processes and activities of the municipality forcing intergration and interdependency. Change management is still a challenge. There are some resistances in this change as the IDP and budget is perceived as for the IDP section and the Budget and Treasury office tools.

Handling large volume of data

Quantity of data to be handled, structured and configured resulted in a number of errors identified. But these are being managed.

IT related limitations

We had huge challenges on the support of our vendor (BCX) for the mSCOA software. The compliance of NT circulars is a challenge even the huge reform of drafting of A1 schedule from the system has been a headache with some errors in the budget table processed by the system. This has also created problems such as non-submission of documents and data strings.

Futher training on use of new mSCOA compliant system is still required. Replacement of IT equipment (servers, computers etc) that are compatible with the mSCOA system.

Intergration with entity

There is a challenge in integrating the ledger of the municipality with the entity resulting in integration of data strings not implemented at the moment. Processes of integration are in progress with both vendors of the district and the entity striving to integrate. The Draft budget uploaded is consolidated and the strings are also consolidated.

1.3.4 Implementation of the financial recovery plan.

The financial recovery plan was signed and approved by the MEC of Finance Hon M Mvoko on the 9th October 2023.The FRP implementation has started on the 01 November 2023. It is updated on a monthly basis. The municipality is reporting monthly to the Provincial and National

Treasury on the implementation of the FRP. The Finance work stream had a virtual meeting on the 12th March 2024 and on the 12th April 2024 for the presentation of the updated financial recovery plan with POE.

1.4 Operating Expenditure Framework

The District Municipality's expenditure framework for the 2024/2025 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to backlog eradication ;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2023/2024 budget and MTREF (classified per main type of operating expenditure):

Table 6 Summary of operating expenditure by standard classification item

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Expenditure											
Employee related costs	2	767,593	734,154	712,311	770,920	768,903	768,903	508,265	804,558	841,751	880,162
Remuneration of councillors		19,653	19,056	19,572	25,514	25,514	25,514	16,014	26,764	27,995	29,255
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	44	29,608	27,284	81,146	81,146	81,146	(45,358)	90,842	89,454	91,126
Debt impairment	3	19,620	77,181	78,457	127,508	127,508	127,508	-	107,508	112,453	117,513
Depreciation and amortisation		355,519	262,794	357,615	239,349	233,360	233,360	-	173,264	181,130	189,179
Interest		544	5,523	4,616	-	-	-	2,237	-	-	-
Contracted services		177,889	127,495	154,448	157,453	157,958	157,958	86,878	162,060	169,444	176,334
Transfers and subsidies		103,642	61,343	59,007	67,113	68,706	68,706	46,886	68,689	71,848	75,082
Irrecoverable debts written off		19,587	12,667	41,888	-	-	-	-	-	-	-
Operational costs		223,688	234,830	211,277	212,407	221,520	221,520	154,146	213,130	211,181	220,842
Losses on disposal of Assets		-	(13,546)	(73,965)	100	-	-	-	110	116	122
Other Losses		-	26,982	21,013	-	-	-	-	-	-	-
Total Expenditure		**1,687,780**	**1,578,088**	**1,613,523**	**1,681,510**	**1,684,615**	**1,684,615**	**769,068**	**1,646,924**	**1,705,372**	**1,779,613**

The budgeted allocation for employee related costs for the 2024/2025 financial year totals R831.3 million, which equals 50 per cent of the total operating expenditure. Norm recommended in MFMA circular 71 is between 25 percent to 40 per cent, this is just within the norm. Constraints by the municipality is required in this aspect and plans to curb the escalation of employee costs are in progress the structure has been reviewed , placement is in progress and skills audit for utilisation of untapped skills inside. The net increase between the adjustment budget and budget under consideration equals to 4.9 per cent. This is mainly due to the increment of 4.9 per cent being projected and the budgeting for the filling of critical vacant posts, increase in benefits due

to employment on permanent basis of temporal workers and the provision for notch. An annual increase of 4.6 percent in 2025/2026 and 4.6 percent has been included in 2026/2027.

The district municipality decided to increase the salaries by 4.9 per cent as recommended by circular 128 as per CPI. It should be noted that the total financial implication could not be determined.

The district municipality undertook the Separations of Powers program where there will be significant increase in the council portfolio committees hence increase in the council remuneration costs and the councillors remunerations are budgeted under the upper limits of public office bearers in grand 5 municipality. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the district municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 62.5 per cent. For the 2024/2025 financial year this amount equates to R107.5 million and increases to R112.4 million by 2025/2026 with an increase to R117.5 million in 2026/2027. The decrease from adjustment budget of R127.5 million to R107.5. million in 2024/25 is in anticipation of improved conditions in consumers to pay due to the economic upturn as a result of load shedding being stabilised. This will affect positively the collection rate. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management and Accounting Policies. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R173.2 million for the 2024/2025 financial and equates to 10.5 per cent of the total operating expenditure.

The depreciation has been funded and this will assist in the renewal of assets in the future should the need arise.

Bulk purchases are directly informed by the purchase of water from DWA. The annual price increases have been factored into the budget appropriations directly inform the revenue provisions. The expenditures include distribution losses

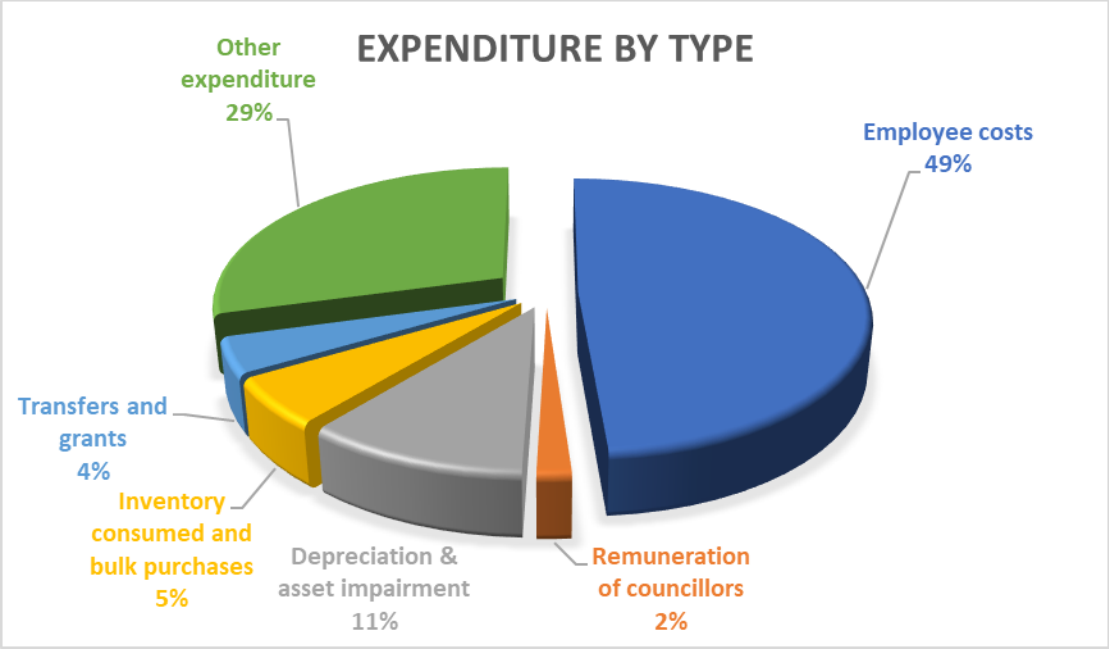
Other materials comprises of inventory materials.

Contracted services expenditure totals R162 million which is made up of contracts with the security company, consultants on professional and other contracted services like catering, hire charges, maintenance, repair of water and sanitation infrastructure and roads, repair of computers, repair of municipal buildings and repair of motor vehicles.

Grants and Transfers is R68.6 million which is made up of transfers by Ntinga Development Agency to the projects, monetary and non-monetary support to the local municipalities and community programs and projects.The expenditure will increase by 4.6 percent in 2025-2026 and increase by 4.6 per cent in 2026/2027.

Other expenditure comprises of various line items relating to the daily operations of the municipality. **Further detailed list will be provided at the end of this document.**

The following table gives a breakdown of the main expenditure categories for the 2024/2025 financial year.



The chart above indicates the main operational expenditure categories as a percentage of the total budget for the 2024/2025 financial year

1.4.1 Priority given to repairs and maintenance

During the compilation of the 2024/2025 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the district municipality's infrastructure and historic deferred maintenance. Due to high creditors and commitments from 2023/2024 going to 2024/2025 Repairs and maintenance has decreased by 41 per cent in the 2024/2025 financial year, from R72.9 million to R42.8 million and increased by 5 per cent in in 2025/2026.

The percentage of R&M in relation to Capital Expenditure is 3 per cent. The norm that National Treasury recommends is 8per cent of repairs and maintenance to capital expenditure. The operating and maintenance includes the items which are classified under the general expenditure and not in the repairs but they form part of the operating and maintenance. The items included in the general expenditure are :

- Water purification chemicals amounting to R19.2 million

- Electricity on water schemes – R55 million

When the above items which form part of operating and maintenance are included, the total amount of O&M amounts to R117 million which is 8 per cent of capital expenditure which is above the recommended norm more over depreciation of R173.2 million is budgeted for which sets aside funds for planning for the future maintenance of the infrastructure.

Since MIG is considered capital grant, all the expenditure budgeted for under MIG would form part of capital expenditure even though these don't meet the criteria of capital expenditure. In the district municipality, there are projects that are awarded for the construction of sanitation VIP toilets in the rural areas under MIG. The expenditure is not recognised as capital under GRAP.

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	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**74,389**	**13,265**	**80,005**	**64,342**	**30,512**	**30,512**	**23,512**	**24,593**	**25,700**
Roads Infrastructure		4,114	460	30	2,000	1,500	1,500	1,500	1,569	1,640
Roads		4,114	460	30	2,000	1,500	1,500	1,500	1,569	1,640
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		67,590	9,957	71,652	48,342	23,168	23,168	16,168	16,912	17,673
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		1,076	–	1,694	2,000	2,000	2,000	2,000	2,092	2,186
Reservoirs		–	–	–	1,000	1,000	1,000	1,000	1,046	1,093
Pump Stations		1,179	4,224	–	5,000	–	–	–	–	–
Water Treatment Works		–	28	66,970	30,342	8,342	8,342	6,342	6,634	6,932
Bulk Mains										
Distribution		65,335	5,705	2,989	10,000	11,826	11,826	6,826	7,140	7,461
Distribution Points										
PRV Stations										
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		2,684	2,848	8,323	14,000	5,844	5,844	5,844	6,112	6,388
Pump Station		2,684	1,264	–	6,000	844	844	844	882	922
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	3,000	–	–	–	–	–
Outfall Sewers										
Toilet Facilities		–	1,584	8,323	5,000	5,000	5,000	5,000	5,230	5,465
Capital Spares										

Depots		–	–	–	30	30	30	314	330	346
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		5,286	6,983	1,792	3,250	9,750	9,750	9,750	10,199	10,657
Servitudes										
Licences and Rights		5,286	6,983	1,792	3,250	9,750	9,750	9,750	10,199	10,657
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		5,286	6,983	1,792	3,250	9,750	9,750	9,750	10,199	10,657
Load Settlement Software Applications										
Unspecified										
Computer Equipment		522	–	–	–	50	50	50	52	55
Computer Equipment		522	–	–	–	50	50	50	52	55
Furniture and Office Equipment		111	365	167	150	150	150	150	157	164
Furniture and Office Equipment		111	365	167	150	150	150	150	157	164
Machinery and Equipment		281	110	–	133	133	133	648	680	714
Machinery and Equipment		281	110	–	133	133	133	648	680	714
Transport Assets		1,190	1,572	2,951	2,400	4,400	4,400	4,400	4,602	4,810
Transport Assets		1,190	1,572	2,951	2,400	4,400	4,400	4,400	4,602	4,810
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Repairs and Maintenance Expenditure	1	**85,085**	**25,245**	**87,073**	**72,935**	**48,265**	**48,265**	**42,841**	**44,819**	**46,845**

R&M as a % of PPE & Investment Property		*1.5%*	*0.4%*	*1.3%*	*1.1%*	*0.6%*	*0.6%*	*0.5%*	*0.5%*	*0.6%*
R&M as % Operating Expenditure		*5.0%*	*1.6%*	*5.4%*	*4.3%*	*2.9%*	*2.9%*	*5.6%*	*2.7%*	*2.7%*

For the 2024/2025 financial year, 55 per cent or R23.5 million of total repairs and maintenance will be spent on water and sanitation infrastructure assets. Other assets (computer repairs, building repairs and vehicle repairs) has been allocated R19.3 million equating to 45 per cent to total repairs.

1.4.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the district municipality's Indigent Policy. The target is to register more indigent households during the 2024/2025 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as 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 received in terms of the annual Division of Revenue Act.

Since the district municipality is comprised of deeply rural areas, the large quantities of processed water form part of free basic services as the cost will not be recovered since the access to water in rural communities is mainly use of public taps (minimum service levels).

Out of the households in the district, only 7per cent households live in towns and pay for the services rendered being water and sanitation. Even in the 7per cent there are households that are registered as indigent. Then 93per cent households do not pay for services rendered and form part of free basic services. To eradicate backlogs, projects funded by Municipal Infrastructure Grant (MIG) are mainly constructed in these rural areas and a large portion of water is supplied to the areas leaving only less than 7per cent of total household paying for the water and sanitation. Cost recovery in these circumstances is difficult to maintain and the municipality is constantly reliant on grant funding.

1.5 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:
Table 8 2024/2025 Medium-term capital budget per vote

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional											
Governance and administration		**5,210**	**747**	**1,048**	**27,250**	**21,250**	**21,250**	**4,134**	**24,250**	**25,366**	**26,507**
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and administration		5,210	747	1,048	27,250	21,250	21,250	4,134	24,250	25,366	26,507
Internal audit											
Community and public safety		**249**	**906**	**–**	**199,503**	**196,953**	**196,953**	**77,291**	**210,000**	**210,230**	**190,465**
Community and social services		249	–	–	–	–	–	–	–	–	–
Sport and recreation											
Public safety		–	–	–	17,000	14,800	14,800	8,064	5,000	5,230	5,465
Housing		0	906	–	182,503	182,153	182,153	69,227	205,000	205,000	185,000
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**25,256**	**890**	**3,312**	**14,650**	**14,650**	**14,650**	**10,269**	**71,423**	**71,097**	**71,743**
Planning and development		2,361	–	–	–	–	–	–	56,632	55,629	55,577
Road transport		22,895	890	3,312	14,650	14,650	14,650	10,269	14,791	15,468	16,167
Environmental protection											
Trading services		**40,559**	**845**	**9,316**	**1,024,704**	**952,906**	**952,906**	**571,260**	**1,135,771**	**1,171,820**	**1,329,584**
Energy sources											
Water management		40,559	845	9,316	1,024,704	952,906	952,906	571,260	1,135,771	1,171,820	1,329,584
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Functional	3	**71,274**	**3,389**	**13,676**	**1,266,106**	**1,185,758**	**1,185,758**	**662,954**	**1,441,444**	**1,478,513**	**1,618,299**

For 2024/2025 an amount of R1.4 billion has been appropriated for the development of infrastructure which represents 79 percent of the total capital budget which will increase in 2025/2026 to R1.5 billion then increase to R1.6 billion in 2026/27. Asset Renewal amount to R2.6 million, R2.7 million and R2.8 million for MTREF which relates to infrastructure,.

Total new assets represent 99 per cent or R1.4 billion of the total capital budget while asset renewal equates to 1 percent or R2.5 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 18 MBRR A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Capital expenditure is mainly comprised of :-

New Assets -

- Municipal Infrastructure Grant - R727.7 million
- Regional Bulk Infrastructure Grant - R291.1 million
- Water Services Infrastructure Grant - R100 million
- Motor Vehicles - R9 million
- Network Infrastructure upgrade - R12.9 million
- Disaster facilities - R11.4 million
- Computer Equipment - R4 million
- Furniture & Office Equipment - R2 million
- Smart Meters - R2.5 million

Asset Renewal (replacement) –

- Water Pump Stations - R669 596.60
- Borehole Exploration and development - R4.6 million

1.6 Annual Budget Tables - Consolidation

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/2025 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	300,164	303,753	288,341	411,142	411,142	411,142	237,728	427,312	442,810	458,829
Investment revenue	15,462	10,790	40,004	30,000	40,500	40,500	46,987	40,500	42,363	44,312
Transfers recognised - operational	1,097,043	961,690	1,065,212	1,182,672	1,186,010	1,186,010	1,126,682	1,249,918	1,318,284	1,393,197
Other own revenue	27,741	56,717	43,470	189,367	184,197	184,197	31,290	74,379	77,950	80,977
Total Revenue (excluding capital transfers and contributions)	1,440,410	1,332,950	1,437,027	1,813,181	1,821,849	1,821,849	1,442,687	1,792,108	1,881,407	1,977,315
Employee costs	767,593	734,154	712,311	770,920	768,903	768,903	508,265	804,558	841,751	880,162
Remuneration of councillors	19,653	19,056	19,572	25,514	25,514	25,514	16,014	26,764	27,995	29,255
Depreciation & asset impairment	355,519	262,794	357,615	239,349	233,360	233,360	–	173,264	181,130	189,179
Finance charges	544	5,523	4,616	–	–	–	2,237	–	–	–
Inventory consumed and bulk purchases	44	29,608	27,284	81,146	81,146	81,146	(45,358)	90,842	89,454	91,126
Transfers and grants	103,642	61,343	59,007	67,113	68,706	68,706	46,886	68,689	71,848	75,082
Other expenditure	440,784	465,609	433,118	497,467	506,986	506,986	241,024	482,809	493,194	514,811
Total Expenditure	1,687,780	1,578,088	1,613,523	1,681,510	1,684,615	1,684,615	769,068	1,646,924	1,705,372	1,779,613
Surplus/(Deficit)	(247,370)	(245,138)	(176,496)	131,671	137,234	137,234	673,619	145,184	176,035	197,701
Transfers recognised - capital	637,189	561,566	764,378	1,190,909	1,111,611	1,111,611	–	1,326,964	1,357,145	1,494,026
Contributions recognised - capital & contributed ass	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	389,819	316,428	587,882	1,322,579	1,248,844	1,248,844	673,619	1,472,148	1,533,180	1,691,727
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	389,819	316,428	587,882	1,322,579	1,248,844	1,248,844	673,619	1,472,148	1,533,180	1,691,727
Capital expenditure & funds sources	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Capital expenditure	71,274	3,389	13,676	1,266,106	1,185,758	1,185,758	662,954	1,441,444	1,478,513	1,618,299
Transfers recognised - capital	1,273	504	3,284	1,190,909	1,111,611	1,111,611	638,673	1,326,964	1,357,145	1,494,026
Public contributions & donations	–	–	–	–	–	–	–	56,632	55,629	55,577
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	70,001	2,885	10,392	75,197	74,147	74,147	24,281	57,847	65,738	68,697
Total sources of capital funds	71,274	3,389	13,676	1,266,106	1,185,758	1,185,758	662,954	1,441,444	1,478,513	1,618,299
Financial position	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Total current assets	840,922	820,249	3,081,687	937,870	949,040	949,040	1,444,914	850,876	985,642	976,291
Total non current assets	7,151,811	7,252,429	8,014,799	7,717,973	7,557,277	7,557,277	8,664,739	7,633,092	7,708,233	7,987,859
Total current liabilities	1,266,888	1,185,038	1,008,780	573,464	591,984	591,984	1,624,623	484,049	420,751	315,579
Total non current liabilities	(7,427)	(3,308)	(1,638)	–	–	–	(2,864)	–	–	–
Community wealth/Equity	6,826,725	6,884,259	7,929,003	8,106,010	7,939,137	7,939,137	8,591,541	8,011,642	8,290,579	8,669,000
Cash flows	–	–	–	–	–	–	–	–	–	–
Net cash from (used) operating	343,594	91,419	(260,497)	1,507,219	1,443,874	1,443,874	343,459	1,572,130	1,697,870	1,618,184
Net cash from (used) investing	285,088	(1,287)	(11,796)	(1,267,736)	(1,185,758)	(1,185,758)	(664,076)	(1,441,444)	(1,478,513)	(1,618,299)
Net cash from (used) financing	(528)	–	–	84	84	84	288	(88)	(92)	(96)
Cash/cash equivalents at the year end	951,110	487,535	111,508	491,779	510,413	510,413	(320,328)	536,470	755,735	755,524
Cash backing/surplus reconciliation	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Cash and investments available	366,317	383,801	2,633,659	499,327	510,497	510,497	873,359	536,470	755,735	755,524
Application of cash and investments	(39,128)	264,944	222,278	284,530	302,601	302,601	1,300,139	158,200	189,870	102,390
Balance - surplus (shortfall)	405,445	118,857	2,411,381	214,797	207,896	207,896	(426,779)	378,271	565,865	653,135
Asset management	–	–	–	–	–	–	–	–	–	–
Asset register summary (WDV)	5,383,347	4,955,146	6,437,454	6,286,188	6,205,840	6,205,840	6,205,840	6,391,642	6,428,711	6,568,498
Depreciation & asset impairment	355,519	262,794	357,615	239,349	233,360	233,360	233,360	173,264	181,130	189,179
Renewal of Existing Assets	2,388	170	223	6,250	2,550	2,550	2,550	2,550	2,667	2,787
Repairs and Maintenance	85,085	25,245	87,073	72,935	48,265	48,265	48,265	42,841	44,819	46,845
Free services	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Cost of Free Basic Services provided	–	–	–	729,070	729,070	729,070	729,070	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level	–	–	–	–	–	–	–	–	–	–
Water:	190	185	202	202	202	202	202	201	200	200
Sanitation/sewerage:	60	57	57	57	57	57	57	49	40	38
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the district municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating has a surplus of R145.1 million in 2024/2025 and surplus of R176 million and surplus of R197.7 million in two outer years respectively over the MTREF
    b. Capital expenditure is funded by grant transfers and own revenue of which

        i. 50 per cent (R727.7 million) is MIG allocation
        ii. 6.9 per cent (R100 million) is Water Services infrastructure grant
        iii. 20 per cent (R291.1 million) is Bulk Infrastructure grant
        iv. 0.2 per cent(R3.2 million) is rural roads asset management grant
        v. 14 percent (R205 million Human Settlements)
        vi. 7.9 per cent (R114 million) other assets in capital expenditure are funded by the Own revenue.

4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional										
Governance and administration		**1,024,007**	**985,968**	**907,312**	**655,934**	**685,841**	**685,841**	**690,254**	**698,682**	**707,433**
Executive and council		856	1,463	1,691	186,689	186,696	186,696	194,791	196,099	204,923
Finance and administration		1,023,151	984,505	905,621	459,639	489,539	489,539	485,467	492,128	491,583
Internal audit		–	–	–	9,606	9,606	9,606	9,996	10,456	10,927
Community and public safety		**–**	**–**	**43,839**	**332,125**	**329,925**	**329,925**	**348,743**	**355,355**	**342,121**
Community and social services		–	–	43,839	51,373	51,575	51,575	53,607	56,073	58,596
Sport and recreation		–	–	–	5,936	5,898	5,898	6,164	6,448	6,738
Public safety		–	–	–	45,400	43,200	43,200	35,041	36,653	38,303
Housing		–	–	–	202,389	202,389	202,389	225,950	226,913	207,899
Health		–	–	–	27,028	26,864	26,864	27,980	29,268	30,585
Economic and environmental services		**9,457**	**10,418**	**14,685**	**212,021**	**209,982**	**209,982**	**223,275**	**229,669**	**239,502**
Planning and development		6,517	10,418	11,542	177,050	175,235	175,235	187,733	192,496	200,654
Road transport		2,940	–	3,143	25,784	25,784	25,784	26,240	27,443	28,681
Environmental protection		–	–	–	9,187	8,962	8,962	9,301	9,729	10,167
Trading services		**1,044,135**	**898,130**	**1,235,569**	**1,798,897**	**1,702,599**	**1,702,599**	**1,851,260**	**1,949,050**	**2,176,228**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		1,044,135	898,130	1,235,569	1,798,897	1,702,599	1,702,599	1,851,260	1,949,050	2,176,228
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
Other	4	**–**	**–**	**–**	**5,112**	**5,112**	**5,112**	**5,541**	**5,796**	**6,057**
Total Revenue - Functional	2	**2,077,599**	**1,894,516**	**2,201,405**	**3,004,089**	**2,933,459**	**2,933,459**	**3,119,072**	**3,238,552**	**3,471,341**
Expenditure - Functional										
Governance and administration		**596,038**	**525,463**	**398,598**	**547,547**	**587,716**	**587,716**	**597,595**	**613,317**	**640,926**
Executive and council		199,745	161,441	166,825	193,498	192,194	192,194	198,637	196,099	204,923
Finance and administration		388,367	355,090	217,848	344,443	385,916	385,916	388,962	406,762	425,076
Internal audit		7,926	8,931	13,925	9,606	9,606	9,606	9,996	10,456	10,927
Community and public safety		**109,061**	**103,374**	**91,822**	**132,623**	**132,973**	**132,973**	**138,743**	**145,125**	**151,655**
Community and social services		43,064	37,385	33,554	51,373	51,314	51,314	53,607	56,073	58,596
Sport and recreation		4,614	2,735	4,096	5,936	5,958	5,958	6,164	6,448	6,738
Public safety		28,806	29,325	20,716	28,400	28,650	28,650	30,041	31,423	32,837
Housing		11,351	12,805	10,601	19,886	20,236	20,236	20,950	21,913	22,899
Health		21,226	21,125	22,855	27,028	26,814	26,814	27,980	29,268	30,585
Economic and environmental services		**150,142**	**109,291**	**108,302**	**252,525**	**245,551**	**245,551**	**204,181**	**213,161**	**222,172**
Planning and development		127,809	97,055	101,902	232,203	225,584	225,584	183,431	191,456	199,490
Road transport		11,323	4,404	1,942	11,135	11,135	11,135	11,449	11,976	12,515
Environmental protection		11,009	7,831	4,458	9,187	8,832	8,832	9,301	9,729	10,167
Trading services		**892,162**	**828,773**	**1,009,673**	**768,012**	**738,371**	**738,371**	**711,767**	**744,508**	**778,011**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		892,162	828,773	1,009,673	768,012	738,371	738,371	711,767	744,508	778,011
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
Other	4	**2,743**	**1,899**	**2,821**	**5,112**	**5,457**	**5,457**	**5,541**	**5,796**	**6,057**
Total Expenditure - Functional	3	**1,750,147**	**1,568,799**	**1,611,217**	**1,705,819**	**1,710,067**	**1,710,067**	**1,657,827**	**1,721,906**	**1,798,821**
Surplus/(Deficit) for the year		**327,452**	**325,717**	**590,188**	**1,298,270**	**1,223,392**	**1,223,392**	**1,461,246**	**1,516,645**	**1,672,519**

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 12 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Water and Waste water functions. As already noted above, the municipality depends on government grants as there is a huge backlog of services, the municipality will be undertaking to endeavour in increasing the revenue collection more especially in water services so as to be able to finance the

depreciation of assets and explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

3.

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote	1									
Vote 01 - Council & Committees		856	1,463	1,691	203,755	207,062	207,062	213,821	216,004	225,724
Vote 02 - Finance & Administration		1,023,151	984,505	905,621	453,980	480,580	480,580	478,322	484,654	483,774
Vote 03 - Planning & Development		6,517	10,418	11,542	86,836	86,973	86,973	84,938	84,822	88,639
Vote 04 - Health		–	–	–	27,028	26,864	26,864	27,980	29,268	30,585
Vote 05 - Community & Social Services		–	–	–	21,478	21,484	21,484	22,438	23,471	24,527
Vote 06 - Housing		–	–	–	202,389	202,389	202,389	225,950	226,913	207,899
Vote 07 - Public Safety		–	–	43,839	75,295	73,290	73,290	66,210	69,256	72,372
Vote 08 - Sports & Recreation		–	–	–	5,936	5,898	5,898	6,164	6,448	6,738
Vote 09 - Environmental		–	–	–	9,187	8,962	8,962	9,301	9,729	10,167
Vote 10 - Roads		2,940	–	3,143	25,784	25,784	25,784	26,240	27,443	28,681
Vote 11 - Water		1,044,135	898,130	1,235,569	1,798,897	1,702,599	1,702,599	1,851,260	1,949,050	2,176,228
Vote 12 - Tourism		–	–	–	5,112	5,112	5,112	5,541	5,796	6,057
Vote 13 - Development Agency		–	–	–	88,414	86,461	86,461	100,907	105,698	109,950
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**2,077,599**	**1,894,516**	**2,201,405**	**3,004,089**	**2,933,459**	**2,933,459**	**3,119,072**	**3,238,552**	**3,471,341**
Expenditure by Vote ***to be appropriated***	1									
Vote 01 - Council & Committees		225,894	235,564	191,725	210,564	218,132	218,132	217,667	216,004	225,724
Vote 02 - Finance & Administration		372,759	291,738	208,360	338,784	371,384	371,384	381,817	399,289	417,267
Vote 03 - Planning & Development		125,194	95,216	100,415	80,027	80,299	80,299	81,092	84,822	88,639
Vote 04 - Health		21,226	21,125	22,855	27,028	26,814	26,814	27,980	29,268	30,585
Vote 05 - Community & Social Services		11,052	9,829	9,888	21,478	21,423	21,423	22,438	23,471	24,527
Vote 06 - Housing		11,351	12,805	10,601	19,886	20,236	20,236	20,950	21,913	22,899
Vote 07 - Public Safety		60,817	56,881	44,381	58,295	58,540	58,540	61,210	64,026	66,907
Vote 08 - Sports & Recreation		4,614	2,735	4,096	5,936	5,958	5,958	6,164	6,448	6,738
Vote 09 - Environmental		11,009	7,831	4,458	9,187	8,832	8,832	9,301	9,729	10,167
Vote 10 - Roads		11,323	4,404	1,942	11,135	11,135	11,135	11,449	11,976	12,515
Vote 11 - Water		892,162	828,773	1,009,673	768,012	738,371	738,371	711,767	744,508	778,011
Vote 12 - Tourism		2,743	1,899	2,821	5,112	5,457	5,457	5,541	5,796	6,057
Vote 13 - Development Agency		–	–	–	150,376	143,484	143,484	100,450	104,658	108,786
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**1,750,147**	**1,568,799**	**1,611,217**	**1,705,819**	**1,710,067**	**1,710,067**	**1,657,827**	**1,721,906**	**1,798,821**
Surplus/(Deficit) for the year	2	**327,452**	**325,717**	**590,188**	**1,298,270**	**1,223,392**	**1,223,392**	**1,461,246**	**1,516,645**	**1,672,519**

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the district municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the water trading services.

Table 12 Surplus/ (Deficit) calculations for the trading services

Description	Current Year 2023/24		2024/2025Medium Term Revenue & Expenditure Framework		
R thousands	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Water					
Revenue (including capital grants and transfers)	1,798,897,240	1,702,599,240	1,851,260,120	1,949,050,080	2,176,228,284
Operating Expenditure	768,012,365	738,371,308	711,766,887	744,508,164	778,011,033
Surplus/(Deficit) for the year	**1,030,884,875**	**964,227,932**	**1,139,493,233**	**1,204,541,916**	**1,398,217,251**
Percentage Surplus	**57%**	**57%**	**62%**	**62%**	**64%**

2. The Water Services trading surplus is 57 per cent in 2023/2024 and in 2024/2025 being 62 per cent and remained at 62 per cent and increased to 64 per cent in two outer years respectively.
3. The surplus on the water account remains relatively constant over the MTREF Table 13

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	239,824	241,297	221,982	280,555	280,555	280,555	187,913	290,327	299,523	308,951
Service charges - Waste Water Management	2	60,340	62,456	66,359	130,587	130,587	130,587	49,816	136,985	143,287	149,878
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		-	3,067	-	38,520	31,691	31,691	-	49,328	51,814	53,706
Agency services											
Interest											
Interest earned from Receivables		24,971	32,878	41,602	22,030	22,230	22,230	29,762	23,320	24,395	25,519
Interest earned from Current and Non Current Assets		15,462	10,790	40,004	30,000	40,500	40,500	46,987	40,500	42,363	44,312
Dividends											
Rent on Land											
Rental from Fixed Assets		7	34	1	40	1,500	1,500	-	1,500	1,500	1,500
Licence and permits											
Operational Revenue		721	203	176	231	231	231	98	231	241	252
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		1,991	1,595	1,691	128,546	128,546	128,546	1,430	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits											
Transfer and subsidies - Operational		1,097,043	961,690	1,065,212	1,182,672	1,186,010	1,186,010	1,126,682	1,249,918	1,318,284	1,393,197
Interest											
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		50	18,941	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		**1,440,410**	**1,332,950**	**1,437,027**	**1,813,181**	**1,821,849**	**1,821,849**	**1,442,687**	**1,792,108**	**1,881,407**	**1,977,315**
Expenditure											
Employee related costs	2	767,593	734,154	712,311	770,920	768,903	768,903	508,265	804,558	841,751	880,162
Remuneration of councillors		19,653	19,056	19,572	25,514	25,514	25,514	16,014	26,764	27,995	29,255
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	44	29,608	27,284	81,146	81,146	81,146	(45,358)	90,842	89,454	91,126
Debt impairment	3	19,620	77,181	78,457	127,508	127,508	127,508	-	107,508	112,453	117,513
Depreciation and amortisation		355,519	262,794	357,615	239,349	233,360	233,360	-	173,264	181,130	189,179
Interest		544	5,523	4,616	-	-	-	2,237	-	-	-
Contracted services		177,889	127,495	154,448	157,453	157,958	157,958	86,878	162,060	169,444	176,334
Transfers and subsidies		103,642	61,343	59,007	67,113	68,706	68,706	46,886	68,689	71,848	75,082
Irrecoverable debts written off		19,587	12,667	41,888	-	-	-	-	-	-	-
Operational costs		223,688	234,830	211,277	212,407	221,520	221,520	154,146	213,130	211,181	220,842
Losses on disposal of Assets		-	(13,546)	(73,965)	100	-	-	-	110	116	122
Other Losses		-	26,982	21,013	-	-	-	-	-	-	-
Total Expenditure		**1,687,780**	**1,576,088**	**1,613,523**	**1,681,510**	**1,684,615**	**1,684,615**	**769,068**	**1,646,924**	**1,705,372**	**1,779,613**
Surplus/(Deficit)		**(247,370)**	**(245,138)**	**(176,496)**	**131,671**	**137,234**	**137,234**	**673,619**	**145,184**	**176,035**	**197,701**
Transfers and subsidies - capital (monetary allocations)	6	637,189	561,566	764,378	1,190,909	1,111,611	1,111,611	–	1,326,964	1,357,145	1,494,026
Transfers and subsidies - capital (in-kind)	6										
Surplus/(Deficit) after capital transfers & contributions		**389,819**	**316,428**	**587,882**	**1,322,579**	**1,248,844**	**1,248,844**	**673,619**	**1,472,148**	**1,533,180**	**1,691,727**
Income Tax											
Surplus/(Deficit) after income tax		**389,819**	**316,428**	**587,882**	**1,322,579**	**1,248,844**	**1,248,844**	**673,619**	**1,472,148**	**1,533,180**	**1,691,727**
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		**389,819**	**316,428**	**587,882**	**1,322,579**	**1,248,844**	**1,248,844**	**673,619**	**1,472,148**	**1,533,180**	**1,691,727**
Share of Surplus/Deficit attributable to Associate	7										
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**389,819**	**316,428**	**587,882**	**1,322,579**	**1,248,844**	**1,248,844**	**673,619**	**1,472,148**	**1,533,180**	**1,691,727**

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

1. Total revenue is R1.7 billion in 2024/2025 and increase to R1.9 billion by 2026/2027. This represents an decrease of R29.7 million which is 2 per cent for the 2024/2025 financial year and increase R89.2 million being 5 percent for the 2025/2026 and increase R95.9 million which is 5 percent for the 2026-2027 financial years.

2. Services charges' relating to water and sanitation constitutes the biggest component of the revenue basket of the district municipality totalling R427.3 million for the 2024/2025 financial year and increasing to R458.8 million by 2026/2027.
3. Transfers recognised – local government equitable share and other operating grants from national and provincial government.
4. The following graph illustrates the major expenditure items per type.

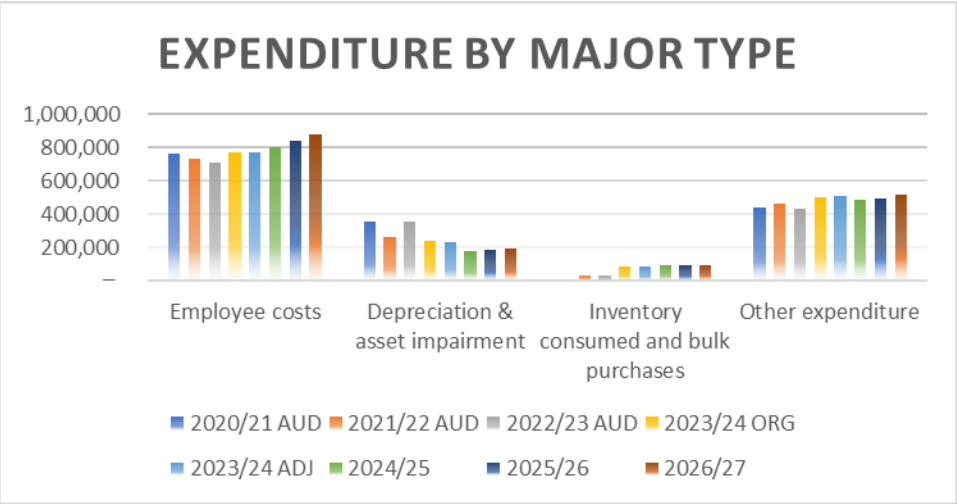


Figure 1 Expenditure by major type

5. Inventory consumed & Bulk purchases have increased from 2023/2024 to 2024/2025 period from R81.1 million to R90.8 million being 5 percent and increased by 5% from 2025/2026 to 2026/2027 respectively. These increases are in line with the tariff increase for bulk water purchases from DWA.
6. Employee related costs, inventory consumed & bulk purchases, depreciation, are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

When comparing the surplus for the audited outcome for the 2022/2023 financial year with the budget for 2023/24, the actual outcome amounts to R587.8 million whilst the budget amounts to R1.3 billion. The reason for the difference is due to the classification between GRAP and MBRR. For GRAP, capital revenue is included in the transfer recognised as revenue recognition on the spending of capital grants whilst in MBRR, the actual allocation for the capital transfers is not recognised in the line item for the transfer recognised hence the difference

Table 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 01 - Council & Committees		–	–	–	–	–	–	–	–	–	–
Vote 02 - Finance & Administration		5,210	747	1,048	27,250	21,250	21,250	4,134	24,250	25,366	26,507
Vote 03 - Planning & Development		2,361	–	–	–	–	–	–	–	–	–
Vote 04 - Health		–	–	–	–	–	–	–	–	–	–
Vote 05 - Community & Social Services		–	–	–	–	–	–	–	–	–	–
Vote 06 - Housing		0	906	–	182,503	182,153	182,153	69,227	205,000	205,000	185,000
Vote 07 - Public Safety		249	–	–	17,000	14,800	14,800	8,064	5,000	5,230	5,465
Vote 08 - Sports & Recreation		–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental		–	–	–	–	–	–	–	–	–	–
Vote 10 - Roads		22,895	890	3,312	14,650	14,650	14,650	10,269	14,791	15,468	16,167
Vote 11 - Water		40,559	845	9,316	1,024,704	952,906	952,906	571,260	1,135,771	1,171,820	1,329,584
Vote 12 - Tourism		–	–	–	–	–	–	–	–	–	–
Vote 13 - Development Agency		–	–	–	–	–	–	–	56,632	55,629	55,577
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**71,274**	**3,389**	**13,676**	**1,266,106**	**1,185,758**	**1,185,758**	**662,954**	**1,441,444**	**1,478,513**	**1,618,299**

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

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Capital expenditure has been appropriated at R1.4 billion for the 2024/2025 financial year and then increases in 2025/2026 to R1.47 billion and increased in 2026/2027 to R1.61 billion.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the District Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is funded from capital and provincial grants and transfers being MIG, WSIG and own revenue (Service Charges).

Table 15 MBRR Table A6 - Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
ASSETS											
Current assets											
Cash and cash equivalents		1,007,382	2,140,672	2,633,659	499,327	510,497	510,497	873,359	536,470	755,735	755,524
Trade and other receivables from exchange transactions	1	227,067	159,081	157,068	219,919	219,919	219,919	294,938	147,868	76,541	54,692
Receivables from non-exchange transactions	1	(3,399)	(2,200)	–	–	–	–	–	1,638	1,175	690
Current portion of non-current receivables											
Inventory	2	145	122	12,204	13,557	13,557	13,557	12,204	9,144	10,094	13,441
VAT		248,592	279,444	278,756	204,678	204,678	204,678	264,413	155,335	141,627	151,474
Other current assets		(0)	(0)	(0)	390	390	390	(0)	420	470	470
Total current assets		**1,479,787**	**2,577,120**	**3,081,687**	**937,870**	**949,040**	**949,040**	**1,444,914**	**850,876**	**985,642**	**976,291**
Non current assets											
Investments		–	–	-	–	–	–	–	–	–	–
Investment property		–	–	-	–	–	–	–	–	–	–
Property, plant and equipment	3	7,148,659	7,247,507	8,007,342	7,689,302	7,536,156	7,536,156	8,656,798	7,596,991	7,671,049	7,948,665
Biological assets		–	–	–	4,500	4,500	4,500	–	10,500	11,000	12,400
Living and non-living resources											
Heritage assets		247	247	247	247	247	247	247	247	247	247
Intangible assets		2,041	4,060	5,646	23,924	16,374	16,374	7,251	25,353	25,937	26,547
Trade and other receivables from exchange transactions		864	615	1,564	–	–	–	442	–	–	–
Non-current receivables from non-exchange transactions											
Other non-current assets											
Total non current assets		**7,151,811**	**7,252,429**	**8,014,799**	**7,717,973**	**7,557,277**	**7,557,277**	**8,664,739**	**7,633,092**	**7,708,233**	**7,987,859**
TOTAL ASSETS		**8,631,598**	**9,829,548**	**11,096,485**	**8,655,843**	**8,506,317**	**8,506,317**	**10,109,653**	**8,483,968**	**8,693,875**	**8,964,150**
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		150,000	144	127	–	–	–	127	–	–	–
Consumer deposits		381	2,688	3,649	4,251	4,251	4,251	4,011	4,163	4,071	3,975
Trade and other payables from exchange transactions	4	1,698,095	474,216	431,023	235,486	254,007	254,007	179,934	179,934	82,306	(58,711)
Trade and other payables from non-exchange transactions	5	245,743	227,708	155,666	–	–	–	1,007,349	–	–	–
Provision		258,774	261,129	190,742	333,026	333,026	333,026	190,742	299,062	333,423	369,365
VAT		213,058	219,478	227,574	700	700	700	242,460	890	951	950
Other current liabilities											
Total current liabilities		**2,566,051**	**1,185,363**	**1,008,780**	**573,464**	**591,984**	**591,984**	**1,624,623**	**484,049**	**420,751**	**315,579**
Non current liabilities											
Financial liabilities	6	–	4,119	5,789	–	–	–	4,563	–	–	–
Provision	7	(7,427)	(7,427)	(7,427)	–	–	–	(7,427)	–	–	–
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities											
Total non current liabilities		**(7,427)**	**(3,308)**	**(1,638)**	**–**	**–**	**–**	**(2,864)**	**–**	**–**	**–**
TOTAL LIABILITIES		**2,558,624**	**1,182,055**	**1,007,142**	**573,464**	**591,984**	**591,984**	**1,621,758**	**484,049**	**420,751**	**315,579**
NET ASSETS		**6,072,974**	**8,647,493**	**10,089,344**	**8,082,380**	**7,914,333**	**7,914,333**	**8,487,895**	**7,999,919**	**8,273,124**	**8,648,570**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	6,826,725	6,883,935	7,911,026	8,106,010	7,939,137	7,939,137	8,573,564	8,011,642	8,290,579	8,669,000
Reserves and funds	9	–	–	17,977	–	–	–	17,977	–	–	–
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	**6,826,725**	**6,883,935**	**7,929,003**	**8,106,010**	**7,939,137**	**7,939,137**	**8,591,541**	**8,011,642**	**8,290,579**	**8,669,000**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 45 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
   - Call investments deposits;
   - Consumer debtors;

- Property, plant and equipment;
- Trade and other payables;
- Provisions noncurrent;
- Changes in net assets; and
- Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.
6. OUR A6 IS NOT BALANCING BECAUSE OF THE ISSUE WITH OUR SERVICE PROVIDER ON THE ACCUMULATED SURPLUS.THE BALANCE SHEET POPULATED FROM THE DATA STRING SUBMITTED AT THE NATIONAL TREASURY IS BALANCING WITH THE SAME DATA.

Table 16 MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									–	–	–
Service charges		43,802	318,944	189,266	308,097	308,097	308,097	149,709	324,757	336,535	348,710
Other revenue		427,851	561,599	762,372	136,575	136,575	136,575	(96,426)	205,843	205,882	185,922
Transfers and Subsidies - Operational	1	89,289	33,566	292,470	1,315,272	1,314,892	1,314,892	1,183,931	1,199,840	1,265,903	1,338,459
Transfers and Subsidies - Capital	1	362,881	749,774	829,497	1,008,756	929,458	929,458	909,458	1,121,964	1,152,145	1,309,026
Interest		6,118	10,788	38,883	30,000	40,500	40,500	48,108	40,500	42,363	44,312
Dividends									–	–	–
Payments											
Suppliers and employees		(576,226)	(1,582,072)	(2,372,983)	(1,291,481)	(1,285,648)	(1,285,648)	(1,851,322)	(1,320,774)	(1,304,959)	(1,608,244)
Interest									–	–	–
Transfers and Subsidies	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**353,714**	**92,599**	**(260,497)**	**1,507,219**	**1,443,874**	**1,443,874**	**343,459**	**1,572,130**	**1,697,870**	**1,618,184**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (increase) in non-current receivables		111	(360)	1,879	(1,630)	–	–	(1,121)	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		284,977	(3,389)	(13,676)	(1,266,106)	(1,185,758)	(1,185,758)	(662,954)	(1,441,444)	(1,478,513)	(1,618,299)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**285,088**	**(3,749)**	**(11,796)**	**(1,267,736)**	**(1,185,758)**	**(1,185,758)**	**(664,076)**	**(1,441,444)**	**(1,478,513)**	**(1,618,299)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits		–	–	–	84	84	84	288	(88)	(92)	(96)
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**84**	**84**	**84**	**288**	**(88)**	**(92)**	**(96)**
NET INCREASE/ (DECREASE) IN CASH HELD		**638,802**	**88,849**	**(272,293)**	**239,567**	**258,200**	**258,200**	**(320,328)**	**130,598**	**219,265**	**(211)**
Cash/cash equivalents at the year begin:	2	**322,956**	**397,403**	**383,801**	**252,213**	**252,213**	**252,213**	**–**	**405,872**	**536,470**	**755,735**
Cash/cash equivalents at the year end:	2	**961,758**	**486,253**	**111,508**	**491,779**	**510,413**	**510,413**	**(320,328)**	**536,470**	**755,735**	**755,524**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the District Municipality decreased from 2020/21 to 2022/23 period owing directly to a net decrease in cash.
4. The approved 2024/2025 MTREF budget provide for a R130.5 million in increase in cash held.
5. The 2024/2025 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term and shows cash available equivalent to the depreciation which will assist the municipality in asset renewal in future.
6. Cash and cash equivalents totals R536.4 million as at the end of the 2024/2025 financial year and R755.7 million and R755.5 million in two outer years.

Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash and investments available											
Cash/cash equivalents at the year end	1	961,758	486,253	111,508	491,779	510,413	510,413	(320,328)	536,470	755,735	755,524
Other current investments > 90 days		45,624	1,654,420	2,522,151	7,547	84	84	1,193,687	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**1,007,382**	**2,140,672**	**2,633,659**	**499,327**	**510,497**	**510,497**	**873,359**	**536,470**	**755,735**	**755,524**
Application of cash and investments											
Unspent conditional transfers		245,743	227,708	155,666	–	–	–	1,007,349	–	–	–
Unspent borrowing											
Statutory requirements	2	(35,534)	(59,967)	(51,182)	(203,978)	(203,978)	(203,978)	(21,954)	(154,445)	(140,676)	(150,524)
Other working capital requirements	3	1,363,429	37,571	(72,947)	155,481	173,553	173,553	124,001	13,583	(2,877)	(116,452)
Other provisions		258,774	261,129	190,742	333,026	333,026	333,026	190,742	299,062	333,423	369,365
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**1,832,412**	**466,441**	**222,278**	**284,530**	**302,601**	**302,601**	**1,300,139**	**158,200**	**189,870**	**102,390**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(825,030)**	**1,674,231**	**2,411,381**	**214,797**	**207,896**	**207,896**	**(426,779)**	**378,271**	**565,865**	**653,135**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(825,030)**	**1,674,231**	**2,411,381**	**214,797**	**207,896**	**207,896**	**(426,779)**	**378,271**	**565,865**	**653,135**

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2020/21 the surplus was from R1.8 billion then in 2022/2023 surplus of R222.2 million. As part of the budgeting and planning guidelines that informed the compilation of the 2023/2024 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The debtor's collection will increase to 62.5% in 2024/25 due to the current economic upturn as a result of the impact of load shedding. It is projected that the consumers will from now on be in a better position in paying their debt which will result in the positive cash outcome for the municipality.
6. As can be seen the budget has been modelled to progressively maintain surpluses of R378.2 million in 2024/2025 to R653.1 million in 2026/2027.

Table 18 MBRR Table A9 - Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CAPITAL EXPENDITURE										
Total New Assets	1	**68,886**	**3,219**	**13,453**	**1,259,856**	**1,183,208**	**1,183,208**	**1,438,894**	**1,475,845**	**1,615,512**
Roads Infrastructure		–	–	3,284	3,155	3,155	3,155	3,296	3,444	3,602
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		17,542	952	8,386	627,669	614,516	614,516	768,647	1,158,222	1,315,374
Sanitation Infrastructure		3,217	(163)	–	383,535	313,490	313,490	359,324	209	219
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***20,759***	***789***	***11,669***	***1,014,359***	***931,161***	***931,161***	***1,131,267***	***1,161,876***	***1,319,194***
Community Facilities		23,723	890	–	9,495	22,095	22,095	11,495	12,024	12,565
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***23,723***	***890***	**–**	***9,495***	***22,095***	***22,095***	***11,495***	***12,024***	***12,565***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	1,000	–	–	1,000	1,046	1,093
Housing		0	906	–	182,503	182,153	182,153	205,000	205,000	185,000
Other Assets		***0***	***906***	**–**	***183,503***	***182,153***	***182,153***	***206,000***	***206,046***	***186,093***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**10,500**	**11,000**	**12,400**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		910	–	–	20,500	12,950	12,950	13,150	13,734	14,343
Intangible Assets		***910***	**–**	**–**	***20,500***	***12,950***	***12,950***	***13,150***	***13,734***	***14,343***
Computer Equipment		**49**	**–**	**866**	**1,500**	**4,050**	**4,050**	**4,050**	**4,236**	**4,427**
Furniture and Office Equipment		**3,687**	**577**	**181**	**2,000**	**1,618**	**1,618**	**2,000**	**2,092**	**2,186**
Machinery and Equipment		**249**	**57**	**736**	**1,500**	**4,000**	**4,000**	**48,432**	**47,056**	**45,721**
Transport Assets		**19,508**	**–**	**–**	**27,000**	**25,182**	**25,182**	**12,000**	**17,782**	**18,582**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	**2,388**	**170**	**223**	**6,250**	**2,550**	**2,550**	**2,550**	**2,667**	**2,787**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		2,233	–	223	4,000	2,300	2,300	2,300	2,406	2,514
Sanitation Infrastructure		136	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***2,369***	**–**	***223***	***4,000***	***2,300***	***2,300***	***2,300***	***2,406***	***2,514***
Community Facilities		–	–	–	–	–	–	–	–	–
Operational Buildings		19	170	–	2,250	250	250	250	262	273
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***19***	***170***	**–**	***2,250***	***250***	***250***	***250***	***262***	***273***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Total Capital Expenditure	4	**71,274**	**3,389**	**13,676**	**1,266,106**	**1,185,758**	**1,185,758**	**1,441,444**	**1,478,513**	**1,618,299**
Roads Infrastructure		–	–	3,284	3,155	3,155	3,155	3,296	3,444	3,602
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		19,776	952	8,608	631,669	616,816	616,816	770,947	1,160,628	1,317,888
Sanitation Infrastructure		3,353	(163)	–	383,535	313,490	313,490	359,324	209	219
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***23,128***	***789***	***11,892***	***1,018,359***	***933,461***	***933,461***	***1,133,567***	***1,164,281***	***1,321,709***
Community Facilities		23,723	890	–	9,495	22,095	22,095	11,495	12,024	12,565
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***23,723***	***890***	**–**	***9,495***	***22,095***	***22,095***	***11,495***	***12,024***	***12,565***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		19	170	–	3,250	250	250	1,250	1,308	1,366
Housing		0	906	–	182,503	182,153	182,153	205,000	205,000	185,000
Other Assets		***19***	***1,076***	**–**	***185,753***	***182,403***	***182,403***	***206,250***	***206,308***	***186,366***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**10,500**	**11,000**	**12,400**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		910	–	–	20,500	12,950	12,950	13,150	13,734	14,343
Intangible Assets		***910***	**–**	**–**	***20,500***	***12,950***	***12,950***	***13,150***	***13,734***	***14,343***
Computer Equipment		**49**	**–**	**866**	**1,500**	**4,050**	**4,050**	**4,050**	**4,236**	**4,427**
Furniture and Office Equipment		**3,687**	**577**	**181**	**2,000**	**1,618**	**1,618**	**2,000**	**2,092**	**2,186**
Machinery and Equipment		**249**	**57**	**736**	**1,500**	**4,000**	**4,000**	**48,432**	**47,056**	**45,721**
Transport Assets		**19,508**	**–**	**–**	**27,000**	**25,182**	**25,182**	**12,000**	**17,782**	**18,582**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**71,274**	**3,389**	**13,676**	**1,266,106**	**1,185,758**	**1,185,758**	**1,441,444**	**1,478,513**	**1,618,299**

ASSET REGISTER SUMMARY - PPE (WDV)	5	5,383,347	4,955,146	6,437,454	6,286,188	6,205,840	6,205,840	6,391,642	6,428,711	6,568,498
Roads Infrastructure		–	–	3,284	3,155	3,155	3,155	3,296	3,444	3,602
Storm water Infrastructure										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		5,222,962	4,829,193	6,309,632	5,571,474	5,556,621	5,556,621	5,659,865	6,049,547	6,206,806
Sanitation Infrastructure		(9,322)	(12,838)	(12,674)	370,861	300,815	300,815	346,649	(12,465)	(12,456)
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***5,213,640***	***4,816,355***	***6,300,241***	***5,945,489***	***5,860,591***	***5,860,591***	***6,009,811***	***6,040,525***	***6,197,953***
Community Assets		37,187	14,355	13,465	22,959	35,559	35,559	24,813	25,342	25,883
Heritage Assets		**247**	**247**	**247**	**247**	**247**	**247**	**247**	**247**	**247**
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other Assets		69,326	68,547	64,570	246,806	243,456	243,456	254,545	254,603	234,661
Biological or Cultivated Assets		**–**	**–**	**–**	**4,500**	**4,500**	**4,500**	**10,500**	**11,000**	**12,400**
Intangible Assets		2,041	4,060	5,646	23,924	16,374	16,374	25,353	25,937	26,547
Computer Equipment		**903**	**421**	**1,480**	**96**	**2,646**	**2,646**	**1,769**	**1,955**	**2,146**
Furniture and Office Equipment		**9,450**	**7,521**	**8,464**	**(332)**	**(714)**	**(714)**	**(3,147)**	**(3,055)**	**(2,961)**
Machinery and Equipment		**1,854**	**938**	**1,064**	**374**	**2,874**	**2,874**	**46,512**	**45,136**	**43,802**
Transport Assets		**40,570**	**28,904**	**28,477**	**33,997**	**32,179**	**32,179**	**13,110**	**18,892**	**19,692**
Land		**8,128**	**13,798**	**13,798**	**8,128**	**8,128**	**8,128**	**8,128**	**8,128**	**8,128**
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**5,383,347**	**4,955,146**	**6,437,454**	**6,286,188**	**6,205,840**	**6,205,840**	**6,391,642**	**6,428,711**	**6,568,498**

EXPENDITURE OTHER ITEMS		**440,605**	**288,039**	**444,688**	**312,284**	**281,624**	**281,624**	**216,104**	**225,948**	**236,024**
Depreciation	7	355,519	262,794	357,615	239,349	233,360	233,360	173,264	181,130	189,179
Repairs and Maintenance by Asset Class	3	**85,085**	**25,245**	**87,073**	**72,935**	**48,265**	**48,265**	**42,841**	**44,819**	**46,845**
Roads Infrastructure		4,114	460	30	2,000	1,500	1,500	1,500	1,569	1,640
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		67,590	9,957	71,652	48,342	23,168	23,168	16,168	16,912	17,673
Sanitation Infrastructure		2,684	2,848	8,323	14,000	5,844	5,844	5,844	6,112	6,388
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***74,389***	***13,265***	***80,005***	***64,342***	***30,512***	***30,512***	***23,512***	***24,593***	***25,700***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		3,306	2,950	2,159	2,660	3,270	3,270	4,332	4,536	4,746
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***3,306***	***2,950***	***2,159***	***2,660***	***3,270***	***3,270***	***4,332***	***4,536***	***4,746***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		5,286	6,983	1,792	3,250	9,750	9,750	9,750	10,199	10,657
Intangible Assets		***5,286***	***6,983***	***1,792***	***3,250***	***9,750***	***9,750***	***9,750***	***10,199***	***10,657***
Computer Equipment		**522**	**–**	**–**	**–**	**50**	**50**	**50**	**52**	**55**
Furniture and Office Equipment		**111**	**365**	**167**	**150**	**150**	**150**	**150**	**157**	**164**
Machinery and Equipment		**281**	**110**	**–**	**133**	**133**	**133**	**648**	**680**	**714**
Transport Assets		**1,190**	**1,572**	**2,951**	**2,400**	**4,400**	**4,400**	**4,400**	**4,602**	**4,810**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**440,605**	**288,039**	**444,688**	**312,284**	**281,624**	**281,624**	**216,104**	**225,948**	**236,024**
Renewal and upgrading of Existing Assets as % of total capex		*3.3%*	*5.0%*	*1.6%*	*0.5%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.7%*	*0.1%*	*0.1%*	*2.6%*	*1.1%*	*1.1%*	*1.5%*	*1.5%*	*1.5%*
R&M as a % of PPE & Investment Property		*1.5%*	*0.4%*	*1.3%*	*1.1%*	*0.6%*	*0.6%*	*0.5%*	*0.5%*	*0.6%*
Renewal and upgrading and R&M as a % of PPE and Investment Property		*1.5%*	*0.4%*	*1.3%*	*1.2%*	*0.7%*	*0.7%*	*0.6%*	*0.6%*	*0.6%*

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The district municipality does not meet these recommendations as the district municipality is still having a huge backlog in construction of infrastructure in the rural communities. Bulk of the budget is for construction of new infrastructure.

Table 4 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets	1									
Water:										
Piped water inside dwelling		20,805	21,075	21,375	21,375	21,375	21,375	22,116	22,766	23,426
Piped water inside yard (but not in dwelling)		40,702	43,758	43,758	43,758	43,758	43,758	43,758	43,758	43,758
Using public tap (at least min.service level)	2	96,538	102,417	105,479	105,479	105,479	105,479	105,668	105,860	105,709
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		158,045	167,250	170,612	170,612	170,612	170,612	171,542	172,384	172,893
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	25,389	24,627	27,065	27,065	27,065	27,065	26,876	26,684	26,835
No water supply		165,072	160,119	174,884	174,884	174,884	174,884	174,143	173,493	172,833
Below Minimum Service Level sub-total		190,461	184,746	201,949	201,949	201,949	201,949	201,019	200,177	199,668
Total number of households	5	**348,506**	**351,996**	**372,561**	**372,561**	**372,561**	**372,561**	**372,561**	**372,561**	**372,561**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		57,948	58,701	58,716	58,716	58,716	58,716	58,716	58,716	60,716
Flush toilet (with septic tank)		2,058	2,078	2,078	2,078	2,078	2,078	2,078	2,078	2,078
Chemical toilet		47,517	47,887	–	–	–	–	–	–	–
Pit toilet (ventilated)		181,207	186,643	198,607	198,607	198,607	198,607	205,607	215,607	215,607
Other toilet provisions (> min.service level)		–	–	56,473	56,473	56,473	56,473	56,473	56,473	56,473
Minimum Service Level and Above sub-total		288,730	295,309	315,874	315,874	315,874	315,874	322,874	332,874	334,874
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		18,467	18,467	18,467	18,467	18,467	18,467	14,767	11,467	9,467
No toilet provisions		41,309	38,220	38,220	38,220	38,220	38,220	34,720	28,220	28,220
Below Minimum Service Level sub-total		59,776	56,687	56,687	56,687	56,687	56,687	49,487	39,687	37,687
Total number of households	5	**348,506**	**351,996**	**372,561**	**372,561**	**372,561**	**372,561**	**372,361**	**372,561**	**372,561**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

Out of 372 561 households in the district in the 2024/2025 FY, only 22 116 households constituting to 6% receive a high level of water supply service. This therefore means that 6% of the households in the district are urban in their nature and 94 % of the households are rural in nature.

There are 58 716 households that will receive a high level of sanitation service, constituting to 16 % of the 372 561 total households estimated in the 2024/2025 FY.
55% of the households are estimated to be using VIP's (Ventilated Improved Toilet) and a backlog of 13% is anticipated. Although it is noted that there are households that are recorded by Stats SA to be using bucket system, the municipality has eradicated its bucket system backlogs and those households are deemed not to be receiving sanitation services

Furthermore OR Tambo District Municipality is distributing free basic services to its communities that have registered as indigent households and have been successfully approved.

Service Delivery Standards

Eastern Cape: OR Tambo District Municipality(DC15) - Schedule of Service Delivery Standards Table

Description Standard	Service Level
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	Blue Drop and No Drop
Is free water available to all? (All/only to the indigent consumers)	Only to the Indigent Consumer
Frequency of meter reading? (per month, per year)	Per Month
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Two Months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	One month
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	24 hours
Up to 5 service connection affected (number of hours)	24 hours
Up to 20 service connection affected (number of hours)	24 hours
Feeder pipe larger than 800mm (number of hours)	5 Hours
What is the average minimum water flow in your municipality?	10l/s
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
How long does it take to replace faulty water meters? (days)	5 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	No
To what extend do you subsidize your indigent consumers?	100 Percent
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	5 Hours
Sewer blocked pipes: Large pipes? (Hours)	24 Hours
Sewer blocked pipes: Small pipes? (Hours)	48 Hours
Spillage clean-up? (hours)	24 Hours
Replacement of manhole covers? (Hours)	
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	
Time taken to repair a single pothole on a minor road? (Hours)	
Time taken to repair a road following an open trench service crossing? (Hours)	
Time taken to repair walkways? (Hours)	
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease

Are the financial statement outsources? (Yes/No)	Yes
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balalnce?	No
How long does it take for an Tax/Invoice to be paid from the date it has been received?	30
Is there advance planning from SCM unit linking all departmental plans quaterly and annualy including for the next two to three years procurement plans?	no
Administration	
Reaction time on enquiries and requests?	1-3 mins (call centre)
Time to respond to a verbal customer enquiry or request? (working days)	< less then day
Time to respond to a written customer enquiry or request? (working days)	3-5 working days
Time to resolve a customer enquiry or request? (working days)	1-3 days (fire services)
What percentage of calls are not answered? (5per cent,10per cent or more)	< less then 5per cent
How long does it take to respond to voice mails? (hours)	
Does the municipality have control over locked enquiries? (Yes/No)	Yes
Is there a reduction in the number of complaints or not? (Yes/No)	Yes
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	
How long does it take to renew a vehicle license? (minutes)	
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	
How long does it take to de-register a vehicle? (minutes)	
How long does it take to renew a drivers license? (minutes)	
What is the average reaction time of the fire service to an incident? (minutes)	10 mins urban, 1h35 mins rural depending terain
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	Provincial competence
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	
Economic development	
How many economic development projects does the municipality drive?	
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	
What percentage of the projects have created sustainable job security?	
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	Yes
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

Part 2 – Supporting Documentation

1.7 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials.

The primary aim of the Budget Steering Committee is to ensure:

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

1.8 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2019) a time schedule that sets out the process to revise the IDP and prepare the budget.

1.9 BUDGET TIME SCHEDULE FOR 2024/2025

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
JULY 2022 (Preparation Phase)				
IDP	Development and alignment of IDP, PMS and Budget Process Plan (2022/2023)	Municipal Finance Management Act 56 (21)/ Municipal Systems Act 28 (1)	30-31 July 2022	IDP Manager
BUDGET	Municipality commences with planning for the next three year budget		01 July 2022	Chief Financial Officer
PMS	• Print and distribute final approved 2022/2023 SDBIP • Advertise and publish final approved 2022/2023 SDBIP in newspaper and municipal website	Municipal Finance Management Act, section 53 (3) (a)	15 July 2022	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise 2021/2022 4th Quarter Performance Report and submit to Mayco	Municipal Finance Management Act, section 52 (d)/ Circular 13	22 July 2022	Municipal Manager
	Submit 2021/2022 4th Quarter Performance Report to Council		29 July 2022	Municipal Manager
	Finalise 2022/2023 Performance Agreements	Municipal Systems Act 57 (2)/ Municipal Finance Management Act (69) (3) (b)	29 July 2022	Manager: Corporate Performance, Monitoring and Evaluation
AUGUST 2022 (Preparation- Analysis Phase)				
IDP	Advert inviting stakeholders to register for participation in the IDP Rep Forum	Municipal Systems Act (29) (a) (b)	08 August 2022	IDP Manager
	Advertise first IDP Rep Forum in the newspaper	Municipal Systems Act (29) (a) (b)	19 August 2022	IDP Manager
	First IDP Rep Forum to present the 2022-2023 IDP, PMS and Budget Process Plan and Framework to stakeholders	Municipal Systems Act (29) (a) (b)	29 August 2022	IDP Manager
	Council adoption of the 2021-2022 IDP, PMS and Budget Process Plan and Framework	Municipal Systems Act (28) (1)	30 August 2022	Council
BUDGET	Submission of Annual Report and 2019-20 Financial Statements to the Auditor General	Section 21 of the MFMA 56 of 2003: Budget Preparation Process, read with Section 28 (1) of the Municipal Systems Act	31 August 2022	Municipal Manager
PMS	Submit signed Performance Agreements to CoGTA	Municipal Finance Management 53 (3) (b)	05 August 2022	Manager: Corporate Performance, Monitoring and Evaluation
	Advertise and publish signed Performance Agreements in newspaper and municipal website	Municipal Finance Management Act 53 (3) (b)	05 August 2022	Manager: Corporate Performance, Monitoring and Evaluation

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
	Finalise Draft Annual Report	Municipal Finance Management Act 121 (1) / MFMA Circular 63	19 August 2022	Manager: Corporate Performance, Monitoring and Evaluation
	Submission of unaudited Draft Annual Report to the Mayoral Committee		22 August 2022	Manager: Corporate Performance, Monitoring and Evaluation
	Submit signed Performance Agreements to Council	Municipal Finance Management Act 53 (3) (b)	31 August 2022	Manager: Corporate Performance, Monitoring and Evaluation
	Submit Draft Annual Report to AG, National Treasury and CoGTA	Municipal Finance Management Act Circular 63	31 August 2022	Manager: Corporate Performance, Monitoring and Evaluation
SEPTEMBER 2022 (Situational Analysis Phase)				
IDP	Submit Final approved 2022-23 IDP, PMS and Budget Process Plan and Framework to the MEC CoGTA, Auditor General and Provincial and National Treasury		13 September 2022	IDP Manager
	Publish and advertise final approved 2022-23 IDP, PMS and Budget Process Plan and Framework in local newspaper and municipal website	Municipal Systems Act (29) (b)	13 September 2022	IDP Manager
	Consider MEC Comments and recommendations on the 2022-27 IDP Review		September-October 2020	IDP Manager
	Conduct evidence based research information. Review and document information submitted by Senior Management. Determine and assess the current level of development and the emerging challenges, opportunities and issues		September-October 2022	IDP Manager
OCTOBER 2022 (Situational Analysis Phase)				
IDP	Convene IDP, PMS and Budget Steering Committee to consider draft situational analysis		12 October 2020	IDP Manager
	First draft Situational Analysis ready		27 October 2022	IDP Manager
BUDGET	Budget and Treasury Office determines revenue projections and proposed rates and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives		31 October 2022	Chief Financial Officer

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
	Engage with Provincial and National sector departments on sector specific programmes for alignment with municipalities' plan (schools, libraries, roads, clinics etc)		31 October 2022	Chief Financial Officer
	Prepare 'sample' budget for NT using the mSCOA tables and using 2022-23 MTREF final budget		31 October 2022	Chief Financial Officer
PMS	Finalise 1st Quarter 2022/2023 Performance Report	Municipal Finance Management Act, section 52 (d)/ Circular 13	14 October 2022	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 1st Quarter 2022/2023 Performance Report to Mayco		24 October 2022	Municipal Manager
	Submit 1st Quarter 2022/2023 Performance Report to Council		31 October 2022	Municipal Manager
	Conduct individual quarterly reviews with HODs		27 -28 October 2022	Municipal Manager
NOVEMBER 2022 (Situational Analysis Phase)				
IDP	IDP, PMS and Budget Steering Committee to discuss Draft Situational Analysis		03 November 2022	IDP Manager
	Advertise 2nd IDP Rep Forum in newspaper		08 November 2022	IDP Manager
	Second IDP Rep Forum to Present Draft Situational Analysis		29 November 2022	IDP Manager
DECEMBER 2022 (Situational Analysis Phase)				
IDP	Convene cluster forums to present Situational Analysis and project identification for 2022-23		7-8 December 2022	IDP Manager and IGR Manager
	Set and agree on IDP Priority programmes/projects		December 2022	Senior Management
PMS	Finalise 2021/22 Annual Report, incorporating financial and non-financial information, audit reports and annual financial statements		30 December 2022	Manager: Corporate Performance, Monitoring and Evaluation
JANUARY 2023 (Strategic Formulation- Integration Phase)				
IDP	Additions to Draft Situational Analysis		January-February 2023	IDP Manager
BUDGET	Accounting Officer and Senior Management consolidate and prepare proposed budget and plans for 2022/23 financial year, taking into account previous years' performance as per audited financial statements		20 January 2023	Municipal Manager

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
	Commence with the review of tariff (rates and services charges) and budget related policies for 2022/23 financial year.		31 January 2023	Chief Financial Officer
PMS	Finalise 2nd quarter 2022/23 Performance Report	Municipal Finance Management Act, section 52 (d)/ Circular 13	16 January 2023	Manager: Corporate Performance, Monitoring and Evaluation
	Finalise and submit mid-year 2022/23 Performance Report		16 January 2023	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 2nd Quarter 2022/23 Performance Report to Mayco		24 January 2023	Manager: Corporate Performance, Monitoring and Evaluation
	Submit mid-year report to National Treasury and CoGTA		25 January 2023	Manager: Corporate Performance, Monitoring and Evaluation
	Conduct individual mid-year and annual reviews with HODs		26 - 27 January 2023	Manager: Corporate Performance, Monitoring and Evaluation
	Table 2nd quarter and mid-year 2022/23 Performance Reports to council		31 January 2023	
	Table the Audited 2021/2022 Annual Report to Council	Municipal Finance Management Act 127 (2)	31 January 2023	Manager: Corporate Performance, Monitoring and Evaluation
FEBRUARY 2023 (Strategic Formulation- Integration Phase)				
BUDGET	Senior Management identifying programmes/projects with external stakeholders		February-March 2023	IDP Manager
	Receive proposed budget and projects from Directors of the municipal entity	Municipal Finance Management Act Section 87 (1)	28 February 2023	CEO: Ntinga Development Agency
	Convene Mayoral Lekgotla and Strategic Session to request inputs for new municipal vision, mission, strategies and objectives. Develop objectives for priority issues and determine programmes to achieve		February-March 2023	IDP Manager
	Review proposed national and provincial allocations to the DM for incorporation into the Draft Budget for tabling (Proposed national and provincial allocations for three years must be available by 20 January)		28 February 2023	Chief Financial Officer
	Finalise and submit to Executive Mayor proposed budgets and plans for the next three year budgets, taking into account the recent mid-years review		February 2023	Chief Financial Officer

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
	and any corrective measures proposed as part of oversight report for the previous years' audited financial statements and annual report			
PMS	Mid-year assessment by National Treasury		To be determined	Municipal Manager
	Submit 2021/2022 Audited Annual Report to AG, National Treasury & CoGTA		03 February 2023	Manager: Corporate Performance, Monitoring and Evaluation
	Advertise and publish Annual Report in newspaper and municipal website (and invite for public comment)		03 February 2023	Manager: Corporate Performance, Monitoring and Evaluation
	Submit to the Mayoral Committee the 2022/2023 Adjusted SDBIP in line with the approved adjustment budget		21 February 2023	Municipal Manager
	Table the 2022/2023 Adjusted SDBIP in line with the approved adjustment budget to council for approval		28 February 2023	Municipal Manager
MARCH 2023 (Approval Phase)				
IDP	Integration of sector plans and institutional programmes		March 2023	IDP Manager
	IDP and Budget Steering Committee to present Draft 2022-23 IDP Review and Draft Budget		17 March 2023	IDP Manager
	Advertise 3rd IDP Rep Forum in the newspaper		20 March 2021	IDP Manager
	Third IDP Rep Forum to present Draft IDP 2022-23 Review and Draft Budget		29 March 2023	IDP Manager
	Table Draft IDP 2022-23, Draft Budget, Draft SDBIP and Draft Risk Register to Council for approval		30 March 2023	IDP Manager
PMS	Review and submit Performance Chapter of the IDP		15 March 2023	Manager: Corporate Performance, Monitoring and Evaluation
	Adjust Performance Agreements in line with the approved 2022/2023 Adjusted SDBIP		10 March 2023	Manager: Corporate Performance, Monitoring and Evaluation
	Advertise and publish adjusted SDBIP and Performance Agreements in newspaper and municipal website		10 March 2023	Manager: Corporate Performance, Monitoring and Evaluation
APRIL 2023 (Approval Phase)				

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
IDP	Submit Draft IDP 2022-23 Review, Draft Budget and SDBIP to CoGTA, Provincial Treasury, National Treasury and Auditor General	Municipal Finance Management Act 52 (d)/ Municipal Systems Act (32)	11 April 2023	IDP Manager
	Advertise and publish Draft IDP and Budget in the newspaper and municipal website for public comment	Municipal Systems Act 25 (4) (a)	11 April 2023	IDP Manager
	IDP and Budget Roadshows	Municipal Systems Act 29 (b)	19-25 April 2023	IDP Manager
	National Treasury Benchmarking exercise		April 2023	Municipal Manager
PMS	Finalise 3rd Quarter 2022/23 Performance Report	Municipal Finance Management Act, section 52 (d)/ Circular 13	15 April 2023	Manager: Corporate Performance, Monitoring and Evaluation
	Submit 3rd Quarter 2022/23 Performance Report to Mayco		21 April 2023	Municipal Manager
	Submit 3rd Quarter 2022/23 Performance Report to Council		28 April 2023	Municipal Manager
	Conduct Individual Quarterly Reviews with HODs		27-28 April 2023	Manager: Corporate Performance, Monitoring and Evaluation
MAY 2023 (Approval Phase- Final IDP and Budget)				
IDP	IDP & Budget Steering Committee considers submissions, representations and recommendations from IDP Roadshows. Provide Executive Mayor with an opportunity to respond to submissions during consultation and table amendments for Council consideration.		15 May 2023	IDP Manager
	Advertise 4th IDP Rep Forum in newspaper		17 May 2023	IDP Manager
	Fourth IDP Rep Forum to present Final 2022-23 IDP Review and Final budget, with submissions, representations and recommendations from the IDP Roadshows		29 May 2023	IDP Manager
	Table Final IDP 2023-23 Review and Final budget to Council for approval		30 May 2023	Chief Financial Officer
PMS	Draft Institutional SDBIP for 2022/2023 financial year		02 - 30 May 2023	Manager: Corporate Performance, Monitoring and Evaluation
JUNE 2023 (Post approval phase)				
IDP	Submit Final IDP 2022-23 Review, Final Budget, Risk Register and Procurement Plans to CoGTA, Provincial Treasury, National Treasury and Auditor General	Municipal Systems Act (32)	09 June 2023	IDP Manager
	Advertise and publish approved 2022-23 IDP Review and Budget in newspaper and municipal website	Municipal Systems Act 25 (4) (a)	09 June 2023	IDP Manager
	Printing and distribution of Final 2022-23 IDP Review to stakeholders		June 2023	IDP Manager

PROCESS	ACTIVITY	LEGISLATIVE REQUIREMENT	DATE	RESPONSIBILITY
PMS	Submit Draft 2023/2024 SDBIP to the Executive Mayor	Municipal Finance Management Act Circular 13	14 June 2023	Municipal Manager
	Executive Mayor approves the 2023/2024 SDBIP	Municipal Finance Management Act 69 (3) (a)	28 June 2023	Municipal Manager

1.10 IDP and Service Delivery and Budget Implementation Plan

This is the draft IDP as draft by Council in March 2024.

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

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2020/2021 MTREF, based on the approved 2019/2020 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2020/2021 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/2020 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

The Local Government Municipal Systems Act No. 32 of 2000, section 28 stipulates that the Municipal Council must adopt a process to guide the planning, drafting and adoption of its IDP within a prescribed period (10 months before the start of the new financial year as per MFMA 21 (1)). The Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA), section 21 (1) (b) prescribes that the Executive Mayor must table in the Municipal Council a time schedule outlining the key deadlines for the preparation, tabling and approval of the annual budget, annual review of the Integrated Development Plan as well as the budget related policies and related consultative processes.

The main objective of an IDP process plan is to set out a procedure to guide planning, drafting and adoption of the IDP. It seeks to achieve the following: -

i. To draw up a process that would encourage inclusiveness and transparency by ensuring the following:
    a) Participation by all local municipalities, other stakeholders and communities is encouraged in every way possible
    b) Comments and inputs made during the IDP Road Shows and Mayoral and IGR outreach programmes are fully considered in developing the IDP

ii. To solicit and align development priorities of the O.R. Tambo District Municipality with those of the local municipalities as well as provincial and national sector departments, by looking at the following:
    a) Aligning the IDP, PMS and Budgeting process to the budgeting cycles of the National and Provincial Government department
    b) Developing a schedule for critical alignment deadlines to ensure that the district is able to timeously align its planning and budgeting processes to inform those of the national and provincial spheres, thereby increasing the scope for funding commitments.
iii. To enhance service delivery and development through the following:
    a) Preparation and review of relevant sector plans.
    b) Implementation and review of PMS.
    c) Preparation and adoption of annual municipal budget.
    d) Alignment of IDP and Budgeting processes with national and provincial planning and budgeting processes.

1.10.1 Community Consultation

The draft 2023/2024 MTREF as tabled before Council on 31 March 2023 for community consultation. Notice of community road shows for different wards will be published in the local newspaper.

Ward Committees will be utilised to facilitate the community consultation process, and included public briefing sessions. The applicable dates and venues will be published in the local and provincial newspapers. Other stakeholders will be involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant considered as part of the finalisation of the 2022/2023 MTREF. Feedback and responses to the submissions received is available on request. The following are some of the main issues and concerns raised as well as comments received in consultation processes in previous years:

- Several complaints were received regarding poor service delivery, especially water distribution in rural communities, state of road infrastructure;
- Incomplete pit toilets and poor access to health facilities in rural communities.
- Poor performance of contractors relating to water infrastructure development and maintenance were raised;
- Constant water outages.

These issues will be addressed together with any new that will be raised when the public participation gatherings will be in progress.

The MSA, 2000: Section 17(4) states that participation must take place through the established structures. It must also take place through mechanisms, processes and procedures that exist in terms of the MSA itself or that have been established by the Council. The MSA mentions the ward

committees as a vehicle for participation. In addition to ward committees, the council may for instance, establish advisory committees consisting of persons who are not councillors. The mechanisms, processes and procedures mentioned in the MSA must include:

- Procedures to receive and deal with petitions and complaints of the public;
- Procedures to notify the community about important decisions (such as the IDP, service delivery choices etc) and allowing public comment when it is appropriate;
- Public hearings;
- Consultative meetings with recognized community organizations when appropriate, traditional authorities; and
- Report back to the community

These systems must as a minimum measure, be established in every municipality. The special needs of women, illiterate people, physically challenged people, and other disadvantaged groups must be taken into account. Four major functions can be aligned with the public participation process namely; Needs orientation, Appropriateness of solutions, Community ownership and Empowerment.

The following participation mechanisms are proposed:

IDP REPRESENTATIVE FORUM

The IDP Representative Forum is the main organizational mechanism in place for discussion, negotiation and decision-making between stakeholders with the municipal area. It is constituted of Councillors, Mayors and Municipal managers of all constituent municipalities, representative of organised role playing groups, NGO, Senior officials from Government departments and municipal heads of departments. Additional organizations should be encouraged to participate in the Forum throughout the process.

MEDIA

Amongst others the local press will be used to inform the community of the progress with respect to the IDP.

CIRCULATE NOTICE

Notices on the IDP Process (in English and isiXhosa) will be placed at strategic Notice boards: public buildings (e.g. Schools, Clinics, and Tribal/Magistrates Courts etc) and places of religion Notices can also be attached on the municipal customer's monthly accounts.

WEBSITE AND ELECTRONIC BILLBOARD

Notices on the IDP processes will be published in the O.R. Tambo DM website.

ROADSHOWS

A number of road shows will be conducted in an effort to ensure that the public is actively involved throughout the process. Announcements of the road show programme will have to be made in local and community radio stations and also make use of local newspaper publications.

1.11 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the District Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the District Municipality strategically complies with the key national and provincial priorities.

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

national and provincial priorities, policies and strategies and the District Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2020/2021 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 5 IDP Strategic Objectives

2021/2022 Financial Year		2020/2021 MTREF	
1.	Institutional Transformation and Development	1.	Improve workplace and community skills development to ensure capacity to achieve set objectives and sustainable job creation
2.	Good governance and public participation	1	Building a coherent district thai is responsible, accountable and promote clear governance
3.	Financial viability and Management	1.	Ensure sound financial management, sustainability, viability of the municipality
4.	Improve coordination and intergration of LED programs and enhancing access to LED infrastructure and promoting sustainable community livelyhood	1	Promote economic growth and creating sustainable economic activities through rationalised programmes within a limited natural resources
5.	The provision of quality basic services and infrastructure	1.	Provide adequate accessible infrastructure and enhancing the community

In order to ensure integrated and focused service delivery between all spheres of government it was important for the District Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure

development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Institutional Transformation and Development
    - Promote workplace and community skills development
    - Improve institutional systems and structures
    - Proper Labour relations planning
    - Review existing organisational structure
2. Good Governance and public participation
    - Promote transparency and accountability
    - Promote effective functioning of Inter Governmental Relations (IGR)
    - Promote Batho Pele principles

3. Financial Viability and Management
    - Ensure effective financial management planning and budgeting
    - Develop effective and efficient system of internal controls
    - Promote transparency in procurement
    - Achieve optimum revenue collection

4. Fighting poverty, building clean, safe, healthy and sustainable communities
    - Promote local economic development projects
    - Provide assistance to local emerging contractors and businesses

5. Provision of quality basic services and infrastructure which includes, amongst others:
    - Provide water;
    - Provide sanitation;
    - Provide housing;
    - Provide roads and storm water;
    - Provide public transport;
    - Provide District Municipality planning services; and
    - Maintaining the infrastructure of the District Municipality.

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

In addition to the five-year IDP, the District Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of

public-led investment to restructure current patterns of settlement, activity and access to resources in the District Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the District Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the District Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the District Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2024/2025 MTREF has therefore been directly informed by the IDP process and the following tables provide reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
FINANCIAL VIABILITY AND MANAGEMENT				1,023,151	984,505	905,621	324,500	323,748	323,748	326,535	326,035	317,512
STRENGTHINING GOVERNANCE AND CONTROL ENVIRONMENT				856	1,463	1,691	203,755	207,062	207,062	213,821	216,004	225,724
PROMOTE WORKPLANCE SKILLS DEVELOPMENT				–	–	–	217,894	243,294	243,294	252,693	264,317	276,211
IMPROVE COORDINATION AND INTERGRATION OF LED PROGRAMS AND ENHANCING ACCESS TO LED INFRASTRUCTURE AND PROMOTING SUSTAINABLE COMMUNITY LIVELYHOOD				6,517	10,418	11,542	101,134	101,046	101,046	99,780	100,347	104,863
PROVIDING ACESS TO POTABLE WATER, AND SANITATION SERVICES AND IMPROVE THE COMMUNITY LIVELYHOOD				409,885	336,564	518,173	965,899	946,699	946,699	899,279	974,703	1,053,005
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	1,440,410	1,332,950	1,437,027	1,813,181	1,821,849	1,821,849	1,792,108	1,881,407	1,977,315

Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
FINANCIAL VIABILITY AND MANAGEMENT				178,856	150,131	72,970	293,516	288,825	288,825	246,824	257,673	268,697
STRENGTHINING GOVERNANCE AND CONTROL ENVIRONMENT				225,894	235,564	191,725	210,564	218,132	218,132	217,667	216,004	225,724
PROMOTE WORKPLANCE SKILLS DEVELOPMENT				193,903	141,607	135,390	195,644	226,044	226,044	235,443	246,274	257,356
IMPROVE COORDINATION AND INTERGRATION OF LED PROGRAMS AND ENHANCING ACCESS TO LED				138,947	104,946	107,695	94,325	94,587	94,587	95,934	100,347	104,863
PROVIDING ACESS TO POTABLE WATER, AND SANITATION SERVICES AND IMPROVE THE COMMUNITY				1,012,546	936,551	1,103,437	911,770	882,479	882,479	861,959	901,609	942,181
Allocations to other priorities												
Total Expenditure			1	1,750,147	1,568,799	1,611,217	1,705,819	1,710,067	1,710,067	1,657,827	1,721,906	1,798,821

Table 22 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
FINANCIAL VIABILITY AND MANAGEMENT				5,123	577	181	5,000	4,000	4,000	63,632	62,951	63,228
STRENGTHINING GOVERNANCE AND CONTROL ENVIRONMENT				–	–	–	–	–	–	–	–	–
PROMOTE WORKPLANCE SKILLS DEVELOPMENT				87	170	866	22,250	17,250	17,250	17,250	18,044	18,855
IMPROVE COORDINATION AND INTERGRATION OF LED PROGRAMS AND ENHANCING ACCESS TO LED				2,361	–	–	–	–	–	–	–	–
PROVIDING ACESS TO POTABLE WATER, AND SANITATION SERVICES AND IMPROVE THE COMMUNITY				63,703	2,642	12,628	1,238,856	1,164,508	1,164,508	1,360,561	1,397,518	1,536,216
Allocations to other priorities			3									
Total Capital Expenditure			1	**71,274**	**3,389**	**13,676**	**1,266,106**	**1,185,758**	**1,185,758**	**1,441,444**	**1,478,513**	**1,618,299**

1.12 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the District Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

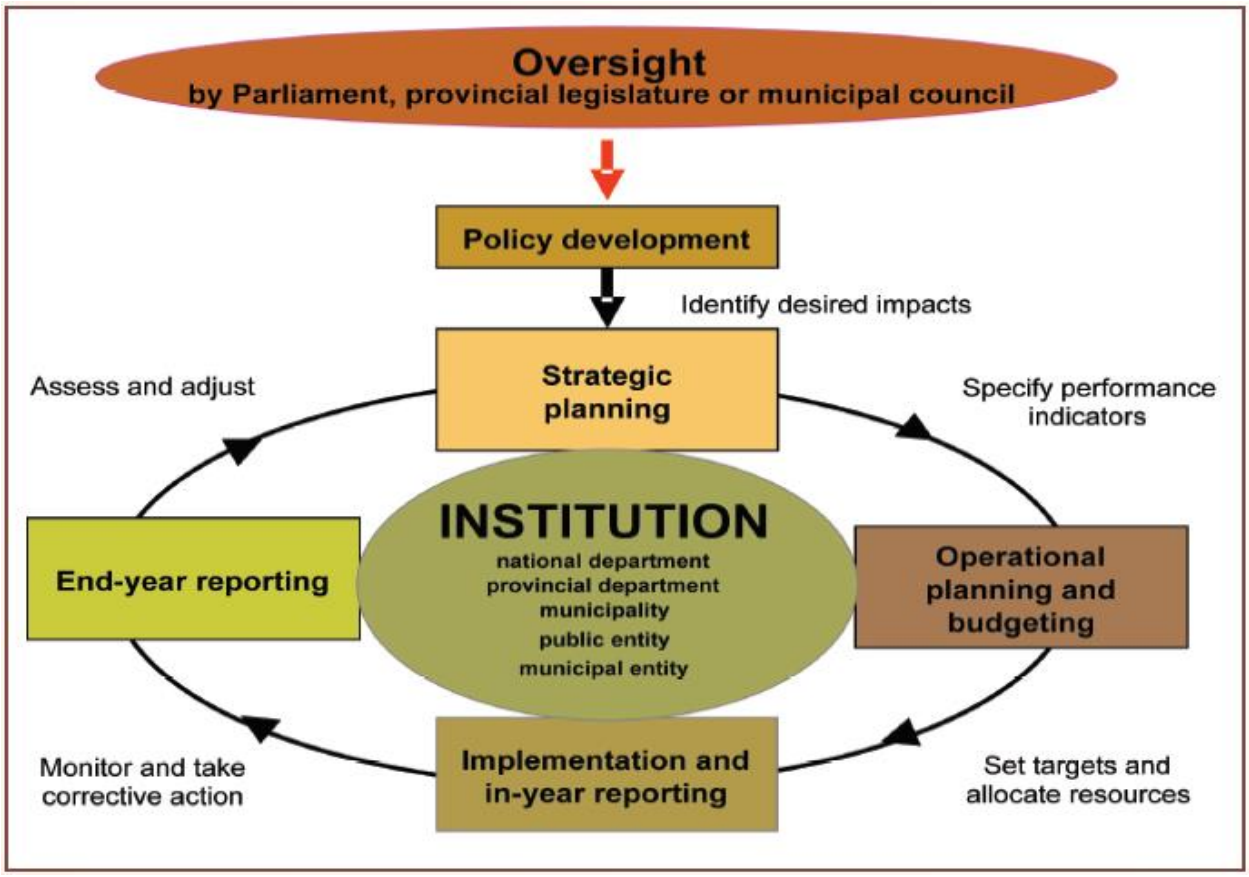


Figure 2 Planning, budgeting and reporting cycle

The performance of the District Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The District Municipality therefore has draftone integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the District Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

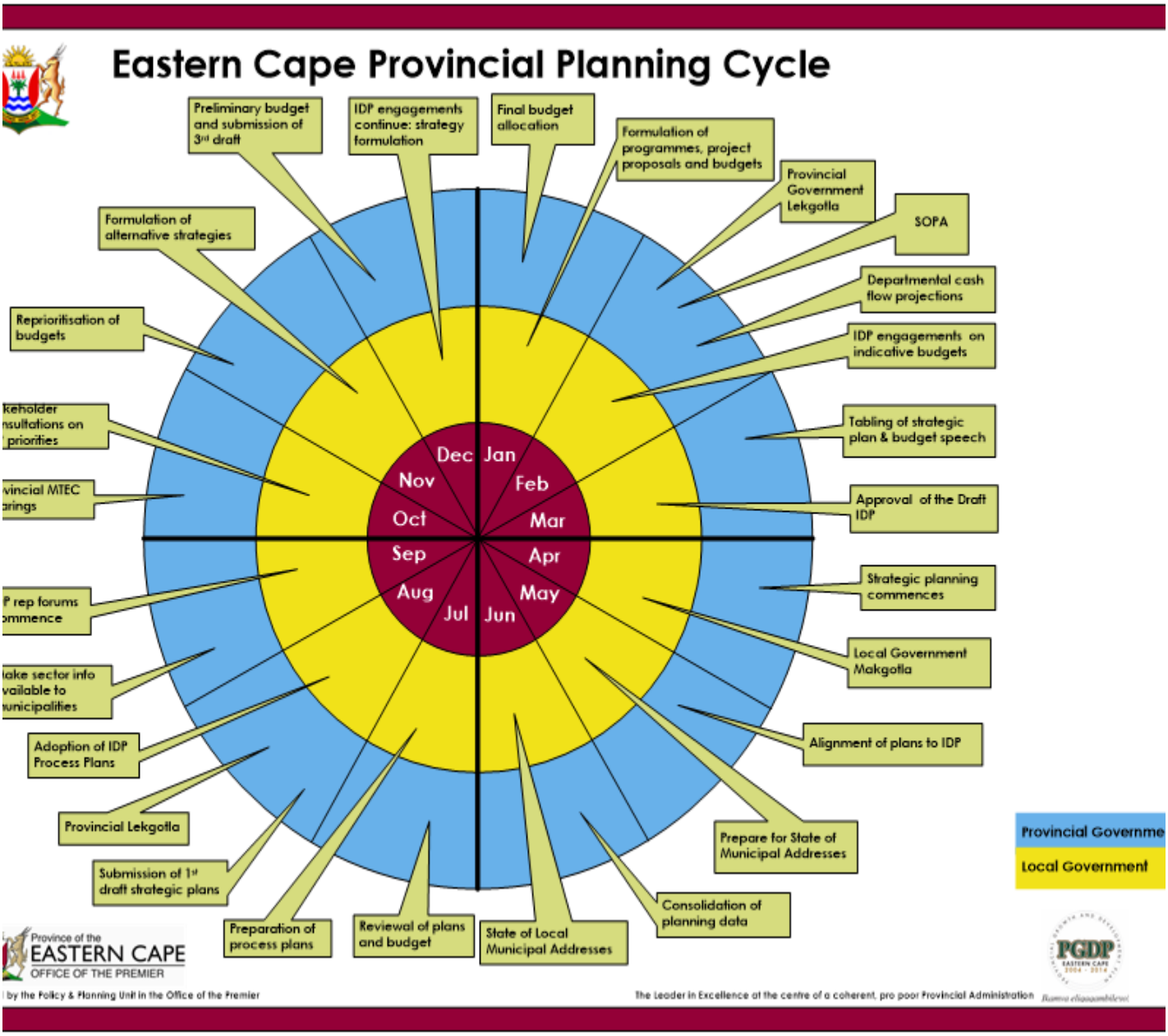


Figure 3 (1) Planning, budgeting and reporting cycle

The planning of the District includes the sector departments within the area which must be aligned with the planning of those sector departments

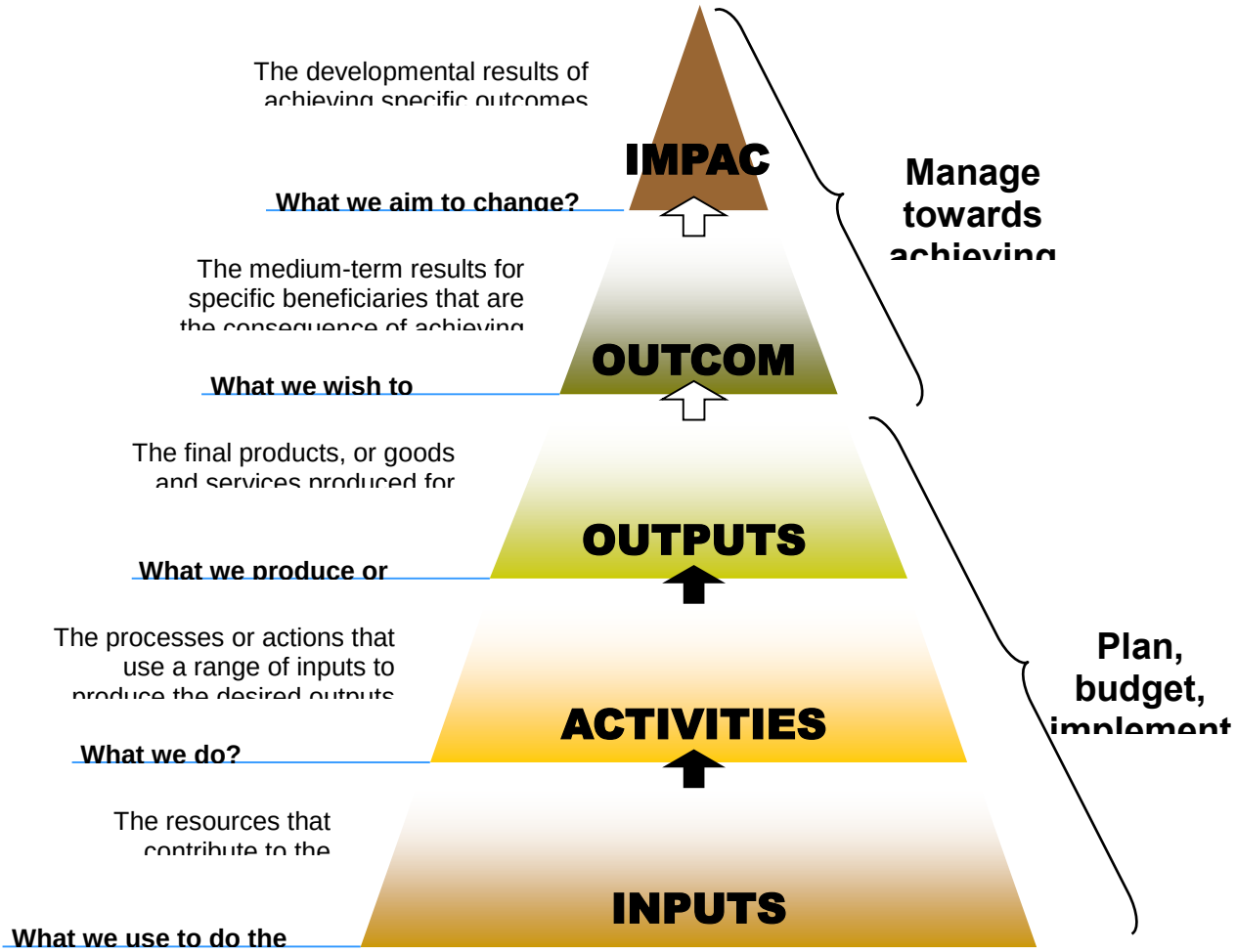


Figure 4 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 63 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
11 - Water										
Water Management										
Water Distribution										
Formal Settlement Households Receiving Water	Households				435 505	435 505	435 505			
Informal Settlements (R000)	Rand Value				729069 745	729069 745	729069 745			
No Water Supply	Households	165 072	160 119	174 884	174 884	174 884	174 884	174 143	173 493	172 833
Other Water Supply (< Min.Service Level)	Households	25 389	24 627	27 065	27 065	27 065	27 065	26 876	26 684	26 835
Level)	Households									
Piped Water Inside Dwelling	Households	20 805	21 075	21 375	21 375	21 375	21 375	22 116	22 766	23 426
Piped Water Inside Yard (But Not In Dwelling)	Households	40 702	43 758	43 758	43 758	43 758	43 758	43 758	43 758	43 758
Level)	Households	96 538	102 417	105 479	105 479	105 479	105 479	105 668	105 860	105 709

Table 24 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Borrowing Management											
Credit Rating				0	0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.4%	0.3%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.4%	0.3%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
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%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.6	2.2	3.1	1.6	1.6	1.6	0.9	1.8	2.3	3.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.6	2.2	3.1	1.6	1.6	1.6	0.9	1.8	2.3	3.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	1.9	2.8	1.3	1.2	1.2	0.7	1.4	2.0	2.6
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	14.6%	103.8%	66.3%	68.2%	69.6%	69.6%	62.5%	68.1%	68.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		14.6%	104.0%	65.6%	68.5%	69.6%	69.6%	63.0%	68.1%	68.0%	68.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.0%	20.8%	20.2%	12.0%	12.0%	12.0%	19.2%	9.3%	8.1%	8.4%
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))										
Creditors to Cash and Investments		176.6%	97.5%	386.5%	47.9%	49.8%	49.8%	-58.6%	33.5%	10.9%	-7.8%
Other Indicators											
	Total Volume Losses (kW) technical										
		0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Bulk Purchase										
Water Volumes :System input	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)	7,477	7,576	–	4,438	4,438	4,438	–	3,773	3,131	–
	Total Cost of Losses (Rand '000)	12486997	0	0	7412281	7412281	7412281	0	6300439	0	0
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0.0%	0.0%	2000.0%	2000.0%	2000.0%	0.0%	1700.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	53.3%	55.1%	49.6%	42.5%	42.2%	42.2%	35.2%	44.9%	44.7%	44.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	54.7%	56.5%	50.9%	43.9%	43.6%	43.6%	57.6%	46.4%	46.2%	46.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.9%	1.9%	6.1%	4.0%	2.6%	2.6%	3.0%	2.4%	2.4%	2.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	24.7%	20.1%	25.2%	13.2%	12.8%	12.8%	0.2%	9.7%	9.6%	9.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	133.5	33.8	47.9	44.8	45.0	37.9	35.6	42.3	42.5	44.6
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	81.7%	90.4%	100.9%	48.5%	49.3%	49.3%	116.4%	34.9%	30.9%	32.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	10.3	5.2	1.2	4.7	4.9	4.9	(5.5)	5.1	6.9	6.6

1.12.1 Performance indicators and benchmarks

1.12.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, OR Tambo District Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the District Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2024/2025 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. The District Municipality is not intending to borrow funds.

1.12.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. During the 2022/2023 financial year the ratio was only 0 per cent of equity and debt utilised to finance assets. Then in 2024/2025 MTREF the ratio is 0 percent.

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. Since the District is not intending to borrow, this ratio is nil since the municipality does not intend to borrow funds.

1.12.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities. This gives an indication of how much the cash will be able to cover the current liabilities and the best practice is about 3:1. In 2016/17 to 2018/19 the ratio is 1.2:1, 1:1, 0.9:1 which indicates that the municipality is in break even point to cover the current liabilities due to a number of reasons being one of them the poor collection rate on service charges. But in 2023/2024 budget, it is anticipated that the ratio is 0.9:1 due to the decrease in current liabilities and increase in current assets, this decrease was as a result of decrease in accruals but still this is not safe enough as it is in breakeven point. For the 2024/2025 MTREF the current ratio is 1.8:1 this is anticipated to improve to 2.3:1 in 2025-2026 as the collections rate will increase and the cash on hand slightly increase but there is still room for improvement in the area of collections for this ratio to rise and closer to the best practice.

1.12.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management strategy has been implemented to increase cash inflow, not only from current billings but

also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Currently the projected collection rate is at 66.3 per cent for 2023/2024 which is anticipated to be reached. For 2024/2025, anticipated collection rate is 62.5 per cent.

1.12.1.5 Creditors Management

- The District Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. Though there are some challenges in payments of contractors for MIG spending due to the process of verification of work done, there are mechanisms in place to address these. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.

- Other Indicators
- Employee costs being 45 per cent as a percentage of operating expenditure which is just above the norm of maximum of 40 per cent as per circular 71. This is due to the increment of 4.9 per cent and the filling of vacant posts.
- Repairs and Maintenance is significantly lower as the percentage of total property plant and equipment which is 2.4 percent. This as a result of some items which were reclassified from repairs and maintenance to capital expenditure and other direct costs on operations and maintenance being classified under other expenditure. Even then this is not enough still to address the aging of the infrastructure more especially in towns. Funding the depreciation will assist in asset renewal and replacement.

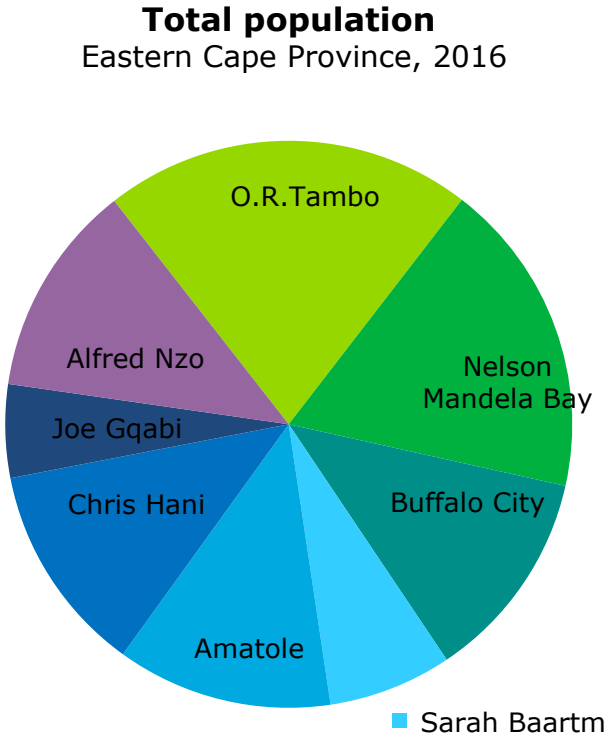
1.12.2 Free Basic Services: basic social services package for indigent households

Table 24 a MBRR Table SA9 – Social, Economic and demorgraphic statistics assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			–	–	–	–	–	–	–	1,502	1,517	1,533
Females aged 5 - 14			1,677	1,350	1,390	2	2	2	2	259	304	357
Males aged 5 - 14			140	118	153	188	192	188	190	268	316	373
Females aged 15 - 34			144	122	159	194	199	194	196	259	303	356
Males aged 15 - 34			226	176	229	261	267	261	264	26	31	37
Unemployment			216	193	251	293	301	293	456	789	825	863
Monthly household income (no. of households)	1, 12											
No income			60	70	77	65	71	65	66	67	67	78
R1 - R1 600			1,000	1,160	1,287	1,048	1,149	1,048	1,062	1,063	1,075	1,076
R1 601 - R3 200			10,280	11,925	13,236	5,089	5,578	5,089	5,156	5,157	5,158	5,159
R3 201 - R6 400			19,921	23,109	25,651	10,780	11,815	10,780	10,922	10,923	10,924	11,046
R6 401 - R12 800			58,998	68,438	75,966	61,866	67,805	61,866	62,683	63,385	63,386	64,960
R12 801 - R25 600			60,658	70,364	78,104	63,172	69,237	63,172	63,173	63,174	63,881	64,597
R25 601 - R51 200			53,155	61,659	68,442	35,753	39,185	35,753	36,225	36,226	36,631	36,632
R52 201 - R102 400			21,982	25,499	28,304	28,119	30,818	28,119	28,490	28,809	29,123	29,449
R102 401 - R204 800			45,196	52,427	58,194	27,049	29,646	27,049	27,050	29,131	29,458	29,787
R204 801 - R409 600			19,139	22,202	24,644	13,794	15,118	13,794	13,976	14,132	14,298	14,450
R409 601 - R819 200			17,174	19,922	22,114	8,235	9,026	8,235	8,343	8,436	8,530	8,626
> R819 200			176	204	227	2,500	2,740	2,500	2,533	2,561	2,590	2,619
Poverty profiles (no. of households)												
< R2 060 per household per month	13		10,659	12,102	12,995	62.00	68.00	62.00	27.00	31.00	47.00	49.00
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			1,676,592	1,350,000	1,390,000	2	2	2	2	2	2	2
Number of poor people in municipal area			1,257,444	985,500	1,042,500	996	1,002	996	1,088	1	1	1
Number of households in municipal area			364,477	293,478	298,531	349	351	349	351	369	386	403
Number of poor households in municipal area			273,357	214,239	226,630	196	197	196	259	177	185	193
Definition of poor household (R per month)			992	992	992	992	999	992	131,440	3,500	3,661	3,829
Housing statistics	3											
Formal			139,374	135,247	141,785	152,345	158,134	152,345	159,429	166,699	174,505	182,532
Informal			176,939	171,700	180,000	1,962	2,036	1,962	2,153	2,363	2,594	2,713
Total number of households			316,313	306,947	321,785	154,307	160,170	154,307	161,582	169,062	177,099	185,245
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						2.9%	5.2%	0.0%	5.3%	4.9%	4.7%	0.0%
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases						4.5%	4.9%	0.0%	5.3%	4.9%	4.7%	0.0%
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

POPULATION

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income. With 1.47 million people, the O.R.Tambo District Municipality housed 2.6% of South Africa's total population in 2016. Between 2006 and 2016 the population growth averaged 0.94% per annum which is close to half than the growth rate of South Africa as a whole (1.54%). Compared to Eastern Cape's average annual growth rate (0.83%), the growth rate in O.R.Tambo's population at 0.94% was very similar than that of the province.



Source: IHS Markit Regional eXplorer version 1181

When compared to other regions, the O.R.Tambo District Municipality accounts for a total population of 1.47 million, or 21.0% of the total population in the Eastern Cape Province, which is the most populous region in the Eastern Cape Province for 2016. The ranking in terms of the size of O.R.Tambo compared to the other regions remained the same between 2006 and 2016. In terms of its share the O.R.Tambo District Municipality was slightly larger in 2016 (21.0%) compared to what it was in 2006 (20.8%).When looking at the average annual growth rate, it is noted that O.R.Tambo ranked fourth (relative to its peers in terms of growth) with an average annual growth rate of 0.9% between 2006 and 2016.

The Ngquza Hill Local Municipality increased the most, in terms of population, with an average annual growth rate of 1.3%, the King Sabata Dalindyebo Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 1.2%. The Mhlontlo Local Municipality had the lowest average annual growth rate of -0.39% relative to the other within the O.R.Tambo District Municipality.

The population pyramid reflects a projected change in the structure of the population from 2016 and 2021. The differences can be explained as follows:

- In 2016, there is a significantly larger share of young working age people between 20 and 34 (27.5%), compared to what is estimated in 2021 (25.5%). This age category of young working age population will decrease over time.
- The fertility rate in 2021 is estimated to be significantly higher compared to that experienced in 2016.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (35.9%) in 2021 when compared to 2016 (37.3%).
- In 2016, the female population for the 20 to 34 years age group amounts to 14.3% of the total female population while the male population group for the same age amounts to 13.2% of the total male population. In 2021, the male working age population at 12.5% does not exceed that of the female population working age population at 13.0%, although both are at a lower level compared to 2016.

Population by population group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

O.R.Tambo District Municipality's male/female split in population was 87.7 males per 100 females in 2016. The O.R.Tambo District Municipality has significantly more females (53.28%) than males, when compared to a typical stable population. This is most probably an area with high male out migration to look for work elsewhere. In total there were 784 000 (53.28%) females and 688 000 (46.72%) males. This is different from the Eastern Cape Province as a whole where the female population counted 3.67 million which constitutes 52.31% of the total population of 7.01 million.

In 2016, the O.R.Tambo District Municipality's population consisted of 99.12% African (1.46 million), 0.18% White (2 720), 0.47% Coloured (6 940) and 0.22% Asian (3 230) people. The largest share of population is within the babies and kids (0-14 years) age category with a total number of 550 000 or 37.3% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 25.5%, followed by the teenagers and youth (15-24 years) age category with 323 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 78 200 people, as reflected in the population pyramids below.

ECONOMY

The economic state of O.R.Tambo District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Eastern Cape Province and South Africa. The section will also allude to the economic composition and contribution of the regions within O.R.Tambo District Municipality.

The O.R.Tambo District Municipality does not function in isolation from Eastern Cape, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

With a GDP of R 38 billion in 2016 (up from R 16.3 billion in 2006), the O.R.Tambo District Municipality contributed 11.23% to the Eastern Cape Province GDP of R 338 billion in 2016 increasing in the share of the Eastern Cape from 11.47% in 2006. The O.R.Tambo District Municipality contributes 0.87% to the GDP of South Africa which had a total GDP of R 4.35 trillion in 2016 (as measured in nominal or current prices).It's contribution to the national economy stayed similar in importance from 2006 when it contributed 0.89% to South Africa, but it is lower than the peak of 0.92% in 2007.

The O.R.Tambo District Municipality had a total GDP of R 38 billion and in terms of total contribution towards Eastern Cape Province the O.R.Tambo District Municipality ranked third relative to all the regional economies to total Eastern Cape Province GDP. This ranking in terms of size compared to other regions of O.R.Tambo remained the same since 2006. In terms of its share, it was in 2016 (11.2%) slightly smaller compared to what it was in 2006 (11.5%). For the period 2006 to 2016, the average annual growth rate of 1.0% of O.R.Tambo was the sixth relative to its peers in terms of growth in constant 2010 prices.

The table above indicates the statistical demorgraphic information for the district municipality. Based on the census for 2001 and later on the census for 2011 with the projected growing index of 0.97per cent per annum population growth from 2011 census.

As indicated in the table above total number of people in the municipal area amount to 1.36 million in the 2011 census and out of that number, number of poor people in the municipal area amounted to 828,500 which means 60per cent of people in the municipal area are poor. This number grew in the subsequent years using the growth index to 1 million poor people out of 1.9 million total population but the percentage remains the same since the same index in both total population and poor people. But this indicated the challenge the municipality has in the expanding its revenue base due to the demographic dynamics.

The district is located in one of the deeply rural areas in the country with non existent infrastructure in some of the areas. The district as per 2011 census comprises of close to 308 577 households of which 93per cent are rural. The rural communities comprising of 93per cent households receive water and sanitation without paying for them and this forms part of free basic service.

For the 7per cent in towns social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the District Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2020/2021 financial year 435 registered indigent households have been provided for in the budget with this figured expected to increase. In terms of the Municipality's indigent policy registered households are entitled to 6kℓ free water.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 19 MBRR A10 (Basic Service Delivery Measurement)

Note that the number of households in rural areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

1.12.3 Providing clean water and managing waste water

The District Municipality is the Water Services Authority for the entire district in terms of the Water Services Act, 1997 and acts as water services provider. The District Municipality source water from dams (DWA) to water pump stations for purification then to consumers. There are other sources of water being boreholes

The following is briefly the main challenges facing the District Municipality in this regard:

- Decrease of water supply due to drought
- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

1.13 Overview of budget related-policies

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

1.13.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in October 2008 is reviewed in 2023/2024 and the Council noted the revised Credit Control Policy as well Tariff policy on the 30 November 2023. The newly revised draft policy is now credible, sustainable, manageable and informed by affordability and value for money that has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions have been included to enhance the lowering of the credit periods for the down payment of debt. In addition emphasis has been placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors, extending the period of averaging in cases of faulty meters.

The collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the District Municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

1.13.2 Supply Chain Management Policy

The Supply Chain Management Policy was draft by Council in December 2005. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on and will be in compliance with the newly revised SCM regulations.

1.13.3 Budget and adjustment budget, Reserves and funding and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the District Municipality's system of delegations incorporating the restrictions of mSCOA segments in the amendments of the budget . The Budget related Policies has been noted by the council when tabling 2024/2025 MTREF.

1.13.4 Cash Management and Investment Policy

The aim of the policy is to ensure that the District Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

1.13.5 Tariff Policies

The District Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

Overview of budget assumptions

External factors

In South Africa, there is currently crisis of load shedding which affects the service delivery as the water schemes are affected and the supply of water to communities is severely affected due to uncertainty of electricity supply. This will negatively impact our country and collapse the economy which will affect the cash management of the municipality. Also the downgrading to junk status of the country will not help the situation with devaluation of rand to dollar exchange, worsening of country's credit rating (downgrade to junk status), gloomy political climate (which is slightly improving due to the new executive), natural disasters (flooding, storms) drought resulting in potential import of produce, this will have negative impact on the economy in a long run and the loss of jobs will continue to increase as these circumstances prevail with an increase in budgeted deficit for the country not helping. It is expected that recovery from this deterioration will be slow and uneven, and this will be the same for 2023/2024 MTREF.

Owing to the economic slowdown and increase in grant dependency of the population, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the District Municipality's finances.

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2024/2025 MTREF:

National Government macro economic targets;

The general inflationary outlook and the impact on District Municipality's residents and businesses;

The impact of municipal cost drivers;

Impact of load shedding

The increase in prices for bulk water; and

The increase in the cost of remuneration. Employee related costs comprise 43.9 per cent of total operating expenditure in the 2024/2025 MTREF and a budgeted increment of 5.3 per cent, and therefore this increase is as per inflation places a disproportionate upward pressure on the expenditure budget.

Collection rate for revenue services

The base assumption is that tariff and rating will be lower than CPI in the MTREF then increase slightly over the long term. This relates to water and sanitation revenue sources. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (68 per cent) of annual billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored and the services of debt collectors have been sourced to accelerate the arrear debt collection.

Growth or decline in tax base of the municipality

The District Municipality is rural in nature with towns as urban areas. There is a move by communities to come closer to towns. This results in establishment of peri urban areas which received water above RDP standards. The municipality budgeted to bill the areas utilising flat rate after public consultations. This has potential to grow the tax base of the municipality.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

Salary increases

The overall salary increases is projected at 4.9 per cent, as guided by MFMA Circular 128 provision for outcome of wage negotiations. SALGA Bargaining Council salary negotiations agreed to increase the salaries for 2024/2025 as per CPI.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

Creating jobs;

Enhancing education and skill development;

Improving Health services;

Rural development and agriculture; and

Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.7 VAT Refunds

The municipality is registered on cash basis. Receipt of grants is zero rated and does not attract output vat. Main component of refund is the spending on the MIG, WSIG, RBIG grants. The municipality ensures that the service providers for the spending of these grants are VAT registered so as to be able to claim the VAT. VAT refund funds the capital expenditure of the district. Therefore it is assumed that the amount projected will be fully collected.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of 100 per cent is achieved on operating expenditure and on the capital programme for the 2024/2025 MTREF of which performance has been factored into the cash flow budget

2.5.9 Departmental Budget narrative

Water and Sanitation Services

Background

OR Tambo District Municipality (ORTDM) is both Water Services Authority and a Water Services Provider. Authority is therefore vested in it, in terms of the Municipal Structures Act 118 of 1998 or the ministerial authorizations made in terms of this Act, to ensure that water resources and infrastructure are well managed and maintained in order that the service may be provided in an equitable, sustainable and efficient manner.

The primary responsibility for Water Services Authority includes

Ensuring access: Due to the load shedding, water supply is interrupted it is very important to ensure the realization of the right of access to water services, particularly basic water services (subject to available resources) by seeing that appropriate investments in water services infrastructure are made. For those communities that still have backlog on water access. The municipality budgeted for the procurement of water tanker trucks to deliver water in times of water interruptions.

Planning: To prepare water services development plans to ensure effective, efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.

Regulation: To regulate water services provision and Water Services Providers within the jurisdiction of the municipality and within the policy and regulatory frameworks set by Department of Water Affairs through the enactment of by-laws and the regulation of contracts.

Provision: To ensure the provision of effective, efficient and sustainable water services (including water conservation and demand management) either by providing water services themselves or by selecting, procuring and contracting with external Water Services Providers.

Locality

O.R. Tambo District Municipality is one of six District Municipalities in the Eastern Cape Province. It is located in the eastern half of the Province, with its eastern border the Indian Ocean coastline of South Africa as can be seen in. It is bordered by Alfred Nzo District Municipality, Joe Gqabi District Municipality, Chris Hani District Municipality and by Amathole District Municipality. OR Tambo DM is one of six District Municipalities in the Eastern Cape Province and is located in the eastern half of the Province.

OR Tambo District Municipality locality map

The District is classified as a Category C2 Municipality, which indicates an area with a largely rural character. At least 80% of the district was part of the former Transkei, and approximately 93% of the population resides in widely dispersed homesteads and small villages

The other major towns in the district are Mthatha, Mqanduli, Port St. Johns, Qumbu, Lusikisiki, Nggeleni, Libode, Tsolo and Flagstaff.

OR Tambo DM has five local Municipalities with 9 towns namely:

Local Municipality	Town
KSD	Mthatha
	Mqanduli
Nyandeni	Libode
	Ngqeleni
Mhlontlo	Qumbu
	Tsolo
Port St Johns	Port St Johns

Ingquza Hill	Lusikisiki

Conclusions

The municipality had a challenge of spending grants allocation to it in the previous financial years due to lockdown and contractors not in site.

According to the WSDP of the ORTDM, water backlogs are standing at 59.4% while sanitation backlogs are at 23%

The district has allocated over 86% on average of the 2023/24 grant budget towards reducing water backlogs while 12% has been put aside for sanitation services

Despite the huge bias on water projects by the municipality if the current situation remains the same as depicted above, the efforts of the district will be unable to make inroads in fighting water backlogs.

The district does make short to medium term intervention to supply water to isolated settlements by means of standalone schemes mainly using Wsig grant and equitable share, these efforts are facing challenges of theft, vandalism and drought which in some instances condemn communities to stay for days without water

The district can positively report successes in dealing with sanitation, this is due with implementation of cost effective VIP sanitation projects in the rural areas where most population of the municipality is located.

While the advantages of VIP sanitation are appreciated in the short term but long term is proving a challenge as the pits get filled up and top toilet structures shows huge distress around five years of existence. This amounts to phenomenon called reverse backlogs.

Table 27a MBRR Table SA36 – Detailed Capital Budget

OR Tambo District Municipality 2024/2025 Draft Budget and MTREF

R thousand

Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2022/23	Current Year 2023/24 Full Year Forecast	2024/25 Medium Term Revenue & Expenditure Framework: Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Parent municipality:																
List all capital projects grouped by Function																
Fire Fighting And Protection	**Fire Fighter Equipment**	PC002003010_00003	NEW		Growth	RECTED	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	0	0	–	14,800	5,000	5,230	5,465
Housing	**mergency Housing Mabhulwini & Mbokaz**	002003003002002_00	NEW	human settlements and improved quality of ho	Growth	RECTED	Housing	Social Housing	R-WHOLE OF THE DISTRICT	0	0	–	182,153	205,000	205,000	185,000
Housing	**Temporal Structures**	002003003002002_00	NEW	human settlements and improved quality of ho	Growth	RECTED	Housing	Social Housing	R-ADMIN OR HEAD OFFICE	0	0	–	–	–	–	–
Information Technology	**Computer Equipment**	PC002003004_00001	NEW	ent; effective and development-oriented public	Growth	RECTED	Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	0	0	866	4,050	4,050	4,236	4,427
Information Technology	**Computer Software And Applications**	002003007002004_00	NEW	ent; effective and development-oriented public	Growth	RECTED	Licences And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	0	0	–	–	–	–	–
Information Technology	**Disaster Management Plan**	002003007002006_00	NEW	ent; effective and development-oriented public	Growth	RECTED	Licences And Rights	Unspecified	R-ADMIN OR HEAD OFFICE	0	0	–	12,950	12,950	13,546	14,155
Public Transport	**Roads Infra - Iu C: Acquisition**	C001002006001_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Roads Infrastructure	Roads	R-ADMIN OR HEAD OFFICE	0	0	3,284	3,155	3,296	3,444	3,602
Public Transport	**Office Buildings**	2002001003001003_0	RENEWAL	ent; effective and development-oriented public	Governance	RECTED	Operational Buildings	Building Plan Offices	R-ADMIN OR HEAD OFFICE	0	0	–	–	–	–	–
Public Transport	**Generators**	PC002003009_00010	NEW		Growth	RECTED	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	0	0	29	–	–	–	–
Public Transport	**Disaster Management Facilities**	002003002001002_00	NEW	ent; effective and development-oriented public	Growth	RECTED	Community Facilities	Centres	R-ADMIN OR HEAD OFFICE	0	0	–	11,495	11,495	12,024	12,565
Security Services	**Security Systems And Municipal Gates**	2002001003001001_0	RENEWAL	ent; effective and development-oriented public	Governance	RECTED	Operational Buildings	Municipal Offices	R-WHOLE OF THE DISTRICT	0	0	–	250	250	262	273
Supply Chain Management	**Furniture & Office Equipment**	PC002003005_00001	NEW	ent; effective and development-oriented public	Growth	RECTED	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	0	0	181	1,618	2,000	2,092	2,186
Supply Chain Management	**Transport Assets**	PC002003010_00002	NEW		Growth	RECTED	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	0	0	–	2,382	4,000	4,184	4,372
Supply Chain Management	**Solar Purchase**	002003003001001_00	NEW	ent; effective and development-oriented public	Growth	RECTED	Operational Buildings	Municipal Offices	R-ADMIN OR HEAD OFFICE	0	0	–	–	1,000	1,046	1,093
Water Distribution	**Bulk Water Meters**	00100100100400 4_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access	RECTED	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	0	0	223	2,300	2,300	2,406	2,514
Water Distribution	**Repair Of Elements On Treatment Works**	00100100100400 4_00	RENEWAL	competitive and responsive economic infrastru	Inclusion and Access	RECTED	Water Supply Infrastructure	Pump Stations	R-ADMIN OR HEAD OFFICE	0	0	–	–	–	–	–
Water Distribution	**Ingquza Hill Water Source Development**	C001002004002_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Boreholes	R-NGQUZU HILL	0	0	–	–	2,800	–	–
Water Distribution	**Ksd Water Source Development**	C001002004002_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Boreholes	R-KING SABATA D.	0	0	–	–	2,500	–	–
Water Distribution	**Mhlontlo Water Source Development**	C001002004002_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Boreholes	R-MHLONTLO	0	0	–	–	2,971	–	–
Water Distribution	**Nyandeni Water Source Development**	C001002004002_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Boreholes	R-NYANDENI	0	0	–	–	2,800	–	–
Water Distribution	**Psj Water Source Development**	C001002004002_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Boreholes	R-PORT ST JOHNS	0	0	–	–	2,393	–	–
Water Distribution	**Water Plant Refurbishments**	C001002004002_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	0	0	–	7,000	4,000	4,674	3,931
Water Distribution	**Highbury Raw Water Pumpstation**	C001002004004_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	0	0	–	23,000	30,314	–	–
Water Distribution	**Water Pump Statoions**	C001002004004_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	0	0	332	–	–	–	–
Water Distribution	**Flagstaff Wtw Refurbishment - Jadu Wtw**	C001002004005_0001	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Water Treatment Works	R-NGQUZU HILL	0	0	–	1,200	–	–	–
Water Distribution	**Qumbu Wwt Plant & Reticulation**	C001002004005_0001	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Water Treatment Works	R-MHLONTLO	0	0	–	19,916	30,731	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004005_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Water Treatment Works	R-NYANDENI	0	0	–	2,700	500	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004005_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Water Treatment Works	R-PORT ST JOHNS	0	0	–	95,102	63,800	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004005_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Water Treatment Works	R-KING SABATA D.	0	0	–	10,500	27,772	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004005_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Water Treatment Works	R-PORT ST JOHNS	0	0	–	10,000	9,500	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004005_0001	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Water Treatment Works	R-KING SABATA D.	0	0	–	–	–	–	–
Water Distribution	**Ksd Bulk Eletrification Upgrade-Lm**	C001002004006_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Bulk Mains	R-KING SABATA D.	0	0	–	–	10,000	–	–
Water Distribution	**Arthur Homes Water Supply**	C001002004007_0005	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-NGQUZU HILL	0	0	–	–	8,000	–	–
Water Distribution	**Coffee Bay Region Water Supply Sche (Jc**	C001002004007_0007	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-PORT ST JOHNS	0	0	–	2,000	21,200	–	–
Water Distribution	**Gabanjaba Water Supply**	C001002004007_0006	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-NGQUZU HILL	0	0	–	–	10,000	–	–
Water Distribution	**Gweintaba Water Supply Phase 2**	C001002004007_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-NGQUZU HILL	0	0	–	6,000	–	–	–
Water Distribution	**Highbury M & E**	C001002004007_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	–	820	25,957	–	–
Water Distribution	**Highbury Stage 2 Civils**	C001002004007_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	(0)	60,000	75,888	–	–
Water Distribution	**Jambeni Water Supply Phase 2**	C001002004007_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-PORT ST JOHNS	0	0	–	8,200	–	–	–
Water Distribution	**Libode Secondary Bulk Water Supply**	C001002004007_0002	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-NYANDENI	0	0	–	31,477	–	–	–
Water Distribution	**Lukhalane Water Supply**	C001002004007_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-MHLONTLO	0	0	–	–	–	95,000	85,000
Water Distribution	**Lusikisiki Rws - Planning**	C001002004007_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-NGQUZU HILL	0	0	–	3,000	200	–	–
Water Distribution	**agwa - Hombe Water Supply& Surroundin**	C001002004007_0006	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-NGQUZU HILL	0	0	–	–	2,500	–	–
Water Distribution	**Mbono Water Supply And Surroundings**	C001002004007_0006	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-NGQUZU HILL	0	0	–	–	2,000	–	–
Water Distribution	**Mqanduli Secondary Bulk Water Supply**	C001002004007_0002	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	0	22,674	–	–	–
Water Distribution	**Mthata Sewage Spillages & Ort Wtp Flood**	C001002004007_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	8,403	–	–	–
Water Distribution	**Mthonjeni/Engxangasini Water Supply**	C001002004007_0005	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-MHLONTLO	0	0	–	–	10,000	–	–
Water Distribution	**Nkumelwano R Water Supply Planning Pha**	C001002004007_0007	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-PORT ST JOHNS	0	0	–	500	12,500	–	–
Water Distribution	**Ngqeleni Secondary Bulk Water Supply**	C001002004007_0002	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-NYANDENI	0	0	–	1,000	–	–	–
Water Distribution	**Ngqwaleni Water Supply**	C001002004007_0006	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-PORT ST JOHNS	0	0	–	–	2,000	–	–
Water Distribution	**Ngwadane Water Supply**	C001002004007_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-MHLONTLO	0	0	0	6,200	–	–	–
Water Distribution	**Ngxongweni Water Supply**	C001002004007_0006	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-PORT ST JOHNS	0	0	–	–	2,500	–	–
Water Distribution	**Nonyikila Spring Protection**	C001002004007_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-MHLONTLO	0	0	–	537	–	–	–
Water Distribution	**Nqadu (3 Contracts)**	C001002004007_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	5,000	–	–	–
Water Distribution	**qadu Corridor 2.4km&7.5km Dn200 Mpvc (C**	C001002004007_0005	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	–	26,077	–	–
Water Distribution	**qadu Corridor 7.8km Dn300 R Main S1 Of**	C001002004007_0005	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	–	26,076	–	–
Water Distribution	**qadu Corridor:Ngungululu;Soyini&Reserv**	C001002004007_0005	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-MHLONTLO	0	0	–	–	31,448	–	–
Water Distribution	**Nyandeni Village Water Supply**	C001002004007_0006	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-MHLONTLO	0	0	–	–	10,000	–	–
Water Distribution	**Nyandeni Ward 25 Water Supply**	C001002004007_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-NYANDENI	0	0	–	4,623	9,950	–	–
Water Distribution	**Refurbishment Of Flagstaff R Water Supp**	C001002004007_0007	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-PORT ST JOHNS	0	0	–	20,519	40,000	–	–
Water Distribution	**Rehabilitation Re-Commiss Mthatwa Wwtw**	C001002004007_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	18,866	15,513	–	–
Water Distribution	**Sidwadweni Water Supply Pha 5 B**	C001002004007_0007	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-PORT ST JOHNS	0	0	–	300	42,900	–	–
Water Distribution	**Sikwayini Rural Water Supply (Sp Prot)**	C001002004007_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-MHLONTLO	0	0	–	7,000	4,083	–	–
Water Distribution	**Smart Pilot Business And Domestic**	C001002004007_0005	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	–	2,500	2,500	2,615	2,733
Water Distribution	**Thornhill Wtw Upgrade 80-115ml/Day M&E**	C001002004007_0005	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	–	500	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004007_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-PORT ST JOHNS	0	0	–	64,500	31,000	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004007_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-NGQUZU HILL	0	0	–	2,000	–	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004007_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-PORT ST JOHNS	0	0	–	17,500	23,700	765,347	835,683
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004007_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	20,006	22,800	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004007_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-PORT ST JOHNS	0	0	–	48,641	36,100	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004007_0001	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-NYANDENI	0	0	–	17,926	7,000	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004007_0001	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	15,178	26,500	–	–
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004007_0001	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	13,380	1,600	288,354	384,741
Water Distribution	**Wa At C - Distribution: Acquisition**	C001002004007_0001	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	28,000	35,480	–	–
Water Distribution	**Water Conservation & Demand Mng (Wcdm**	C001002004007_0006	NEW	competitive and responsive economic infrastru	Growth		Water Supply Infrastructure	Distribution	R-KING SABATA D.	0	0	–	–	9,989	–	–
Water Distribution	**Water Source Development(Ortdm)**	C001002004007_0005	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	0	0	–	5,746	–	–	–
Water Distribution	**Water Plant Refurbishment**	C001002004008_0000	NEW	competitive and responsive economic infrastru	Growth	RECTED	Water Supply Infrastructure	Distribution Points	R-WHOLE OF THE DISTRICT	0	0	8,054	2,000	2,000	2,092	2,186
Water Distribution	**Flagstaf Town Sewer Reticulation Upgrade**	C001002005002_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NGQUZU HILL	0	0	–	5,000	21,175	–	–
Water Distribution	**Ingquza Hill Ward 20 Sanitation**	C001002005002_0005	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NGQUZU HILL	0	0	–	5,597	–	–	–
Water Distribution	**Ingquza Hill Ward 26 Sanitation Phase2**	C001002005002_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NGQUZU HILL	0	0	–	8,233	–	–	–
Water Distribution	**Ingquza Hill Ward 30 Sanitation Phase2**	C001002005002_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NGQUZU HILL	0	0	–	6,696	6,000	–	–
Water Distribution	**Ingquza Hill Ward 5 Sanitation**	C001002005002_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NGQUZU HILL	0	0	–	7,000	–	–	–
Water Distribution	**Ingquza Hill Ward 7 Sanitation**	C001002005002_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NGQUZU HILL	0	0	–	7,500	–	–	–
Water Distribution	**Ingquza Ward 6 Phase 2 Sanitation**	C001002005002_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NGQUZU HILL	0	0	–	300	8,631	–	–
Water Distribution	**Ksd Ward 1 Sanitation**	C001002005002_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-KING SABATA D.	0	0	–	2,616	–	–	–
Water Distribution	**Ksd Ward 16 Phase 2 Sanitation**	C001002005002_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-KING SABATA D.	0	0	–	300	16,700	–	–
Water Distribution	**Ksd Ward 17 Sanitation**	C001002005002_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-KING SABATA D.	0	0	–	28,500	24,700	–	–
Water Distribution	**Ksd Ward 20 Phase 3 Sanitation**	C001002005002_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-KING SABATA D.	0	0	–	300	31,426	–	–
Water Distribution	**Ksd Ward 33 Sanitation**	C001002005002_0005	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-KING SABATA D.	0	0	–	(6,259)	–	–	–
Water Distribution	**Ksd Ward 35 Sanitation**	C001002005002_0005	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-KING SABATA D.	0	0	–	2,397	–	–	–
Water Distribution	**Mhlontlo Ward 10 Sanitation**	C001002005002_0005	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-MHLONTLO	0	0	–	9,566	–	–	–
Water Distribution	**Mhlontlo Ward 11 Phase 2 Sanitation**	C001002005002_0005	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-MHLONTLO	0	0	–	300	14,927	–	–
Water Distribution	**Mhlontlo Ward 14 Phase 2 Sanitation**	C001002005002_0005	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-MHLONTLO	0	0	–	300	16,200	–	–
Water Distribution	**Mhlontlo Ward 14 Sanitation**	C001002005002_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-MHLONTLO	0	0	–	7,688	–	–	–
Water Distribution	**Mhlontlo Ward 17 Sanitation**	C001002005002_0005	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-MHLONTLO	0	0	–	7,080	3,100	–	–
Water Distribution	**Mhlontlo Ward 23 Sanitation**	C001002005002_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-MHLONTLO	0	0	–	6,000	–	–	–
Water Distribution	**Ncambedlana Sewer**	C001002005002_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-KING SABATA D.	0	0	–	3,000	10,900	–	–
Water Distribution	**Nyandeni Ward 1 Sanitation**	C001002005002_0005	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NYANDENI	0	0	–	3,342	–	–	–
Water Distribution	**Nyandeni Ward 10 Sanitation**	C001002005002_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NYANDENI	0	0	–	13,706	–	–	–
Water Distribution	**Nyandeni Ward 12 Sanitation**	C001002005002_0004	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NYANDENI	0	0	–	10,422	7,000	–	–
Water Distribution	**Nyandeni Ward 27 Sanitation Phase2**	C001002005002_0006	NEW	competitive and responsive economic infrastru	Growth	RECTED	Sanitation Infrastructure	Reticulation	R-NYANDENI	0	0	–	7,140	2,000	–	–

Human Settlement

COMMUNITY TRAINING

The department is currently developing a business plan with a purpose of attaining projects to implement them through different housing subsidy instruments. Communities will be trained on different housing instruments and qualification criteria in order for them to understand Human Settlements policies when applying for a housing subsidy. In areas where there is a housing project being implemented these funds will be also used in training communities on building, carpentry, plastering etc. The training will be conducted by Accredited Service providers with the officials from the DM and the Regional Office of Human Settlements.

SUBSISTENCE TRAVELLING

This will be used for travelling expenses and booking for officials and the Portfolio Head. The travelling relates to Human Settlement development e.g. monitoring of projects, filling of beneficiary subsidy forms, attending conferences, workshops and meetings etc.

LAUNCHES – HOUSING PROJECTS

There are preparations for project launches events to take place in all 5 Local Municipalities for social relief houses that are being constructed and to be handed over to beneficiaries.

HOUSING FORUMS

The department convenes Human Settlements forums quarterly which are organised to deal with Human Settlement matter for the region in consultation with all the five local municipalities. Other departments also participate and government departments are also invited when there is a need. The meetings are chaired by the Portfolio Head for Human Settlement

GRANT ADHOC HOUSING

The funds will be used to enhance housing development in areas where houses are constructed for special cases as identified by the Local Municipalities in areas where destitute programme will be implemented.

EQUIPMENT AND LABORATORY FEES

The budget will be used to buy things like cameras, tools for testing of building material where quality is suspected not to conform to the norms and standards.

DISTRICT HOUSING DEVELOPMENT STRATEGY

The budget will be used for payment of a service provider appointed for development of this policy document.

HOUSING SOCIAL RELIEF PROGRAMME

The program is meant to assist destitute families in the O R Tambo region by providing them with adequate housing with basic level of services. The funding will be used for building houses for people identified as special cases in all 5 local municipalities of the DM. It is important that in the program provincial norms and standards be adhered to as the DM is requested to finance the program where upon completion of the houses the provincial department is expected to refund .The fund is aimed at constructing more houses through this fund together with the funding from E.P.W.P to assist top up in the program, so as to have an incremental system of construction.

Corporate Services

The HR Services budget is used for

Occupational Health and Safety (PPE procurement)

Organisational Structure Review

Job Evaluation

Staff Provisioning

Conditions of Service

Skills Development and Training

Employee Wellness

Labour Relations

The ICT Management budget is used for

Procurement, installation, support and maintenance of ICT Infrastructure

Development, installation, support and maintenance of Information Systems

The Security Services budget is used for

Procurement, installation, monitoring and maintenance of Security systems

The GIS Service budget is used for

Procurement, installation, support and maintenance of Spatial and Geographic Information Systems

The Records and Auxiliary services budget is used for

Procurement, installation, support and maintenance of records management and archiving systems

Office of Executive Mayor

HIV/AIDS community awareness and support
The District Implementation Plan (DIP) for HIV and TB as aligned to the Provincial Implementation Plan (PIP) and National Strategic Plan (NSP) 2017-2022 on HIV/AIDS and TB prioritised HIV Counselling and Testing (HCT), with specific National targets to be achieved by Provinces as cascaded to District Municipalities and Local Municipalities. This includes conducting HCT awareness campaigns to increase the number of people who are aware of their HIV and TB status in order to improve their accessibility to available treatment opportunities and services, thereby reduce the number of people dying because of TB and HIV/AIDS. This also includes mobilizing people living with HIV/AIDS to live productive lives through empowerement, skills development and capacity building interventions. Anti-stigma and discrimination against people living with HIV including the LGBTI sectors are prioritised also focusing on improving their access to available services. It also provides for the improvement of the functionality of local and District AIDS councils, also focusing on strengthening leadership and accountability at political civil society structures of AIDS councils. The District Municipality is central with its major role of coordinating IGR ensuring that all sectors of Government and society maximise thier participation in reaching out to all vulnerable and key populations with customised and targeted interventions.
HIV/AIDS (OR TAMBO DM) & INKCIYO PROGRAMME
The DIP prioritises focus on intensifying HIV and TB prevention programmes among young people in paricular women and adolescent girls. This is informed by the reported higher HIV prevailance rate of 5,7% on youth in general and new infections of 8,5% among women on age group of 15-24 years. The Inkciyo Programme is the main programme focused on addressing this challenge through implementation of empowerement and capacity building programmes focused on young people on issues related to HIV/AIDS,

including debates, lifestyle improvement, traditional values tha support preventative measures etc. The DM also holds an annual Inkciyo awareness event as part of World AIDS day commemoration, whereby not less than 5000 young people are mobilized district wide to participate,

SPU'S - PHYSICALLY CHALLENGED

This provides for empowerement and capacity building for people living with disabilities to provide the necessary support for the improvement of their livelihoods

SPU'S - WOMEN

This provides for empowerement and capacity building for women to provide the necessary support for the improvement of their livelihoods. It includes conducting awareness programmes, dialogues, etc focusing on addressing issues of gender, human rights, health and wellness for the women, also including the men's sector

SPU'S - YOUTH

The Special Programmes Unit focuses on mainstreaming and advocacy for the interests and constitutional rights the vulnerable groups, including the youth. With the existing high rate of unemployment, poverty, young people dropping out of school and having nothing much to do in their communities, increasing rate of crime, drugs and alcohol abuse. The DM is implementing programmes that are focused on improving the livelihoods and economic prospects for the youth through empowerment and capacity building. This includes the youth development policy, annual youth summit or engagement, support to youth development initiatives, etc

SPU'S - OLD AGE

The Special Programmes Unit focuses on mainstreaming and advocacy for the interests and constitutional rights the vulnerable groups, including the elderly people in our communities. Over the years, the OR Tambo district has been faced with brutal killings of elderly people by the youth on allegations of witchcraft. The DM implements programmes focusing empowerement and capacity for the elderly. This includes their wellness programme, golden games encouraging healthy lifestyle of sport and excercise, etc.

INITIATION SUPPORT

Over the years, there has been an increasingly high rate of death of the inititiates, young boys undergoing customery rights to manhood are dying and some irreversiby harmed and lose their manhood due to

blotched circumcision. The DM is coordinating all sectors of society and government departments to join hands in the fight against this challenge.
SPU'S - CHILDREN
Special Programmes Unit focuses on mainstreaming and advocacy for the interests of the vulnerable groups including the children, the orphans, the HIV infected and affected, the abused and those affected with poverty and are in any form of vulnerability as a result of that. Programmes implemented include empowerment and capacity building for children, holdng and supporting awareness campaigns on issues of interest to the children. In Partnership with the Department of Education and the private sector (Anglo GOld Ashante mining company), implement the Star schools programme, benefiting 22 best performing high schools in the district. The schools are supported to sustain their good record on achieving highest results for grade 12.
FINANCIAL ACADEMIC ASSISTANCE
The DM contributes to the improvement of livlihood in vulnerable and poverty stricken households by providing financial assistance to children with potential from these households to access tertiary qualification so as to improve the economic prospects of those families.

Rural Economic and Developmental Planning

Background

The ORTDM Department REDP is responsible for rural and economic development in the district. The ORTDM has its state owned company the Ntinga Development Agency. The district had recently re-aligned Kei Fresh Produce market and the Ntinga Development Agency to the requirements of both the MFMA and Municipal Systems Act.

Mandate

The Rural Economic and Development Planning (REDP) department, derives its mandate from S152(1) (c) (d) (e) of the Constitution of the Republic of South Africa, has a responsibility to

promote social and economic development;

promote a safe and healthy environment; and

encourage the involvement of communities and community organisations in the matters of local government.

LED is also guided by National Framework for LED, NSDP, MSA, LED White Paper, IPAP, NDP, PGDP among other policies in its mandate to coordinate developmental initiatives of the district and monitor implementation of priority programmes.

The REDP department is also responsible for the proper functioning of its respective IGR structures to ensure aligned integrated development planning, coordinating capacity building initiatives in all the LED sectors for the district, implementation of REDP programmes as per the approved budget, and support LMs on economic development initiatives.

PROGRAMS FOR IMPLEMENTATION ON THE 2023/24 FINANCIAL YEAR

The department operates with FIVE sub-units listed as follows:

Spatial Planning & Land Use Management

Tourism

Rural Development, Resource Mobilization and Research

SMME Development

SPATIAL PLANNING AND LAND USE MANAGEMENT (SPLUM)

The main activities to be undertaken in that budget include:

The consultation meetings with Traditional Leaders of the District, on SPLUMA implementation

Development of Nyandeni LM Land Use Management Systems (LUMS) for urban and peri-urban areas

Operational costs of the District Municipal Planning Tribunal (DMPT)

The major concerns we have identified regarding this budget is that is likely to be insufficient as the bulk of it is expected to be used towards the development of LUMS. It is expected that during the 2023/2024

financial year the DMPT will have meetings, which will cost us to run them (frequency will be determined by the DMPT).

The SPLUM unit has also budgeted the development of Spatial Development Frameworks (SDFs) in the District. The unit will develop the Local Spatial Deveiopment Frameworks (LSDFs) for :

Ntlangano Node

Mpande Node

Mngazana Node and

Ntlaza Precinct Plan

BUDGET NARRATIVE FOR TOURISM SECTION FOR 2023/2024

Tourism play's crucial role in the district economy. It essentials that latent potential be tapped into through various actions, strategies and policies. Key levers such as routes, nodes, must be coupled with interventions such as concentrated marketing, and infrastructure provision to make sure that tourism reaches its full potential

Research and Development

The program seeks to conduct an analysis audit and facilitate the provision of infrastructure to and at tourist's attraction sites: access roads, signage, Water and Sanitation, Electricity, Ablution Facilities, Viewing Sites and Amenities. This programme seeks to give overall support to tourism product owners/entrepreneurs by: assessment the state of tourism Products Identification of training needs, create linkages to funding opportunities, assist on development

Planned for 2023/2024

Infrastructure Audit.

Development of Signage.

Support to SMME'S and Co-operatives.

Regional and Local Tourism Organisations.

This program faces huge financial constraints as it purpose is to support and facilitation of the establishment of Regional Tourism Organisations, with the formation of the Associations and Local Tourism Organisations with all Local Municipality which will feed to Regional Tourism Organisation. The purpose of this Structure is drive and manage tourism development of the O.R Tambo Region.

Planned for financial year 2023/2024

Ensure sitting of the Sector Forum Meetings

Support functionality and registration of the Local Tourism Organisations

Facilitate the establishment of the Reginal Tourism Organisation.

Arts and Craft Development

This program is responsible for the assessment of skills, improving quality, capacity building, facilitate institutional arrangements, facilitate production centers and equipment , access to markets, quality control. Resource mobilization, liaising with sector department and stakeholders.

District Tourism Marketing

This program focuses on tourism marketing and Research on tourism information and management systems, Visitor arrivals, trends, destination marketing (print Media, Website, Social Media, Exhibitions, Shows, and Identify platforms).

Planned for financial year 2023/2024

Website Population.

Exhibit at the International Tourism Indaba and design & manufacture the new exhibition stand.

Development of Tourism DVD, brochure reprint

Graphic Design Training.

Development of promotional material

Tourism Education and Awareness

The program seeks to encourage participation local stakeholders in tourism planning by creating platforms such regional and local tourism forums, wherein experiences, challenges and solutions will be shared.

The main focal point on this program is to conduct awareness campaigns to create awareness focusing on host communities (where there are tourist activities) through activities such as Tourism Month & Heritage Activities in September, O.R Tambo Month in October, Festive Season Tourism Safety Awareness and Support of Festival Activities conducted together with Private Sector. The program also involves use of Media (Print and electronic), to engage learners and public to debates to support the cause for tourism, Events, Safety and security related activities with SAPS.

RURAL DEVELOPMENT & RESEARCH

RAFI (Rural Agro-Industries and Financial Initiative)

Given the vast amount of land and favourable climatic conditions in the Eastern side of the Eastern Cape, the O.R Tambo District has been identified as a potential food basket and agricultural primary production hub for the Eastern Cape Province. In tapping on this Economic and Comparative advantage, the O.R Tambo District Municipality intends to implement the Rural Agro-Industries and Financial Initiative (RAFI) as means to enhance primary production in the district.

he program seeks to implement a commercial pilot for large scale production of oil seeds / high cash crops (soya beans), and seed multiplication for the district. This program is implemented in partnership with the Government of Argentina. Currently 430ha pilot program is under implementation to consider the Argentinian technology of direct planting and no till. This program which will create more jobs once is implemented fully.

Development of LED Sector Plans

LED Strategy and Capacitation

The LED strategy has been reviewed to align it with key policy frameworks such as DDP, Sector Plans and other frameworks from national, provincial and district levels. Therefore, budget for 2023/2024 will be

used to facilitate and co-ordinate implementation of sector plans DDP, Agriculture Development Strategy, Forest Development Strategy, development of Aquaculture Development Strategy. These strategies have key programs which brings Co-operatives and SMMEs into the main stream economy and job creation and thus contributing to radical economic transformation. The budget for 2020/21 for capacitation would help in training the people of the region in terms of the needs of the economy through HDR Council in order to align skills with the economy.

Sector Development Plans

As part of driving broad development within the region, its important to have plan on Rural Development hence we to development Rural Development Plan for the District which will be the key driver of development and helps to co-ordinate other sector plans. Therefore, the budget for 2023/2024 will be used to develop Rural Development Plan and facilitate its implementation in relation with sector plans. This plan together with LED Strategy will be tools to co-ordinate other sector departments on sharing of resources and expertise in fast tracking development within the region and help in creating sustainable jobs.

Agriculture Development Strategy

The Agricultural Sector has significant contribution to the GDP recently and has become one of the key focus areas for economic growth of the country. Therefore, our District has identified Agriculture development as one of its pillars for its economic growth and development. The Agriculture Development Strategy was developed to enhance Agriculture in order to boost economy and create sustainable jobs. Therefore, the budget for 2023/2024 will be used to facilitate implementation of the strategy as part radicalising development of agriculture through SMME/ Co-operative support as indicated above.

Agri-Parks Program.

The Agricultural sector Is one of the drivers of the economy and key contributors to the GDP in the country. Therefore, the national government has developed Agri-Parks Programme in order to drive and re-engineer Agriculture development to boost economy of the country. Contrary to that, the O.R Tambo District Municipality is the net importer of all its food including vegetables, fruit and meat products. All Districts Municipalities have been earmarked as drivers of the programme in order to boost Agriculture. Given the fact that, O.R Tambo Region import fruit and vegetables at cost of R10 billion a year, the District Municipality wants to contribute to the implementation of Agri-Parks programme through

development of FPSUs business plans as well as establishing Hydroponics Program in various Local Municipalities.

With a budget as part of promoting radical economic development and creating vibrant communities, the District has embarked on Number of Economic programs. Guided by the NDP, PDP, the IPAP, the District LED strategy document, the IDP and outcomes of the DDP Summit, the O.R Tambo District Municipality has explored number of areas with high potential for driving economic growth and job creation. Those include but not limited to:

Focusing on Agriculture & Agro-processing as one of the pillars with a specific focus on intensifying primary production

A need for investment on sustainable economic infrastructure, which includes industrial parks; alternative energy sources and modern communication technology as major drivers for creating a conducive environment for private investment.

Sustaining and development of Tourism & Ocean economic opportunities as highlighted through the Operation Phakisa methodologies

Tapping on the opportunities persuaded by Major National and Provincial driven Projects such as the Agri-Parks Program, Wild Coast SEZ, N2 Wild Coast road, Umzimvubu Dam, Mthatha airport Upgrade, Mthatha Presidential Infrastructure intervention Projects etc.

Programs for 2023/2024

Develop Business Plans for THREE Farmer Production Support Production Units in three LMs.

Establish FIVE Agri-Tech Incubation Centres for increased vegetable production.

Regional Industrial Development Program

The department aims to enhance industrial development for establishing factory for rural communities for tissue manufacturing, chemicals and enhanced capacity for the Auto-Motive Sector Incubation. A feasibility study for the Regional Auto-Motive Hub is envisaged in this program and intensive training on panel beating and Auto-Body repairs is also primary in this program.

Trade and Investment Promotion

The successful implementation of the programs mentioned above require collaboration of both government and private sector. Therefore, Trade and Investment Strategy was developed among other things to promote investment in the district. In this regard, a task team has been established to facilitate and co-ordinate investment activities within the region. Therefore budget for 2023/2024 will be used to facilitate and co-ordinate investment for the region including preparations for land and economic

investment conference. This programme aimed at facilitating and creating conducive environment for radical economic transformation which will ultimately create sustainable jobs.

SMME, COOPERATIVES AND INFORMAL TRADE SUPPORT

The district plans to enhance job creation and support SMMEs, Cooperatives and Informal Trade enterprises on material, inputs and supplies necessary to unlock the potential of business in the rural communities. In addition the budget aims to ensure a fully established and operational Cooperatives Development Centre for the District.

Co-operatives have been supported in previous financial years but their contribution to the economy of the region is minimal due the fact that, they are not able to sustain themselves due to a number of challenges such as lack of financial management, lack of entrepreneurial knowledge, lack of skills, lack of access to market and lack of sufficient financial support. These challenges will be addressed through the planned SMME/Co-operative Funding Policy for the district, HRD Council which focuses on skills development, Partnerships we have with other sectors such as ECDC, DTI and other departments. Therefore, the budget for 2023/2024 will be used support co-operatives with inputs, training and facilitate access to market. The District Municipality will improve its monitoring and assistance to Co-operatives and SMMEs through the development and implementation of SMME/Co-operative Funding Policy which will be processed to council for approval. The development of this Policy also aims to strengthen our economic cluster through IGR in order to create sustainable jobs and bring SMMEs/Co-operatives to the main stream economy.

Community Services

Disaster Risk Management	Budget will be used to ensure integrated approach to disaster risk due to the covid 19 pandemic ensuring that sufficient PPEs are in place. Management focusing on building resilience, improved institutional capacity to mitigate and respond to disasters through programmes like Disaster Management Information System; Scientific Disaster Management; Skills Development and Capacity Building; Stipend for emergency volunteers- who are used to do community awareness programmes on disaster management and Disaster preparedness and response- This programme serves as an immediate intervention whenever an strikes
Fire Emergency Services	Budget for Fire Fighting Services covers matters like uniform and protective clothing, Business and Public building inspections in terms of compliance to fire prevention; stipend for volunteers who assist in building

	community awareness on fire emergency services; Firefighting equipment that focuses on purchasing fire trucks.
Municipal Health Services	Budget is to ensure that all the health protocols are observed within the district and ensuring the the health regulations are followed in gatherings, events and workplaces. Municipal health services establishment focusing in establishing Satellite Offices in Local Municipalities; Primary Health Care- focussing in coordinating National Health Insurance programme; municipal health services which includes testing of water, taking food samples, inspecting funeral parlours and waste management landfill sites.

Legislative Services

This report will concentrate more on cost drivers.

COUNCIL AND COMMITTEES

According to MFMA Calendar and the Structures Act, there are 12 council meetings to be held in a financial year. This includes compliance reports and ordinary council meetings.

In addition to the above, there are 2 Open Council meetings which include SODA and Taking Council to the People".

In line with Municipal Oversight Model, oversight committees have a responsibility of analysing performance reports of the departments and conduct project visits (when it is necessary). In the process, MMCs and HODs are called for engagement sessions by each committee. This includes sitting of 14 committee meetings twice per quarter to look at the quarterly reports of the departments.

Since O.R Tambo District municipality is vast and rural in nature, councillors attending Council meetings need to be accommodated whenever they attend council and committee meetings since they are preceded by Caucus (and study groups) meetings which usually sit in the evenings of the previous day. Most committee meetings take for about 5 hours long since O.R. Tambo has 5 local municipalities under its jurisdiction. Circular 82 of MFMA has been taken into consideration in instances where meetings go beyond 3pm for part-time councillors.

In addition to that, there are councillors identified for capacity building in areas relating to Council business (excluding tertiary institutions), whose accommodation needs to be budgeted for.

The above amount excludes S&T travelling claims for councillors and other municipal programmes from other departments.

MPAC OVERSIGHT ROADSHOWS

The Council adopted Circular 63 of MFMA for the adoption of the Annual report. The process includes taking of the report to communities, inviting comments. After the report has been tabled, the MPAC committee embarks on oversight roadshows and project verification. This process takes about 4 moths to conclude.

In addition to the above, MPAC has an overall responsibility of interrogating all the departments quarterly and mid-term reports.

PUBLIC PARTICIPATION

The programmes under public participation include the following programmes:

Moral Regeneration movement

Public Participation Forum

Community Education Programmes (Speaker's Outreaches)

Support to functionality of ward committees

District Speaker's Forums

WHIPPERY SERVICES

The unit is responsible for the following activities that need to be financed:

Sitting of study groups (caucuses) for each committee meeting

Sitting of caucus meetings for each council meeting

Multi party meetings

Whippery Forums

District Chief Whips meetings

Troika meetings

Extended Troika meetings

Constituency meetings

RESEARCH

For each and every committee to be in a position to analyse the departmental report, the reports need to be taken to researchers. For researchers to be fully effective, they have to develop Research Agenda.

2024/2025 BUDGET OVERVIEW

a) Ntinga O.R. Tambo Development Agency SOC LTD is operating as a wholly owned implementing agent of the parent municipality, O.R. Tambo District Municipality (ORTDM). The amended mandate is mainly derived from the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) and Section 84(1)(a)(b)(d)(k)(m)(n) & (p) of Municipal Structures Act, 1998 (Act 117 of 1998).

The entity is mandated to carry out the following activities:

i) Socio-economic development with special focus on agro-processing, manufacturing and oceans economy.

ii) Fresh produce markets and abattoirs.

and any other activity agreed upon with the parent municipality, provincial and national government and the private sector (any other related function, in partnership with either Public or Private Sector)".

b) In implementing the above mandate the Entity has developed a strategy anchored on the following four goals:-

- Goal 1: Enhanced and Enabled Full Value Chains (upstream and downstream) for Agricultural Produce, Markets, Abattoirs and Aquaculture.
- Goal 2: Diversified Partnerships that Promote Inclusive Socio-economic Development and Growth.
- Goal 3: Promoted trade and investment opportunities in the district.
- Goal 4: Dynamic, Capable and Sustainable State-Owned Company.

This budget is aligned to the four goals.

Municipal Grant Funding

The Entity's proposed grant funding for the financial year 2024/20245amounts to R 49,5m excluding VAT.

The Entity's summarized budgeted statement of financial performance is as follows:-

Description	**2023/24 Original Budget**	**2023/24 Adjustment Budget**	**2024/25**	**2025/26**	**2026/27**
Grant funding (ORTDM)	52,526,487	49,553,214	49,553,214	51,832,663	54,165,133
Enterprises revenue	31,285,303	27,819,810	29,297,499	30,094,969	30,784,237
Other revenue	7,575,000	9,088,418	22,055,837	23,770,585	25,000,228
Total revenue	**91,386,710**	**86,461,443**	**103,879,743**	**105,698,212**	**109,949,598**
Total operational expenditure	**88,206,015**	**83,892,229**	**100,449,842**	**104,657,720**	**108,786,480**

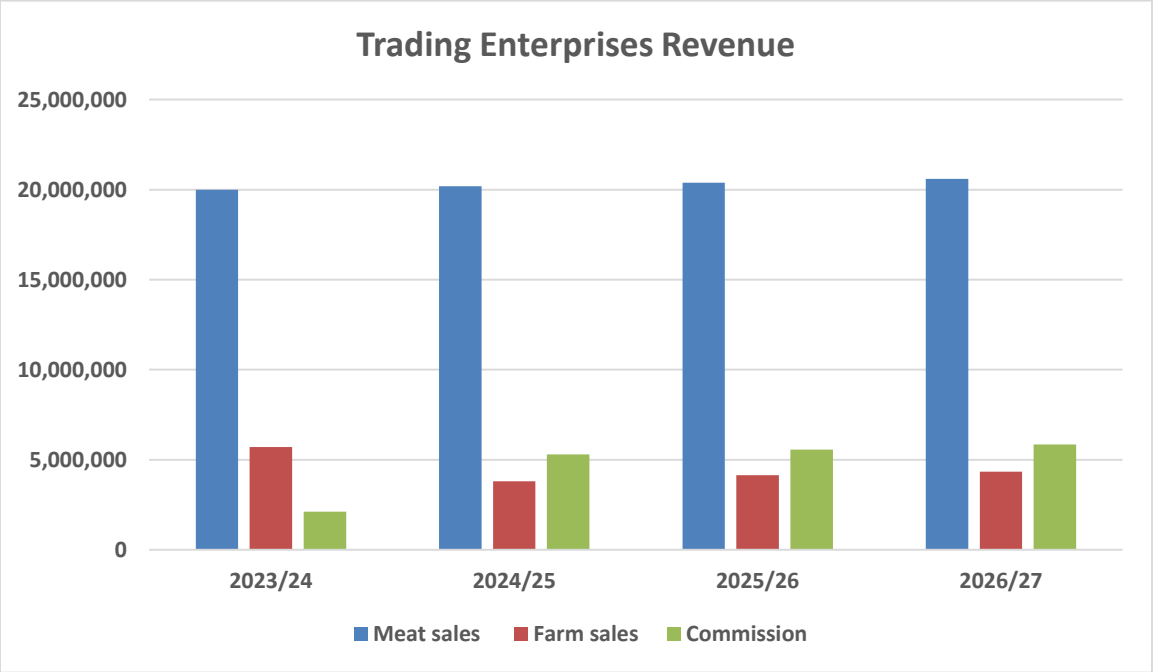
Surplus/(Deficit) for the year	**40,422**	**94,214**	**456,710**	**1,040,497**	**1,163,118**

1.1 Trading Enterprises

Under Goal One, a strategic goal focusing on enhancing agricultural value chains is being pursued by the entity whereby local production is being facilitated. Furthermore, the entity is operating farms which are used as the production facility for crops that are sold at the fresh produce market as well as livestock that is slaughtered and sold at the abattoir. A budget is set for the purchase and exchange of cows to be fattened at the farms and then slaughter at the abattoir for sale.

In order to maximize the production capacity of the Abattoir, a Meat Market is planned in this financial year. The introduction of the Meat Market will significantly increase the abattoir revenue.

Meat sales make up the biggest component of revenue generated by trading enterprises as graphically presented below.



It must be noted that selling prices fluctuate from time to time during the year depending on open market conditions. Below are average prices/tariffs/rates that will be used by the trading enterprises in buying stock or servicing customers.

Description	**2023/24 Budget year**	**2024/25 Budget year**	**2025/26 Budget year**	**2026/27 Budget year**
Average prices for procurement of livestock				
Purchase of cattle (price per kg)	R21.22	R22.28	R23.40	24,57
Purchase of pigs (price per kg)	R25.73	R27.01	R28.36	29,78
Purchase of sheep (price per kg)	R29.40	R30.87	R32.41	34,03
Abattoir slaughter and cutting fees				
Cattle Slaughter fee	R560.00	R600.00	R650.00	R702.00
Beef Cutting fee	R2.50/Kg	R3.00/Kg	4.00/Kg	4.00/Kg
Sheep Slaughter Fee	R150.00	R165.00	R170.00	R175.00
Mutton Cutting Fee	R65.00	R75.00	R90.00	R105.00
Pigs slaughter Fee	3.50/kg	4.00/kg	4.00-4.50/kg	4.00-4.50/kg
Pork Cutting Fee	2.00/Kg	2.50/Kg	2.50/Kg	3.00/Kg
Parking daily rates				
Trailers	R 58.00	R 62.99	R 68.02	R 68.02
Kombi, Truck (less than 8tonne)	R 75.82	R 81.88	R 88.43	R 88.43
TLBS	R 58.32	R 62.99	R 68.02	R 73.00
Truck 8tonne	R 93.31	R 100.78	R 108.84	R 117,5
Tractor & Cars	R 69.98	R 75.58	R 81.63	R 88,16

Description	2023/24 Budget year	2024/25 Budget year	2025/26 Budget year	2026/27 Budget year
Parking monthly rates				
Trailers	R 817.69	883.11	953.76	1030
Kombi, Truck (less than 8tonne)	R 1,184.58	1,279.35	1,381.70	1,492
TLBS	R 1,963.61	2,120.70	2,290.36	2,474
Truck 8tonne	R 2,140.35	2,311.57	2,496.50	2,696
Tractor & Cars	R 917.28	990.66	1,069.91	1,156
Bus	R 978.39	1,056.66	1,141.19	1,232
Forklift (Monthly Rental)	R 6,383.80	6,894.51	7,446.07	8,042
Forklift (Hourly Rate)	R 272.10	293.87	317.37	343
Horse & Trailer (Monthly)	R 5,668.70	6,122.20	6,611.98	7,141
Office space monthly rental				
Rater per square meter	R193.68	R209.17	R225.90	244
Market stalls monthly rental				
Flat rate	R 705.44	R 761.87	R 822.82	889.00
				-
Storage monthly rental				
Rate per square meter for fully ventilated storage	R107.71	R115.79	R125.05	135.00
Rate per square meter for other storage facilities	R131.95	R142.51	R153.91	166.00
Open space (flat rate)	R 6,254.85	R 6,880.34	R 7,568.37	8,174.00
Potato washing and packaging				
Price per bag	R 4.55	R 4.91	R 5.30	R 6.00

Description	2023/24 Budget year	2024/25 Budget year	2025/26 Budget year	2026/27 Budget year
Fresh Produce Market buyers' cards	R 32.50	35.00	37.80	41.00

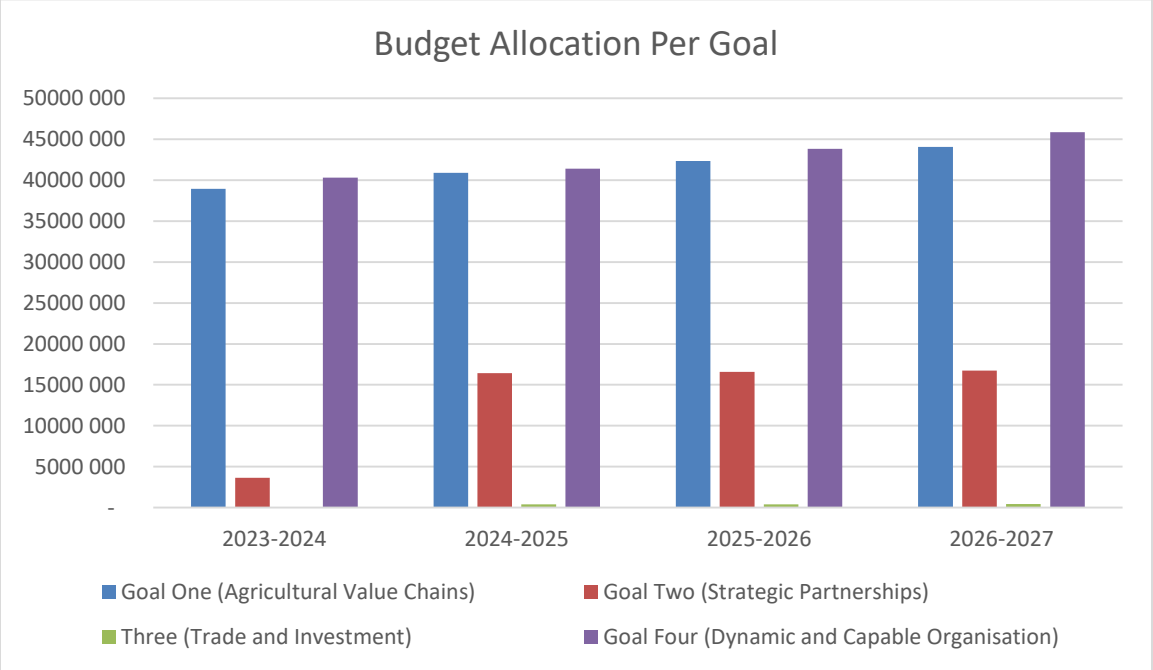
1.2 Strategic Partnerships

Under Goal Two,

The entity is playing a pivotal role in key local economic development initiatives such as oceans economy, special economic zone, industrial parks etc. It is working in collaboration with the rural economic development and planning department of the parent municipality as well as local municipalities.

The strategy is to forge strategic partnerships with relevant national and provincial departments that has funding for these initiatives. Budget Breakdown per Goal

The 2024/2025 proposed annual budget is summarized as follows:-



The total proposed annual budget for the 2024/2025 financial year amounts to R100,4 million and the bulk of it relates to Goal One followed by Goal Four. The 2023/2024 budget was adjusted from R88,8m to R83,8m.

1.5. **Capital budget**

The capital budget comprises of the following:-

	2023/24	**2024/25**
Plant and machinery	1,500,000	0
Computer equipment	560,000	21,780
Furniture and equipment	360,000	0
Bulls	55,000	195,000
Total	2,475,000	256,710

2. RESOLUTIONS

In compliance with Local Government: Municipal Finance Management Act Section, the Board of Directors approves the 2024/2025 proposed budget of the Entity. The Board of Directors submits the proposed budget not later than 150 days before the start of the entity's financial year. The parent municipality considers the proposed budget of the entity and assessed the entity's priorities and objectives. This will then be formalised in a service delivery agreement to be entered into by the two parties.

3. EXECUTIVE SUMMARY

The 2024/2025 proposed budget amounts to R 100,4 Million and capital budget amounts to R0,2 Million. This gives a total 2024/2025 budget of R 100,7 Million compared to the previous 2023/2024 financial year budget of R 86,3 Million.

Grant funding from the parent municipality for 2023/2024 financial year is R49,5 Million. For the 2024/2025 financial year is R 49,5 Million, R51,8 Million for the 2025/2026 financial year and R 54,1 Million for the 2026/27 financial year.

South Africa's GDP increased at an annualised rate of 3,5% in the first quarter (January to March) of 2023 when compared to the previous quarter (October to December) of 2022. Year to year budget increase is estimated to be approximately 5%. There is a 5% estimated increase in salaries and wages budget.

The introduction of the Meat Market at Kei Fresh Produce Market will increase the Abattoir revenue dramatically during the 2024/25 financial year, the meat is supplied by the Abattoir. Abattoir revenue is expected to grow at an average rate of 16% on a year to year basis.

Funds that are not readily required for operational requirements are invested in call deposits in line with the investment policy. Net assets position is expected to be sound into the foreseeable future with assets exceeding liabilities.

4. SUPPORTING DOCUMENTATION

4.1 Overview of annual budget process

There is an agreement in place between the entity and the parent municipality. This agreement is based on the mandate given to the Entity. As part of the integrated development plan of the parent municipality activities to be carried out by the entity are outlined. In addition to this, the Board of Directors develops and adopts a strategy of implementing the mandate. All of these are then used to inform budget proposals. Heads of departments prepare departmental budgets for submission to Chief Financial Officer for checking alignment with the strategy as well as consolidation.

The consolidated budget is then considered by the Board Committee before it is discussed and approved by the Board of Directors.

4.2 Overview of alignment of annual budget with service delivery agreement

Ntinga is a wholly owned municipal entity of O.R. Tambo District Municipality. The parent municipality appoints the Board of Directors. As a means of oversight, the parent municipality is represented in meetings of Board of Directors. Financial reports of the entity are submitted to the parent municipality monthly. Furthermore, quarterly performance reports and financial reports are subject of discussions by Council of the parent municipality. The entity is also subjected to Municipal Public Accounts Committee processes.

4.3 Overview of budget related policies

Listed below are Ntinga's budgeted related policies.

- Asset management policy
- Credit control policy

- Fleet management policy
- Banking and Investment policy
- Leave policy
- Performance management policy
- Budget policy

4.4 Overview of budget assumptions

The budget proposals are based on the following assumptions:-

a) Medium Term Expenditure Framework (MTEF) Guide was used to inform some of the budget proposals.
b) Improved returns on investments made on projects such as the abattoir and the fresh produce market are expected in the 2024/2025 financial year.
c) Year to year price increase is estimated to be approximately 3,5%. This is informed by the struggling economic outlook.
d) The Entity is attending to operational challenges in service centers such as the farms, fresh produce market and the abattoir. There is a strategy that links operations of the three trading enterprises being Adam Kok Farms, Abattoir and the Fresh Produce Market thereby maximizing return on investment.
e) The Entity has budgeted for depreciation in value of assets.

4.5 Overview of budget funding

The budget is partly funded from grant funding from the Parent Municipality.
Own revenue in the form of the fresh produce market commission, crop and livestock sales and the abattoir operations is expected to improve.

5. Legislation compliance status

Ntinga is fully implementing all legislation that is applicable to it. There are no delays in implementation and there is no application for such.

6. Other supporting information on expenditure

a) Estimates of year-to-year budgets are based on the costing of projects and programs.
b) Accommodation and travel budget will be utilized for all employees within the institution. This is mainly based on travelling to be done by staff when performing their duties as well as training requirements and workshops that will be attended to skill and capacitate employees.

c) Board and committees' fees budget have been made available for board and committee meetings. It is expected that the Board and its Committees will hold a minimum of four meetings each during the year. The budget includes all board related expenses such as travelling and accommodation.

7. QUALITY CERTIFICATION BY CHIEF EXECUTIVE OFFICER

I, Loyiso Mbiko, Chief Executive Officer of Ntinga O.R. Tambo Development Agency SOC LTD hereby certify that the 2024/2025 proposed budget has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the proposed annual budget is consistent with the integrated development plan of the parent municipality and the Entity's strategy.

Table 27 MBRR Table A7 - Budget cash flow statement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									–	–	–
Service charges		43,802	318,944	189,266	308,097	308,097	308,097	149,709	324,757	336,535	348,710
Other revenue		427,851	561,599	762,372	136,575	136,575	136,575	(96,426)	205,843	205,882	185,922
Transfers and Subsidies - Operational	1	89,289	33,566	292,470	1,315,272	1,314,892	1,314,892	1,183,931	1,199,840	1,265,903	1,338,459
Transfers and Subsidies - Capital	1	362,881	749,774	829,497	1,008,756	929,458	929,458	909,458	1,121,964	1,152,145	1,309,026
Interest		6,118	10,788	38,883	30,000	40,500	40,500	48,108	40,500	42,363	44,312
Dividends									–	–	–
Payments											
Suppliers and employees		(576,226)	(1,582,072)	(2,372,983)	(1,291,481)	(1,285,648)	(1,285,648)	(1,851,322)	(1,320,774)	(1,304,959)	(1,608,244)
Interest									–	–	–
Transfers and Subsidies	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**353,714**	**92,599**	**(260,497)**	**1,507,219**	**1,443,874**	**1,443,874**	**343,459**	**1,572,130**	**1,697,870**	**1,618,184**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (increase) in non-current receivables		111	(360)	1,879	(1,630)	–	–	(1,121)	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		284,977	(3,389)	(13,676)	(1,266,106)	(1,185,758)	(1,185,758)	(662,954)	(1,441,444)	(1,478,513)	(1,618,299)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**285,088**	**(3,749)**	**(11,796)**	**(1,267,736)**	**(1,185,758)**	**(1,185,758)**	**(664,076)**	**(1,441,444)**	**(1,478,513)**	**(1,618,299)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits		–	–	–	84	84	84	288	(88)	(92)	(96)
Payments											
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**84**	**84**	**84**	**288**	**(88)**	**(92)**	**(96)**
NET INCREASE/ (DECREASE) IN CASH HELD		**638,802**	**88,849**	**(272,293)**	**239,567**	**258,200**	**258,200**	**(320,328)**	**130,598**	**219,265**	**(211)**
Cash/cash equivalents at the year begin:	2	**322,956**	**397,403**	**383,801**	**252,213**	**252,213**	**252,213**	**–**	**405,872**	**536,470**	**755,735**
Cash/cash equivalents at the year end:	2	**961,758**	**486,253**	**111,508**	**491,779**	**510,413**	**510,413**	**(320,328)**	**536,470**	**755,735**	**755,524**

It can be seen that the cash levels of the District Municipality decreased from 2020-21 to 2022/23 period owing directly to a net decrease in cash.

The approved 2024/2025 MTREF budget provide for a R130.5 million in increase in cash held.

The 2024/2025 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term and shows cash available equivalent to the depreciation which will assist the municipality in asset renewal in future.

Cash and cash equivalents totals R536.4 million as at the end of the 2024/2025 financial year and R755.7 million and R755.5 million in two outer years.

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

What are the predicted cash and investments that are available at the end of the budget year?

How are those funds used?

What is the net funds available or funding shortfall?

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

Table 28 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash and investments available											
Cash/cash equivalents at the year end	1	961,758	486,253	111,508	491,779	510,413	510,413	(320,328)	536,470	755,735	755,524
Other current investments > 90 days		45,624	1,654,420	2,522,151	7,547	84	84	1,193,687	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**1,007,382**	**2,140,672**	**2,633,659**	**499,327**	**510,497**	**510,497**	**873,359**	**536,470**	**755,735**	**755,524**
Application of cash and investments											
Unspent conditional transfers		245,743	227,708	155,666	–	–	–	1,007,349	–	–	–
Unspent borrowing											
Statutory requirements	2	(35,534)	(59,967)	(51,182)	(203,978)	(203,978)	(203,978)	(21,954)	(154,445)	(140,676)	(150,524)
Other working capital requirements	3	1,363,429	37,571	(72,947)	155,481	173,553	173,553	124,001	13,583	(2,877)	(116,452)
Other provisions		258,774	261,129	190,742	333,026	333,026	333,026	190,742	299,062	333,423	369,365
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		**1,832,412**	**466,441**	**222,278**	**284,530**	**302,601**	**302,601**	**1,300,139**	**158,200**	**189,870**	**102,390**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(825,030)**	**1,674,231**	**2,411,381**	**214,797**	**207,896**	**207,896**	**(426,779)**	**378,271**	**565,865**	**653,135**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(825,030)**	**1,674,231**	**2,411,381**	**214,797**	**207,896**	**207,896**	**(426,779)**	**378,271**	**565,865**	**653,135**

From the table it can be seen that for the period 2020/21 the surplus was from R1.8 billion then in 2022/23 surplus of R222.2 million. . As part of the budgeting and planning guidelines that informed the compilation of the 2024/2025 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The debtor's collection will increase to 62.5% in 2024/2025 due to the current economic upturn as a result of the economy being fully operational as a result of load shedding being suspended. It is projected that the consumers will from now on have the means to pay their debt which will result in the positive cash outcome for the municipality.

As can be seen the budget has been modelled to progressively move from actual surpluses to higher surplus of R378.2 million in 2024/2025 to R653.1 billion in 2026/2027.

The following is a breakdown of the application of this funding:

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. For 2021/2022 MTREF there was unspent conditional Grants.

In other working capital requirements, a key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, as was experienced by the District Municipality in 2021/2022 resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality.

For 2021/22 audited outcome, the working capital amounted to R37.5million. In 2024/25 MTREF amounted to R13.5 million in 2024/25 and decreased to (R2.8 million)in 2025/26 resulting in the surplus of cash in 2024/25 MTREF of R378.2 million, R565.8 million and R653.1 million respectively

It can be concluded that the District Municipality has a surplus against the cash backed and accumulated surpluses reconciliation.

Funding compliance measurement

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

Table 29 MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	961,758	486,253	111,508	491,779	510,413	510,413	(320,328)	536,470	755,735	755,524
Cash + investments at the yr end less applications - R'000	18(1)b	2	(825,030)	1,674,231	2,411,381	214,797	207,896	207,896	(426,779)	378,271	565,865	653,135
Cash year end/monthly employee/supplier payments	18(1)b	3	10.3	5.2	1.2	4.7	4.9	4.9	(5.5)	5.1	6.9	6.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	389,819	316,428	587,882	1,322,579	1,248,844	1,248,844	673,619	1,472,148	1,533,180	1,691,727
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(4.8%)	(11.1%)	36.6%	(6.0%)	(6.0%)	(48.2%)	(2.1%)	(2.4%)	(2.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	149.1%	277.2%	317.7%	36.4%	36.6%	36.6%	21.6%	111.3%	109.6%	104.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	6.5%	25.4%	27.2%	31.0%	31.0%	31.0%	0.0%	25.2%	25.4%	25.6%
Capital payments % of capital expenditure	18(1)c;19	8	(399.8%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(29.9%)	0.1%	40.0%	0.0%	0.0%	34.1%	(49.3%)	(48.0%)	(28.7%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(28.8%)	154.3%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.5%	0.4%	1.3%	1.1%	0.6%	0.6%	0.5%	0.5%	0.6%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	3.3%	5.0%	1.6%	0.5%	0.2%	0.2%	0.0%	0.2%	0.2%	0.2%

Cash/cash equivalent position

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

The forecasted cash and cash equivalents for the 2024/2025 MTREF shows R536.4million then R755.7 million and R755.5 million at end of MTREF.

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 28,. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2024/2025 MTREF the indicative outcome is a surplus of R1.4 billion, R1.5 billion and R1.6 billion respectively.

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

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc. For 2024/2025 resulted in (2.1 percent) then in 2026/2027 amounted to (2.4 percent).

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the pre audit outcome is at 21.6 per cent for MTREF. Given that the assumed collection rate was based on a 62.5 per cent performance target and the free basic component in determining the collection rate is reduced hence the targeted

collection is 62.5 per cent. The cash flow statement has been conservatively determined. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues as a result of economic downturn due to epidemic. The provision has been appropriated at average of 25.2 per cent over the MTREF.

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent timing discount has been factored into the cash position forecasted over the entire financial year.

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been be excluded. District Municipality will not undertake any borrowing.

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

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

Consumer debtors change (Current and Non-current)

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the District Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 42 MBRR SA34C.

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 41 MBRR SA34b.

Expenditure on grants and reconciliations of unspent funds

Table 30 MBRR SA19 - Expenditure on transfers and grant programmes

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**1,493,355**	**1,337,874**	**1,348,542**	**1,106,941**	**1,146,722**	**1,146,722**	**1,157,851**	**1,199,345**	**1,253,325**
Local Government Equitable Share		1,477,638	1,325,944	1,304,440	1,098,132	1,138,293	1,138,293	1,152,005	1,197,345	1,251,225
Expanded Public Works Programme Integrated Grant		12,532	9,930	11,544	6,809	6,429	6,429	3,846	–	–
Local Government Financial Management Grant		–	2,000	1,574	2,000	2,000	2,000	2,000	2,000	2,100
Municipal Disaster Relief Grant		3,184	–	30,984	–	–	–	–	–	–
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
District Municipality:		**–**	**–**	**–**	**49,726**	**49,224**	**49,224**	**41,314**	**43,084**	**44,524**
Specify (Add grant description)		–	–	–	49,726	49,224	49,224	41,314	43,084	44,524
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total operating expenditure of Transfers and Grants:		**1,493,355**	**1,337,874**	**1,348,542**	**1,156,667**	**1,195,945**	**1,195,945**	**1,199,165**	**1,242,428**	**1,297,850**
Capital expenditure of Transfers and Grants										
National Government:		**1,273**	**504**	**3,284**	**1,190,909**	**1,111,611**	**1,111,611**	**1,326,964**	**1,357,145**	**1,494,026**
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Emergency Housing Grant		0	906	–	182,153	182,153	182,153	205,000	205,000	185,000
Municipal Infrastructure Grant		1,273	(402)	0	764,752	713,603	713,603	727,555	765,347	835,683
Regional Bulk Infrastructure Grant		–	–	(0)	160,849	140,700	140,700	291,113	288,354	384,741
Rural Road Asset Management Systems Grant		–	–	3,284	3,155	3,155	3,155	3,296	3,444	3,602
Water Services Infrastructure Grant		–	–	0	80,000	72,000	72,000	100,000	95,000	85,000
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**56,632**	**55,629**	**55,577**
Specify (Add grant description)		–	–	–	–	–	–	56,632	55,629	55,577
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total capital expenditure of Transfers and Grants		**1,273**	**504**	**3,284**	**1,190,909**	**1,111,611**	**1,111,611**	**1,383,596**	**1,412,774**	**1,549,603**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**1,494,627**	**1,338,378**	**1,351,826**	**2,347,575**	**2,307,556**	**2,307,556**	**2,582,761**	**2,655,202**	**2,847,452**

Councillor and employee benefits

Table 31 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		15,386	16,717	18,772	18,365	18,365	18,365	19,264	20,151	21,057
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance										
Cellphone Allowance		192	779	87	1,966	1,966	1,966	2,062	2,157	2,254
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		4,076	1,560	713	5,183	5,183	5,183	5,437	5,687	5,943
Sub Total - Councillors		**19,653**	**19,056**	**19,572**	**25,514**	**25,514**	**25,514**	**26,764**	**27,995**	**29,255**
% increase	4		**(3.0%)**	**2.7%**	**30.4%**	**–**	**–**	**4.9%**	**4.6%**	**4.5%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		8,810	8,834	7,625	17,801	17,801	17,801	18,673	19,532	20,411
Pension and UIF Contributions		194	351	14	28	28	28	30	31	33
Medical Aid Contributions		–	–	–	59	59	59	62	65	68
Overtime										
Performance Bonus		395	357	598	595	595	595	624	653	682
Motor Vehicle Allowance	3	1,679	1,856	1,190	3,045	3,045	3,045	3,195	3,342	3,492
Cellphone Allowance	3	7	21	28	27	27	27	28	29	31
Housing Allowances	3	140	30	15	327	327	327	343	359	375
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6	230	328	406	806	806	806	846	885	925
Entertainment										
Scarcity										
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits										
Sub Total - Senior Managers of Municipality		**11,455**	**11,778**	**9,876**	**22,689**	**22,689**	**22,689**	**23,801**	**24,895**	**26,016**
% increase	4		**2.8%**	**(16.1%)**	**129.7%**	**–**	**–**	**4.9%**	**4.6%**	**4.5%**
Other Municipal Staff										
Basic Salaries and Wages		409,287	446,482	452,139	450,152	450,152	450,152	472,210	493,932	516,159
Pension and UIF Contributions		82,243	92,864	86,850	83,482	83,482	83,482	87,572	91,600	95,722
Medical Aid Contributions		21,478	22,621	22,694	31,044	31,044	31,044	32,565	34,063	35,596
Overtime		60,671	43,269	16,122	21,827	21,827	21,827	22,896	23,950	25,027
Performance Bonus		29,454	29,023	31,071	39,164	39,164	39,164	41,084	42,973	44,907
Motor Vehicle Allowance	3	34,523	35,028	35,746	41,528	41,528	41,528	43,563	45,567	47,617
Cellphone Allowance	3	5,528	5,425	3,383	3,810	3,810	3,810	3,996	4,180	4,368
Housing Allowances	3	20,216	20,226	20,062	24,962	24,962	24,962	26,185	27,389	28,622
Other benefits and allowances	3	43,517	–	118	155	155	155	163	170	178
Payments in lieu of leave		10,473	–	2,665	243	243	243	255	266	278
Long service awards		(895)	(2,383)	4,454	243	243	243	255	266	278
Post-retirement benefit obligations	6	38,303	27,486	25,099	7,149	7,149	7,149	7,499	7,844	8,197
Entertainment										
Scarcity										
Acting and post related allowance		1,339	2,335	2,032	465	465	465	487	510	533
In kind benefits										
Sub Total - Other Municipal Staff		**756,138**	**722,376**	**702,435**	**704,223**	**704,223**	**704,223**	**738,730**	**772,712**	**807,484**
% increase	4		**(4.5%)**	**(2.8%)**	**0.3%**	**–**	**–**	**4.9%**	**4.6%**	**4.5%**
Total Parent Municipality		**787,247**	**753,210**	**731,883**	**752,426**	**752,426**	**752,426**	**789,295**	**825,602**	**862,754**
			(4.3%)	**(2.8%)**	**2.8%**	**–**	**–**	**4.9%**	**4.6%**	**4.5%**

Senior Managers of Entities										
Basic Salaries and Wages		–	–	–	9,228	8,766	8,766	6,391	6,740	7,124
Pension and UIF Contributions		–	–	–	3,856	3,663	3,663	819	864	913
Medical Aid Contributions										
Overtime										
Performance Bonus		–	–	–	1,287	1,223	1,223	321	339	358
Motor Vehicle Allowance	3	–	–	–	3,191	3,031	3,031	885	933	987
Cellphone Allowance	3	–	–	–	446	424	424	–	–	–
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Entities		**–**	**–**	**–**	**18,008**	**17,108**	**17,108**	**8,416**	**8,876**	**9,382**
% increase	4		**–**	**–**	**–**	**(5.0%)**	**–**	**(50.8%)**	**5.5%**	**5.7%**
Other Staff of Entities										
Basic Salaries and Wages		–	–	–	23,691	22,690	22,690	24,910	26,092	27,581
Pension and UIF Contributions		–	–	–	–	–	–	3,821	4,029	4,259
Medical Aid Contributions										
Overtime		–	–	–	196	186	186	–	–	–
Performance Bonus		–	–	–	1,068	1,015	1,015	1,742	1,837	1,942
Motor Vehicle Allowance	3	–	–	–	–	–	–	2,465	2,600	2,748
Cellphone Allowance	3	–	–	–	788	748	748	672	709	749
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	257	244	244	–	–	–
Long service awards										
Post-retirement benefit obligations	6									
Entertainment										
Scarcity										
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits										
Sub Total - Other Staff of Entities		**–**	**–**	**–**	**26,000**	**24,884**	**24,884**	**33,610**	**35,267**	**37,279**
% increase	4		**–**	**–**	**–**	**(4.3%)**	**–**	**35.1%**	**4.9%**	**5.7%**
Total Municipal Entities		**–**	**–**	**–**	**44,008**	**41,991**	**41,991**	**42,027**	**44,143**	**46,662**
TOTAL SALARY, ALLOWANCES & BENEFITS		**787,247**	**753,210**	**731,883**	**796,434**	**794,417**	**794,417**	**831,321**	**869,745**	**909,416**
% increase	4		**(4.3%)**	**(2.8%)**	**8.8%**	**(0.3%)**	**–**	**4.6%**	**4.6%**	**4.6%**
TOTAL MANAGERS AND STAFF	5,7	**767,593**	**734,154**	**712,311**	**770,920**	**768,903**	**768,903**	**804,558**	**841,751**	**880,162**

Table 32 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		822,245	–	1,470,349			2,292,594
Chief Whip								–
Executive Mayor			1,027,807	–	398,142			1,425,949
Deputy Executive Mayor			–	–	–			–
Executive Committee								–
Total for all other councillors			17,414,343		5,630,799			23,045,142
Total Councillors	8	–	**19,264,395**	**–**	**7,499,290**			**26,763,685**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,995,793	2,331	–	–		1,998,124
Chief Finance Officer			1,058,052	3,077	619,186	–		1,680,315
SM					845,987			845,987
SM D01			1,367,922	1,349	211,497	97,820		1,678,588
SM D02			1,028,203	1,895	211,497	–		1,241,595
SM D03			1,432,998	2,094	140,998	103,243		1,679,333
SM D04			1,356,506	2,094	211,497	109,235		1,679,332
SM D05			1,362,937	2,087	211,497	102,805		1,679,326
SM D06			1,311,808	63,952	303,573	–		1,679,333
SM D07			1,395,243	2,094	281,996	–		1,679,333
SM D08			1,167,709	2,094	422,994	86,536		1,679,333
SM D09			1,175,229	2,094	211,497	71,742		1,460,562
SM D10			1,395,243	2,331	281,996			1,679,570
SM D11			1,677,239	2,094	–	–		1,679,333
SM D12			948,002	2,094	457,660	52,807		1,460,563
								–
List of each offical with packages >= senior manager								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**18,672,884**	**91,680**	**4,411,875**	**624,188**		**23,800,627**
								–
								–
Total for municipal entities	8,10	–	**–**	**–**	**–**	**–**		**–**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	**37,937,279**	**91,680**	**11,911,165**	**624,188**		**50,564,312**

Table 33 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	Ref	2022/23			Current Year 2023/24			Budget Year 2024/25		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		71	–	71	71	–	71	71	–	71
Board Members of municipal entities	4	10	–	10	10	–	10	10	–	10
Municipal employees	5									
Municipal Manager and Senior Managers	3	12	–	12	12	–	12	7	5	2
Other Managers	7	115	115	–	115	74	–	115	72	1
Professionals		*506*	*339*	–	*282*	*211*	–	*282*	*211*	–
Finance		318	157	–	115	54	–	115	54	–
Spatial/town planning		8	5	–	2	2	–	2	2	–
Information Technology		19	16	–	18	8	–	18	8	–
Roads										
Electricity										
Water		97	97	–	87	87	–	87	87	–
Sanitation										
Refuse										
Other		64	64	–	60	60	–	60	60	–
Technicians		*10*	*10*	–	*4*	*4*	–	*4*	*4*	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		10	10	–	4	4	–	4	4	–
Clerks (Clerical and administrative)		320	320	–	301	297	4	301	297	4
Service and sales workers		73	73	–	73	73	–	73	66	–
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		120	120	–	78	78	–	78	75	–
Elementary Occupations		952	952	–	964	894	70	964	910	199
TOTAL PERSONNEL NUMBERS	9	**2,189**	**1,929**	**93**	**1,910**	**1,631**	**167**	**1,905**	**1,640**	**287**
% increase					(12.7%)	(15.4%)	79.6%	(0.3%)	0.6%	71.9%
Total municipal employees headcount	6, 10	**2,189**	**1,929**	**93**	**1,910**	**1,631**	**167**	**1,905**	**1,640**	**287**
Finance personnel headcount	8, 10	–	–	–	–	–	–	–	–	–
Human Resources personnel headcount	8, 10									

Review of Organisational Structure

The Organizational Structure has been approved by council in December 2023. Departments have been reduced to six with amalgamation of departments. Human settlements department and Technical services have been amalgamated in water and sanitation department. Legislative services and office of Executive Mayor have been amalgamated in Office of Municipal Manager. The following sequence of processes will be undertaken being:

1. Job Description writing
2. Job Evaluation
3. Costing of Organizational Structure
4. Recruitment of Employees

3.4 Monthly targets for revenue, expenditure and cash flow

Table 34 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue																
Exchange Revenue																
Service charges - Electricity													–	–	–	–
Service charges - Water		24,194	24,194	24,194	24,194	24,194	24,194	24,194	24,194	24,194	24,194	24,194	24,194	290,327	299,523	308,951
Service charges - Waste Water Management		11,415	11,415	11,415	11,415	11,415	11,415	11,415	11,415	11,415	11,415	11,415	11,415	136,985	143,287	149,878
Service charges - Waste Management													–	–	–	–
Sale of Goods and Rendering of Services		4,111	4,111	4,111	4,111	4,111	4,111	4,111	4,111	4,111	4,111	4,111	4,111	49,328	51,814	53,706
Agency services													–	–	–	–
Interest													–	–	–	–
Interest earned from Receivables		1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	23,320	24,395	25,519
Interest earned from Current and Non Current Assets		3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	40,500	42,363	44,312
Dividends													–	–	–	–
Rent on Land													–	–	–	–
Rental from Fixed Assets		125	125	125	125	125	125	125	125	125	125	125	125	1,500	1,500	1,500
Licence and permits													–	–	–	–
Operational Revenue		19	19	19	19	19	19	19	19	19	19	19	19	231	241	252
Non-Exchange Revenue																
Property rates													–	–	–	–
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences or permits													–	–	–	–
Transfer and subsidies - Operational		104,160	104,160	104,160	104,160	104,160	104,160	104,160	104,160	104,160	104,160	104,160	104,160	1,249,918	1,318,284	1,393,197
Interest													–	–	–	–
Fuel Levy													–	–	–	–
Operational Revenue													–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations													–	–	–	–
Total Revenue (excluding capital transfers and contrib		**149,342**	**149,342**	**149,342**	**149,342**	**149,342**	**149,342**	**149,342**	**149,342**	**149,342**	**149,342**	**149,342**	**149,342**	**1,792,108**	**1,881,407**	**1,977,315**
Expenditure																
Employee related costs		67,047	67,047	67,047	67,047	67,047	67,047	67,047	67,047	67,047	67,047	67,047	67,044	804,558	841,751	880,162
Remuneration of councillors		2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	2,230	26,764	27,995	29,255
Bulk purchases - electricity													–	–	–	–
Inventory consumed		8,479	8,479	8,479	8,479	8,479	8,479	8,479	8,479	8,479	8,479	8,479	(2,424)	90,842	89,454	91,126
Debt impairment		8,959	8,959	8,959	8,959	8,959	8,959	8,959	8,959	8,959	8,959	8,959	8,959	107,508	112,453	117,513
Depreciation and amortisation		14,439	14,439	14,439	14,439	14,439	14,439	14,439	14,439	14,439	14,439	14,439	14,439	173,264	181,130	189,179
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		13,505	13,505	13,505	13,505	13,505	13,505	13,505	13,505	13,505	13,505	13,505	13,505	162,060	169,444	176,334
Transfers and subsidies		5,724	5,724	5,724	5,724	5,724	5,724	5,724	5,724	5,724	5,724	5,724	5,724	68,689	71,848	75,082
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		17,761	17,761	17,761	17,761	17,761	17,761	17,761	17,761	17,761	17,761	17,761	17,760	213,130	211,181	220,842
Losses on disposal of Assets		9	9	9	9	9	9	9	9	9	9	9	9	110	116	122
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**127,246**	**1,646,924**	**1,705,372**	**1,779,613**
Surplus/(Deficit)		**11,190**	**11,190**	**11,190**	**11,190**	**11,190**	**11,190**	**11,190**	**11,190**	**11,190**	**11,190**	**11,190**	**22,096**	**145,184**	**176,035**	**197,701**
Transfers and subsidies - capital (monetary allocations)		110,580	110,580	110,580	110,580	110,580	110,580	110,580	110,580	110,580	110,580	110,580	110,580	1,326,964	1,357,145	1,494,026
Transfers and subsidies - capital (in-kind)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**132,676**	**1,472,148**	**1,533,180**	**1,691,727**
Income Tax													–	–	–	–
Surplus/(Deficit) after income tax		**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**132,676**	**1,472,148**	**1,533,180**	**1,691,727**
Share of Surplus/Deficit attributable to Joint Venture													–	–	–	–
Share of Surplus/Deficit attributable to Minorities													–	–	–	–
Surplus/(Deficit) attributable to municipality		**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**132,676**	**1,472,148**	**1,533,180**	**1,691,727**
Share of Surplus/Deficit attributable to Associate													–	–	–	–
Intercompany/Parent subsidiary transactions													–	–	–	–
Surplus/(Deficit) for the year	1	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**132,676**	**1,472,148**	**1,533,180**	**1,691,727**

Table 35 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote																
Vote 01 - Council & Committees		17,818	17,818	17,818	17,818	17,818	17,818	17,818	17,818	17,818	17,818	17,818	17,818	213,821	216,004	225,724
Vote 02 - Finance & Administration		39,860	39,860	39,860	39,860	39,860	39,860	39,860	39,860	39,860	39,860	39,860	39,860	478,322	484,654	483,774
Vote 03 - Planning & Development		7,078	7,078	7,078	7,078	7,078	7,078	7,078	7,078	7,078	7,078	7,078	7,078	84,938	84,822	88,639
Vote 04 - Health		2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	27,980	29,268	30,585
Vote 05 - Community & Social Services		1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	22,438	23,471	24,527
Vote 06 - Housing		18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	225,950	226,913	207,899
Vote 07 - Public Safety		5,518	5,518	5,518	5,518	5,518	5,518	5,518	5,518	5,518	5,518	5,518	5,518	66,210	69,256	72,372
Vote 08 - Sports & Recreation		514	514	514	514	514	514	514	514	514	514	514	514	6,164	6,448	6,738
Vote 09 - Environmental		775	775	775	775	775	775	775	775	775	775	775	775	9,301	9,729	10,167
Vote 10 - Roads		2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	26,240	27,443	28,681
Vote 11 - Water		154,272	154,272	154,272	154,272	154,272	154,272	154,272	154,272	154,272	154,272	154,272	154,272	1,851,260	1,949,050	2,176,228
Vote 12 - Tourism		462	462	462	462	462	462	462	462	462	462	462	462	5,541	5,796	6,057
Vote 13 - Development Agency		8,409	8,409	8,409	8,409	8,409	8,409	8,409	8,409	8,409	8,409	8,409	8,409	100,907	105,698	109,950
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**3,119,072**	**3,238,552**	**3,471,341**
Expenditure by Vote to be appropriated																
Vote 01 - Council & Committees		18,139	18,139	18,139	18,139	18,139	18,139	18,139	18,139	18,139	18,139	18,139	18,138	217,667	216,004	225,724
Vote 02 - Finance & Administration		31,818	31,818	31,818	31,818	31,818	31,818	31,818	31,818	31,818	31,818	31,818	31,817	381,817	399,289	417,267
Vote 03 - Planning & Development		6,758	6,758	6,758	6,758	6,758	6,758	6,758	6,758	6,758	6,758	6,758	6,757	81,092	84,822	88,639
Vote 04 - Health		2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	27,980	29,268	30,585
Vote 05 - Community & Social Services		1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	1,870	22,438	23,471	24,527
Vote 06 - Housing		1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	20,950	21,913	22,899
Vote 07 - Public Safety		5,101	5,101	5,101	5,101	5,101	5,101	5,101	5,101	5,101	5,101	5,101	5,101	61,210	64,026	66,907
Vote 08 - Sports & Recreation		514	514	514	514	514	514	514	514	514	514	514	514	6,164	6,448	6,738
Vote 09 - Environmental		775	775	775	775	775	775	775	775	775	775	775	775	9,301	9,729	10,167
Vote 10 - Roads		954	954	954	954	954	954	954	954	954	954	954	954	11,449	11,976	12,515
Vote 11 - Water		59,314	59,314	59,314	59,314	59,314	59,314	59,314	59,314	59,314	59,314	59,314	59,314	711,767	744,508	778,011
Vote 12 - Tourism		462	462	462	462	462	462	462	462	462	462	462	462	5,541	5,796	6,057
Vote 13 - Development Agency		8,371	8,371	8,371	8,371	8,371	8,371	8,371	8,371	8,371	8,371	8,371	8,370	100,450	104,658	108,786
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,149**	**1,657,827**	**1,721,906**	**1,798,821**
Surplus/(Deficit) before assoc.		**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,773**	**1,461,246**	**1,516,645**	**1,672,519**
Income Tax													–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions													–	–	–	–
Surplus/(Deficit)	1	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,773**	**1,461,246**	**1,516,645**	**1,672,519**

Table 36 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional																
Governance and administration		**57,521**	**57,521**	**57,521**	**57,521**	**57,521**	**57,521**	**57,521**	**57,521**	**57,521**	**57,521**	**57,521**	**57,521**	**690,254**	**698,682**	**707,433**
Executive and council		16,233	16,233	16,233	16,233	16,233	16,233	16,233	16,233	16,233	16,233	16,233	16,233	194,791	196,099	204,923
Finance and administration		40,456	40,456	40,456	40,456	40,456	40,456	40,456	40,456	40,456	40,456	40,456	40,456	485,467	492,128	491,583
Internal audit		833	833	833	833	833	833	833	833	833	833	833	833	9,996	10,456	10,927
Community and public safety		**29,062**	**29,062**	**29,062**	**29,062**	**29,062**	**29,062**	**29,062**	**29,062**	**29,062**	**29,062**	**29,062**	**29,062**	**348,743**	**355,355**	**342,121**
Community and social services		4,467	4,467	4,467	4,467	4,467	4,467	4,467	4,467	4,467	4,467	4,467	4,467	53,607	56,073	58,596
Sport and recreation		514	514	514	514	514	514	514	514	514	514	514	514	6,164	6,448	6,738
Public safety		2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	35,041	36,653	38,303
Housing		18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	18,829	225,950	226,913	207,899
Health		2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	27,980	29,268	30,585
Economic and environmental services		**18,606**	**18,606**	**18,606**	**18,606**	**18,606**	**18,606**	**18,606**	**18,606**	**18,606**	**18,606**	**18,606**	**18,606**	**223,275**	**229,669**	**239,502**
Planning and development		15,644	15,644	15,644	15,644	15,644	15,644	15,644	15,644	15,644	15,644	15,644	15,644	187,733	192,496	200,654
Road transport		2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	26,240	27,443	28,681
Environmental protection		775	775	775	775	775	775	775	775	775	775	775	775	9,301	9,729	10,167
Trading services		**154,272**	**154,272**	**154,272**	**154,272**	**154,272**	**154,272**	**154,272**	**154,272**	**154,272**	**154,272**	**154,272**	**154,272**	**1,851,260**	**1,949,050**	**2,176,228**
Energy sources													–	–	–	–
Water management		154,272	154,272	154,272	154,272	154,272	154,272	154,272	154,272	154,272	154,272	154,272	154,272	1,851,260	1,949,050	2,176,228
Waste water management													–	–	–	–
Waste management													–	–	–	–
Other		**462**	**462**	**462**	**462**	**462**	**462**	**462**	**462**	**462**	**462**	**462**	**462**	**5,541**	**5,796**	**6,057**
Total Revenue - Functional		**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**259,923**	**3,119,072**	**3,238,552**	**3,471,341**
Expenditure - Functional																
Governance and administration		**49,800**	**49,800**	**49,800**	**49,800**	**49,800**	**49,800**	**49,800**	**49,800**	**49,800**	**49,800**	**49,800**	**49,798**	**597,595**	**613,317**	**640,926**
Executive and council		16,553	16,553	16,553	16,553	16,553	16,553	16,553	16,553	16,553	16,553	16,553	16,553	198,637	196,099	204,923
Finance and administration		32,414	32,414	32,414	32,414	32,414	32,414	32,414	32,414	32,414	32,414	32,414	32,413	388,962	406,762	425,076
Internal audit		833	833	833	833	833	833	833	833	833	833	833	833	9,996	10,456	10,927
Community and public safety		**11,562**	**11,562**	**11,562**	**11,562**	**11,562**	**11,562**	**11,562**	**11,562**	**11,562**	**11,562**	**11,562**	**11,561**	**138,743**	**145,125**	**151,655**
Community and social services		4,467	4,467	4,467	4,467	4,467	4,467	4,467	4,467	4,467	4,467	4,467	4,467	53,607	56,073	58,596
Sport and recreation		514	514	514	514	514	514	514	514	514	514	514	514	6,164	6,448	6,738
Public safety		2,503	2,503	2,503	2,503	2,503	2,503	2,503	2,503	2,503	2,503	2,503	2,503	30,041	31,423	32,837
Housing		1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	1,746	20,950	21,913	22,899
Health		2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	27,980	29,268	30,585
Economic and environmental services		**17,015**	**17,015**	**17,015**	**17,015**	**17,015**	**17,015**	**17,015**	**17,015**	**17,015**	**17,015**	**17,015**	**17,014**	**204,181**	**213,161**	**222,172**
Planning and development		15,286	15,286	15,286	15,286	15,286	15,286	15,286	15,286	15,286	15,286	15,286	15,285	183,431	191,456	199,490
Road transport		954	954	954	954	954	954	954	954	954	954	954	954	11,449	11,976	12,515
Environmental protection		775	775	775	775	775	775	775	775	775	775	775	775	9,301	9,729	10,167
Trading services		**59,314**	**59,314**	**59,314**	**59,314**	**59,314**	**59,314**	**59,314**	**59,314**	**59,314**	**59,314**	**59,314**	**59,314**	**711,767**	**744,508**	**778,011**
Energy sources													–	–	–	–
Water management		59,314	59,314	59,314	59,314	59,314	59,314	59,314	59,314	59,314	59,314	59,314	59,314	711,767	744,508	778,011
Waste water management													–	–	–	–
Waste management													–	–	–	–
Other		**462**	**462**	**462**	**462**	**462**	**462**	**462**	**462**	**462**	**462**	**462**	**462**	**5,541**	**5,796**	**6,057**
Total Expenditure - Functional		**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,153**	**138,149**	**1,657,827**	**1,721,906**	**1,798,821**
Surplus/(Deficit) before assoc.		**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,773**	**1,461,246**	**1,516,645**	**1,672,519**
Intercompany/Parent subsidiary transactions													–	–	–	–
Surplus/(Deficit)	1	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,770**	**121,773**	**1,461,246**	**1,516,645**	**1,672,519**

Table 37 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Multi-year expenditure *to be appropriated*	1															
Vote 01 - Council & Committees		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Finance & Administration		2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	24,250	25,366	26,507
Vote 03 - Planning & Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 04 - Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 05 - Community & Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 06 - Housing		17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	205,000	205,000	185,000
Vote 07 - Public Safety		417	417	417	417	417	417	417	417	417	417	417	417	5,000	5,230	5,465
Vote 08 - Sports & Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Roads		1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	14,791	15,468	16,167
Vote 11 - Water		94,648	94,648	94,648	94,648	94,648	94,648	94,648	94,648	94,648	94,648	94,648	94,647	1,135,771	1,171,820	1,329,584
Vote 12 - Tourism		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Development Agency		4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	56,632	55,629	55,577
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**1,441,444**	**1,478,513**	**1,618,299**
Single-year expenditure *to be appropriated*																
Vote 01 - Council & Committees		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Finance & Administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 03 - Planning & Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 04 - Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 05 - Community & Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 06 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 07 - Public Safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 08 - Sports & Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 09 - Environmental		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Roads		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Tourism		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Development Agency		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	2	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**1,441,444**	**1,478,513**	**1,618,299**

Table 38 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional	1															
Governance and administration		**2,021**	**2,021**	**2,021**	**2,021**	**2,021**	**2,021**	**2,021**	**2,021**	**2,021**	**2,021**	**2,021**	**2,021**	**24,250**	**25,366**	**26,507**
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	2,021	24,250	25,366	26,507
Internal audit													–	–	–	–
Community and public safety		**17,500**	**17,500**	**17,500**	**17,500**	**17,500**	**17,500**	**17,500**	**17,500**	**17,500**	**17,500**	**17,500**	**17,500**	**210,000**	**210,230**	**190,465**
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation													–	–	–	–
Public safety		417	417	417	417	417	417	417	417	417	417	417	417	5,000	5,230	5,465
Housing		17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	205,000	205,000	185,000
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**5,952**	**5,952**	**5,952**	**5,952**	**5,952**	**5,952**	**5,952**	**5,952**	**5,952**	**5,952**	**5,952**	**5,952**	**71,423**	**71,097**	**71,743**
Planning and development		4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	56,632	55,629	55,577
Road transport		1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	14,791	15,468	16,167
Environmental protection													–	–	–	–
Trading services		**94,648**	**94,648**	**94,648**	**94,648**	**94,648**	**94,648**	**94,648**	**94,648**	**94,648**	**94,648**	**94,648**	**94,647**	**1,135,771**	**1,171,820**	**1,329,584**
Energy sources													–	–	–	–
Water management		94,648	94,648	94,648	94,648	94,648	94,648	94,648	94,648	94,648	94,648	94,648	94,647	1,135,771	1,171,820	1,329,584
Waste water management													–	–	–	–
Waste management													–	–	–	–
Other													–	–	–	–
Total Capital Expenditure - Functional	2	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**1,441,444**	**1,478,513**	**1,618,299**
Funded by:																
National Government		110,580	110,580	110,580	110,580	110,580	110,580	110,580	110,580	110,580	110,580	110,580	**110,580**	**1,326,964**	**1,357,145**	**1,494,026**
Provincial Government													–	–	–	–
District Municipality		4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	4,719	56,632	55,629	55,577
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)													–	–	–	–
Transfers recognised - capital		**115,300**	**115,300**	**115,300**	**115,300**	**115,300**	**115,300**	**115,300**	**115,300**	**115,300**	**115,300**	**115,300**	**115,299**	**1,383,596**	**1,412,774**	**1,549,603**
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		4,821	4,821	4,821	4,821	4,821	4,821	4,821	4,821	4,821	4,821	4,821	4,821	57,847	65,738	68,697
Total Capital Funding		**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	**120,120**	120,120	120,120	1,441,444	1,478,513	1,618,299

Table 39 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash Receipts By Source												1			
Property rates												–			
Service charges - electricity revenue												–			
Service charges - water revenue	18,387	18,387	18,387	18,387	18,387	18,387	18,387	18,387	18,387	18,387	18,387	18,387	220,648	227,638	234,803
Service charges - sanitation revenue	8,676	8,676	8,676	8,676	8,676	8,676	8,676	8,676	8,676	8,676	8,676	8,676	104,109	108,898	113,907
Service charges - refuse revenue												–			
Rental of facilities and equipment	125	125	125	125	125	125	125	125	125	125	125	125	1,500	1,500	1,500
Interest earned - external investments	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	3,375	40,500	42,363	44,312
Interest earned - outstanding debtors												–			
Dividends received												–			
Fines, penalties and forfeits												–			
Licences and permits												–			
Agency services												–			
Transfers and Subsidies - Operational	99,987	99,987	99,987	99,987	99,987	99,987	99,987	99,987	99,987	99,987	99,987	99,987	1,199,840	1,265,903	1,338,459
Other revenue	17,029	17,029	17,029	17,029	17,029	17,029	17,029	17,029	17,029	17,029	17,029	17,029	204,343	204,382	184,422
Cash Receipts by Source	**147,578**	**147,578**	**147,578**	**147,578**	**147,578**	**147,578**	**147,578**	**147,578**	**147,578**	**147,578**	**147,578**	**147,578**	**1,770,940**	**1,850,683**	**1,917,402**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	93,497	93,497	93,497	93,497	93,497	93,497	93,497	93,497	93,497	93,497	93,497	93,497	1,121,964	1,152,145	1,309,026
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)												–			
Proceeds on Disposal of Fixed and Intangible Assets												–			
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(88)	(92)	(96)
VAT Control (receipts)												–			
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**241,068**	**241,068**	**241,068**	**241,068**	**241,068**	**241,068**	**241,068**	**241,068**	**241,068**	**241,068**	**241,068**	**241,068**	**2,892,816**	**3,002,736**	**3,226,332**
Cash Payments by Type															
Employee related costs	66,422	66,422	66,422	66,422	66,422	66,422	66,422	66,422	66,422	66,422	66,422	66,420	797,063	833,728	871,246
Remuneration of councillors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest												–			
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Acquisitions - water & other inventory	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services												–			
Transfers and subsidies - other municipalities												–			
Transfers and subsidies - other												–			
Other expenditure	35,639	35,639	35,639	35,639	35,639	35,639	35,639	35,639	35,639	35,639	35,639	35,638	427,669	370,770	631,969
Cash Payments by Type	**102,061**	**102,061**	**102,061**	**102,061**	**102,061**	**102,061**	**102,061**	**102,061**	**102,061**	**102,061**	**102,061**	**102,058**	**1,224,732**	**1,204,498**	**1,503,214**
Other Cash Flows/Payments by Type															
Capital assets	120,120	120,120	120,120	120,120	120,120	120,120	120,120	120,120	120,120	120,120	120,120	120,120	1,441,444	1,478,513	1,618,299
Repayment of borrowing												–			
Other Cash Flows/Payments	8,004	8,004	8,004	8,004	8,004	8,004	8,004	8,004	8,004	8,004	8,004	8,004	96,042	100,460	105,030
Total Cash Payments by Type	**230,185**	**230,185**	**230,185**	**230,185**	**230,185**	**230,185**	**230,185**	**230,185**	**230,185**	**230,185**	**230,185**	**230,182**	**2,762,218**	**2,783,471**	**3,226,543**
NET INCREASE/(DECREASE) IN CASH HELD	**10,883**	**10,883**	**10,883**	**10,883**	**10,883**	**10,883**	**10,883**	**10,883**	**10,883**	**10,883**	**10,883**	**10,886**	**130,598**	**219,265**	**(211)**
Cash/cash equivalents at the month/year begin:	405,872	416,755	427,638	438,521	449,404	460,287	471,170	482,053	492,936	503,819	514,701	525,584	405,872	536,470	755,735
Cash/cash equivalents at the month/year end:	416,755	427,638	438,521	449,404	460,287	471,170	482,053	492,936	503,819	514,701	525,584	536,470	536,470	755,735	755,524

Contracts having future budgetary implications

In terms of the District Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

Capital expenditure details

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

Table 40 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**20,759**	**789**	**11,669**	**1,014,359**	**931,161**	**931,161**	**1,131,267**	**1,161,876**	**1,319,194**
Roads Infrastructure		–	–	3,284	3,155	3,155	3,155	3,296	3,444	3,602
Roads		–	–	3,284	3,155	3,155	3,155	3,296	3,444	3,602
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		17,542	952	8,386	627,669	614,516	614,516	768,647	1,158,222	1,315,374
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	3,103	7,603	7,603	18,067	4,814	5,031
Reservoirs										
Pump Stations		378	807	332	23,000	23,000	23,000	30,314	–	–
Water Treatment Works		–	–	–	187,149	139,418	139,418	132,304	–	–
Bulk Mains		–	–	–	–	–	–	10,000	–	–
Distribution		(0)	(402)	(0)	414,417	442,495	442,495	575,962	1,151,316	1,308,157
Distribution Points		17,165	547	8,054	–	2,000	2,000	2,000	2,092	2,186
PRV Stations										
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		3,217	(163)	–	383,535	313,490	313,490	359,324	209	219
Pump Station										

Community Assets	**23,723**	**890**	**–**	**9,495**	**22,095**	**22,095**	**11,495**	**12,024**	**12,565**
Community Facilities	23,723	890	–	9,495	22,095	22,095	11,495	12,024	12,565
Halls									
Centres	22,895	890	–	9,495	11,495	11,495	11,495	12,024	12,565
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space	828	–	–	–	10,600	10,600	–	–	–
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									

Other assets	**0**	**906**	**–**	**183,503**	**182,153**	**182,153**	**206,000**	**206,046**	**186,093**
Operational Buildings	–	–	–	1,000	–	–	1,000	1,046	1,093
Municipal Offices	–	–	–	1,000	–	–	1,000	1,046	1,093
Pay/Enquiry Points									
Building Plan Offices	–	–	–	–	–	–	–	–	–
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	0	906	–	182,503	182,153	182,153	205,000	205,000	185,000
Staff Housing									
Social Housing	0	906	–	182,503	182,153	182,153	205,000	205,000	185,000
Capital Spares									
Biological or Cultivated Assets	–	–	–	–	–	–	10,500	11,000	12,400
Biological or Cultivated Assets	–	–	–	–	–	–	10,500	11,000	12,400
Intangible Assets	910	–	–	20,500	12,950	12,950	13,150	13,734	14,343
Servitudes									
Licences and Rights	910	–	–	20,500	12,950	12,950	13,150	13,734	14,343
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications	910	–	–	500	–	–	200	188	188
Load Settlement Software Applications									
Unspecified	–	–	–	20,000	12,950	12,950	12,950	13,546	14,155
Computer Equipment	49	–	866	1,500	4,050	4,050	4,050	4,236	4,427
Computer Equipment	49	–	866	1,500	4,050	4,050	4,050	4,236	4,427
Furniture and Office Equipment	3,687	577	181	2,000	1,618	1,618	2,000	2,092	2,186
Furniture and Office Equipment	3,687	577	181	2,000	1,618	1,618	2,000	2,092	2,186
Machinery and Equipment	249	57	736	1,500	4,000	4,000	48,432	47,056	45,721
Machinery and Equipment	249	57	736	1,500	4,000	4,000	48,432	47,056	45,721
Transport Assets	19,508	–	–	27,000	25,182	25,182	12,000	17,782	18,582
Transport Assets	19,508	–	–	27,000	25,182	25,182	12,000	17,782	18,582

Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on new assets	1	**68,886**	**3,219**	**13,453**	**1,259,856**	**1,183,208**	**1,183,208**	**1,438,894**	**1,475,845**	**1,615,512**

Table 41 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**2,369**	**–**	**223**	**4,000**	**2,300**	**2,300**	**2,300**	**2,406**	**2,514**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		2,233	–	223	4,000	2,300	2,300	2,300	2,406	2,514
Dams and Weirs										
Boreholes										
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		2,233	–	223	4,000	2,300	2,300	2,300	2,406	2,514
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		136	–	–	–	–	–	–	–	–
Pump Station		136	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–

Other assets		**19**	**170**	**–**	**2,250**	**250**	**250**	**250**	**262**	**273**
Operational Buildings		19	170	–	2,250	250	250	250	262	273
Municipal Offices		19	170	–	250	250	250	250	262	273
Pay/Enquiry Points										
Building Plan Offices		–	–	–	2,000	–	–	–	–	–
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Living resources		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on renewal of existing assets	1	**2,388**	**170**	**223**	**6,250**	**2,550**	**2,550**	**2,550**	**2,667**	**2,787**
Renewal of Existing Assets as % of total capex		*3.3%*	*5.0%*	*1.6%*	*0.5%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*
Renewal of Existing Assets as % of deprecn"		*0.7%*	*0.1%*	*0.1%*	*2.6%*	*1.1%*	*1.1%*	*1.5%*	*1.5%*	*1.5%*

Table 42 - MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**74,389**	**13,265**	**80,005**	**64,342**	**30,512**	**30,512**	**23,512**	**24,593**	**25,700**
Roads Infrastructure		4,114	460	30	2,000	1,500	1,500	1,500	1,569	1,640
Roads		4,114	460	30	2,000	1,500	1,500	1,500	1,569	1,640
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		67,590	9,957	71,652	48,342	23,168	23,168	16,168	16,912	17,673
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		1,076	–	1,694	2,000	2,000	2,000	2,000	2,092	2,186
Reservoirs		–	–	–	1,000	1,000	1,000	1,000	1,046	1,093
Pump Stations		1,179	4,224	–	5,000	–	–	–	–	–
Water Treatment Works		–	28	66,970	30,342	8,342	8,342	6,342	6,634	6,932
Bulk Mains										
Distribution		65,335	5,705	2,989	10,000	11,826	11,826	6,826	7,140	7,461
Distribution Points										
PRV Stations										
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		2,684	2,848	8,323	14,000	5,844	5,844	5,844	6,112	6,388
Pump Station		2,684	1,264	–	6,000	844	844	844	882	922

Other assets	**3,306**	**2,950**	**2,159**	**2,660**	**3,270**	**3,270**	**4,332**	**4,536**	**4,746**
Operational Buildings	3,306	2,950	2,159	2,660	3,270	3,270	4,332	4,536	4,746
Municipal Offices	3,306	2,950	2,159	2,630	3,240	3,240	3,896	4,078	4,266
Pay/Enquiry Points									
Building Plan Offices	–	–	–	–	–	–	121	127	134
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots	–	–	–	30	30	30	314	330	346
Capital Spares									
Housing	–	–	–	–	–	–	–	–	–
Staff Housing									
Social Housing									
Capital Spares									
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets									
Intangible Assets	5,286	6,983	1,792	3,250	9,750	9,750	9,750	10,199	10,657
Servitudes									
Licences and Rights	5,286	6,983	1,792	3,250	9,750	9,750	9,750	10,199	10,657
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications	5,286	6,983	1,792	3,250	9,750	9,750	9,750	10,199	10,657
Load Settlement Software Applications									
Unspecified									
Computer Equipment	522	–	–	–	50	50	50	52	55
Computer Equipment	522	–	–	–	50	50	50	52	55
Furniture and Office Equipment	111	365	167	150	150	150	150	157	164
Furniture and Office Equipment	111	365	167	150	150	150	150	157	164
Machinery and Equipment	281	110	–	133	133	133	648	680	714
Machinery and Equipment	281	110	–	133	133	133	648	680	714
Transport Assets	1,190	1,572	2,951	2,400	4,400	4,400	4,400	4,602	4,810
Transport Assets	1,190	1,572	2,951	2,400	4,400	4,400	4,400	4,602	4,810

Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Living resources		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Repairs and Maintenance Expenditure	1	**85,085**	**25,245**	**87,073**	**72,935**	**48,265**	**48,265**	**42,841**	**44,819**	**46,845**

R&M as a % of PPE & Investment Property		*1.5%*	*0.4%*	*1.3%*	*1.1%*	*0.6%*	*0.6%*	*0.5%*	*0.5%*	*0.6%*
R&M as % Operating Expenditure		*5.0%*	*1.6%*	*5.4%*	*4.3%*	*2.9%*	*2.9%*	*5.6%*	*2.7%*	*2.7%*

Legislation compliance status

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

In year reporting

Reporting to National Treasury in electronic format was not fully complied with on a monthly basis since there are returns that the district municipality was unable to prepare due to the capacity challenges (staff shortages) in the unit.

Internship programme

The District Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

Budget and Treasury Office (BTO)

The Budget and Treasury Office has been established in accordance with the MFMA, but council has approved the proposed structure that will be in compliance with the requirements of MFMA for establishment of BTO office.

Audit Committee

The new Audit Committee has been appointed from the 1st November 2023 for a period of three years until the 31st October 2026..

Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2024/2025 MTREF in June 2024 directly aligned and informed by the 2024/2025 MTREF.

Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

MFMA Training

Senior management of the district municipality and the all the staff the Budget and Treasury office have registered for the minimum competency level program required by National Treasury.

MSCOA compliance

The Municipality is complying with mSCOA regulations and submitting mSCOA data strings.

Other supporting documents

Table 43 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Service charges - Water	6										
Total Service charges - Water		239,824	241,297	221,982	280,555	280,555	280,555	187,913	290,327	299,523	308,951
Less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***											
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–		–	–	–
Net Service charges - Water		239,824	241,297	221,982	280,555	280,555	280,555	187,913	290,327	299,523	308,951
Service charges - Waste Water Management											
Total Service charges - Waste Water Management		60,340	62,456	66,359	130,587	130,587	130,587	49,816	136,985	143,287	149,878
Less Revenue Foregone ***(in excess of free sanitation service to indigent households)***											
Less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - Waste Water Management		60,340	62,456	66,359	130,587	130,587	130,587	49,816	136,985	143,287	149,878

EXPENDITURE ITEMS:												
Employee related costs												
Basic Salaries and Wages		2	418,098	455,316	459,765	500,872	499,410	499,410	335,530	522,184	546,295	571,274
Pension and UIF Contributions			82,436	93,215	86,864	87,366	87,173	87,173	67,993	92,242	96,525	100,927
Medical Aid Contributions			21,478	22,621	22,694	31,103	31,103	31,103	19,055	32,627	34,128	35,664
Overtime			60,671	43,269	16,122	22,023	22,013	22,013	10,117	22,896	23,950	25,027
Performance Bonus			29,849	29,380	31,670	42,115	41,997	41,997	19,385	43,771	45,802	47,890
Motor Vehicle Allowance			36,202	36,884	36,936	47,764	47,605	47,605	30,016	50,108	52,442	54,844
Cellphone Allowance			5,534	5,446	3,410	5,070	5,009	5,009	2,822	4,697	4,918	5,148
Housing Allowances			20,356	20,256	20,077	25,289	25,289	25,289	16,154	26,528	27,748	28,997
Other benefits and allowances			43,517	–	118	155	155	155	107	163	170	178
Payments in lieu of leave			10,473	–	2,665	500	487	487	338	255	266	278
Long service awards			(895)	(2,383)	4,454	243	243	243	976	255	266	278
Post-retirement benefit obligations		4	38,533	27,815	25,505	7,956	7,956	7,956	5,057	8,345	8,729	9,122
Entertainment												
Scarcity												
Acting and post related allowance			1,339	2,335	2,032	465	465	465	712	487	510	533
In kind benefits												
	sub-total	5	**767,593**	**734,154**	**712,311**	**770,920**	**768,903**	**768,903**	**508,265**	**804,558**	**841,751**	**880,162**
Less: Employees costs capitalised to PPE												
Total Employee related costs		1	**767,593**	**734,154**	**712,311**	**770,920**	**768,903**	**768,903**	**508,265**	**804,558**	**841,751**	**880,162**
Depreciation and amortisation												
Depreciation of Property, Plant & Equipment			235,587	231,450	187,709	179,757	173,767	173,767	–	173,264	181,130	189,179
Lease amortisation			855	323	318	–	–	–	–	–	–	–
Capital asset impairment			119,077	31,021	169,587	59,592	59,592	59,592	–	–	–	–
Total Depreciation and amortisation		1	**355,519**	**262,794**	**357,615**	**239,349**	**233,360**	**233,360**	**–**	**173,264**	**181,130**	**189,179**

Transfers and grants											
Cash transfers and grants		44,527	46,557	51,016	49,553	52,771	52,771	42,517	49,553	51,833	54,165
Non-cash transfers and grants		59,114	14,786	7,991	17,560	15,935	15,935	4,369	19,135	20,016	20,916
Total transfers and grants	1	**103,642**	**61,343**	**59,007**	**67,113**	**68,706**	**68,706**	**46,886**	**68,689**	**71,848**	**75,082**
Contracted Services											
Outsourced Services		51,115	39,255	52,792	55,679	82,964	82,964	49,793	83,084	86,922	90,854
Consultants and Professional Services		34,142	68,259	14,346	23,327	27,681	27,681	13,964	37,679	39,316	40,318
Contractors		92,632	19,981	87,310	78,448	47,313	47,313	23,121	41,297	43,206	45,162
Total contracted services		**177,889**	**127,495**	**154,448**	**157,453**	**157,958**	**157,958**	**86,878**	**162,060**	**169,444**	**176,334**
Operational Costs											
Collection costs											
Contributions to 'other' provisions											
Audit fees		10,527	11,401	11,141	13,155	13,155	13,155	9,930	13,432	14,062	14,710
Other Operational Costs		213,160	223,429	200,136	199,252	208,365	208,365	144,216	199,699	197,120	206,132
Total Operational Costs	1	**223,688**	**234,830**	**211,277**	**212,407**	**221,520**	**221,520**	**154,146**	**213,130**	**211,181**	**220,842**
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Inventory Consumed (Project Maintenance)											
Contracted Services		79,799	18,262	85,282	69,685	38,515	38,515	20,610	33,091	34,620	36,188
Operational Costs		5,286	6,983	1,792	3,250	9,750	9,750	3,996	9,750	10,199	10,657
Total Repairs and Maintenance Expenditure	9	85,085	25,245	87,073	72,935	48,265	48,265	24,606	42,841	44,819	46,845
Inventory Consumed											
Inventory Consumed - Water		44	29,608	27,284	54,146	54,146	54,146	(45,358)	56,800	59,412	62,084
Inventory Consumed - Other		–	–	–	27,000	27,000	27,000	–	34,042	30,042	29,042
Total Inventory Consumed & Other Material		**44**	**29,608**	**27,284**	**81,146**	**81,146**	**81,146**	**(45,358)**	**90,842**	**89,454**	**91,126**

Table 44 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Ref	Vote 01 - Council & Committees	Vote 02 - Finance & Administration	Vote 03 - Planning & Development	Vote 04 - Health	Vote 05 - Community & Social Services	Vote 06 - Housing	Vote 07 - Public Safety	Vote 08 - Sports & Recreation	Vote 09 - Environmental	Vote 10 - Roads	Vote 11 - Water	Vote 12 - Tourism	Vote 13 - Development Agency	Vote 14 -	Vote 15 - Other	Total
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity																	–
Service charges - Water												290,327		–			290,327
Service charges - Waste Water Management												136,985					136,985
Service charges - Waste Management																	–
Sale of Goods and Rendering of Services			–	–										49,328			49,328
Agency services																	–
Interest																	–
Interest earned from Receivables												22,795		525			23,320
Interest earned from Current and Non Current Assets			40,500														40,500
Dividends																	–
Rent on Land																	–
Rental from Fixed Assets			–											1,500			1,500
Licence and permits																	–
Operational Revenue			231									–		–			231
Non-Exchange Revenue																	
Property rates																	–
Surcharges and Taxes		–	–	–	–		–	–		–	–	–					–
Fines, penalties and forfeits														–			–
Licences or permits																	–
Transfer and subsidies - Operational		213,821	437,591	84,938	27,980	22,438	20,950	66,210	6,164	9,301	22,944	282,485	5,541	49,553			1,249,918
Interest																	–
Fuel Levy																	–
Operational Revenue																	–
Gains on disposal of Assets		–	–	–	–		–	–	–		–	–		–			–
Other Gains			–											–			–
Discontinued Operations																	–
Total Revenue (excluding capital transfers and contribution		**213,821**	**478,322**	**84,938**	**27,980**	**22,438**	**20,950**	**66,210**	**6,164**	**9,301**	**22,944**	**732,592**	**5,541**	**100,907**	**–**	**–**	**1,792,108**
Expenditure																	
Employee related costs		141,804	222,314	17,208	24,705	20,311	15,110	56,562	5,659	7,162	6,662	241,128	3,906	42,027			804,558
Remuneration of councillors		26,764															26,764
Bulk purchases - electricity																	–
Inventory consumed			34,042									56,800		–			90,842
Debt impairment			–	–	–		–	–			–	107,508		–			107,508
Depreciation and amortisation		–	–	–	–		–	–	–		–	171,000		2,264			173,264
Interest			–									–		–			–
Contracted services		15,443	74,903	2,835	1,042	1,205	1,240	384	140	1,275	4,620	34,635	806	23,533			162,060
Transfers and subsidies		1,428		60,568		–	3,510	3,182	–		–						68,689
Irrecoverable debts written off												–					–
Operational costs		32,228	83,100	481	2,234	922	1,090	1,083	365	864	167	72,567	829	17,201			213,130
Losses on disposal of Assets		–	–	–	–		–	–	–		–	–		110			110
Other Losses			–									–					–
Total Expenditure		**217,667**	**414,359**	**81,092**	**27,980**	**22,438**	**20,950**	**61,210**	**6,164**	**9,301**	**11,449**	**683,638**	**5,541**	**85,134**	**–**	**–**	**1,646,924**
Surplus/(Deficit)		**(3,846)**	**63,963**	**3,846**	**–**	**(0)**	**(0)**	**5,000**	**–**	**0**	**11,495**	**48,954**	**(0)**	**15,772**	**–**	**–**	**145,184**
Transfers and subsidies - capital (monetary allocations)							205,000	–			3,296	1,118,668					1,326,964
Transfers and subsidies - capital (in-kind)																	–
Surplus/(Deficit) after capital transfers & contributions		**(3,846)**	**63,963**	**3,846**	**–**	**(0)**	**205,000**	**5,000**	**–**	**0**	**14,791**	**1,167,622**	**(0)**	**15,772**	**–**	**–**	**1,472,148**

Table 45 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
ASSETS											
Trade and other receivables from exchange transactions											
Electricity											
Water		383,896	426,624	466,325	241,351	241,351	241,351	578,569	322,050	407,414	495,066
Waste											
Waste Water		92,724	104,486	119,482	188,990	188,990	188,990	145,918	218,917	253,305	289,276
Other trade receivables from exchange transactions		214,072	168,776	196,423	65,391	65,391	65,391	195,612	81,176	97,687	114,958
Gross: Trade and other receivables from exchange transactions		**690,692**	**699,886**	**782,230**	**495,732**	**495,732**	**495,732**	**920,099**	**622,143**	**758,406**	**899,300**
Less: Impairment for debt		**(463,625)**	**(540,806)**	**(625,161)**	**(275,814)**	**(275,814)**	**(275,814)**	**(625,161)**	**(474,275)**	**(681,866)**	**(844,607)**
Impairment for Electricity											
Impairment for Water		(272,072)	(313,675)	(360,731)	(86,705)	(86,705)	(86,705)	(360,731)	(177,659)	(272,797)	(318,025)
Impairment for Waste											
Impairment for Waste Water		(65,072)	(75,896)	(89,883)	(83,232)	(83,232)	(83,232)	(89,883)	(117,635)	(153,620)	(191,224)
Impairment for other trade receivalbes from exchange transactions		(126,481)	(151,234)	(174,547)	(105,876)	(105,876)	(105,876)	(174,547)	(178,981)	(255,449)	(335,358)
Total net Trade and other receivables from Exchange Transactions		**227,067**	**159,081**	**157,068**	**219,919**	**219,919**	**219,919**	**294,938**	**147,868**	**76,541**	**54,692**
Other receivables from non-exchange transactions		-	-	-	-	-	-	-	1,638	1,175	690
Impairment for other receivalbes from non-exchange transactions		(3,399)	(2,200)	-	-	-	-	-	-	-	-
Net other receivables from non-exchange transactions		**(3,399)**	**(2,200)**	**-**	**-**	**-**	**-**	**-**	**1,638**	**1,175**	**690**
Total net Receivables from non-exchange transactions		**(3,399)**	**(2,200)**	**-**	**-**	**-**	**-**	**-**	**1,638**	**1,175**	**690**
Inventory											
Water											
Opening Balance		189	**145**	**122**	**126**	**126**	**126**	**126**	**979**	**(5,820)**	**(12,933)**
System Input Volume		–	**41,025**	**35,851**	**55,000**	**55,000**	**55,000**	**(45,358)**	**50,000**	**52,300**	**54,654**
Water Treatment Works					–	–	–	–	–	–	–
Bulk Purchases			41,025	35,851	55,000	55,000	55,000	(45,358)	50,000	52,300	54,654
Natural Sources					–	–	–	–	–	–	–
Authorised Consumption	6	**(44)**	**(29,608)**	**(27,284)**	**(54,146)**	**(54,146)**	**(54,146)**	**45,358**	**(56,800)**	**(59,412)**	**(62,084)**
Billed Authorised Consumption		–	**(29,608)**	**(27,284)**	**(49,250)**	**(49,250)**	**(49,250)**	**45,358**	**(51,663)**	**(54,040)**	**(56,464)**
Billed Metered Consumption		–	**(29,608)**	**(27,284)**	**(49,250)**	**(49,250)**	**(49,250)**	**45,358**	**(51,663)**	**(54,040)**	**(56,464)**
Free Basic Water			(14,065)	(14,835)	(1,326)	(1,326)	(1,326)	–	(1,391)	(1,455)	(1,460)
Subsidised Water					–	–	–	–	–	–	–
Revenue Water			(15,542)	(12,449)	(47,924)	(47,924)	(47,924)	45,358	(50,273)	(52,585)	(55,004)
UnBilled Authorised Consumption		**(44)**	–	–	**(4,896)**	**(4,896)**	**(4,896)**	–	**(5,136)**	**(5,373)**	**(5,620)**
Unbilled Metered Consumption					(4,883)	(4,883)	(4,883)	–	(5,122)	(5,358)	(5,605)
Unbilled Unmetered Consumption		(44)			(13)	(13)	(13)	–	(14)	(14)	(15)
Water Losses		–	**(11,440)**	**(8,564)**	–	–	–	–	–	–	–
Apparent losses		–	**(11,440)**	**(8,564)**	–	–	–	–	–	–	–
Unauthorised Consumption			(11,440)	(8,564)	–	–	–	–	–	–	–
Non-revenue Water		**(44)**	**(11,440)**	**(8,564)**	**(4,896)**	**(4,896)**	**(4,896)**	–	**(5,136)**	**(5,373)**	**(5,620)**
Closing Balance Water		**145**	**122**	**126**	**979**	**979**	**979**	**126**	**(5,820)**	**(12,933)**	**(20,363)**
Opening Balance		–	–	–	**12,078**	**12,078**	**12,078**	**12,078**	**12,578**	**14,965**	**23,027**
Acquisitions				12,078	27,500	27,500	27,500	–	36,429	38,104	39,819
Issues	7				(27,000)	(27,000)	(27,000)	–	(34,042)	(30,042)	(29,042)
Adjustments	8				–	–	–	–	–	–	–
Write-offs	9				–	–	–	–	–	–	–
Closing balance - Consumables Standard Rated		–	–	**12,078**	**12,578**	**12,578**	**12,578**	**12,078**	**14,965**	**23,027**	**33,804**
Closing Balance - Inventory & Consumables		**145**	**122**	**12,204**	**13,557**	**13,557**	**13,557**	**12,204**	**9,144**	**10,094**	**13,441**
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		10,403,155	10,655,770	11,552,498	11,263,382	11,110,236	11,110,236	12,201,955	11,370,289	11,444,346	11,721,963
Leases recognised as PPE	3	–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		3,254,496	3,408,263	3,545,156	3,574,079	3,574,079	3,574,079	3,545,156	3,773,297	3,773,297	3,773,297
Total Property, plant and equipment (PPE)	2	**7,148,659**	**7,247,507**	**8,007,342**	**7,689,302**	**7,536,156**	**7,536,156**	**8,656,798**	**7,596,991**	**7,671,049**	**7,948,665**

LIABILITIES											
Current liabilities - Financial liabilities											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		150,000	144	127	–	–	–	127	–	–	–
Total Current liabilities - Financial liabilities		**150,000**	**144**	**127**	**–**	**–**	**–**	**127**	**–**	**–**	**–**
Trade and other payables from exchange transactions											
Trade and other payables from exchange transactions	5	1,698,095	474,216	431,023	235,486	254,007	254,007	187,748	179,934	82,306	(58,711)
Other trade payables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Trade payables from Non-exchange transactions: Unspent conditional Grants		245,743	227,708	155,666	–	–	–	1,007,349	–	–	–
Trade payables from Non-exchange transactions: Other											
VAT		213,058	219,478	227,574	700	700	700	242,460	890	951	950
Total Trade and other payables from exchange transactions	2	**2,156,896**	**921,402**	**814,262**	**236,186**	**254,707**	**254,707**	**1,437,557**	**180,824**	**83,257**	**(57,761)**
Non current liabilities - Financial liabilities											
Borrowing	4	–	4,119	5,789	–	–	–	4,563	–	–	–
Other financial liabilities											
Total Non current liabilities - Financial liabilities		**–**	**4,119**	**5,789**	**–**	**–**	**–**	**4,563**	**–**	**–**	**–**
Accumulated surplus/(deficit)											
Accumulated surplus/(deficit) - opening balance		6,438,613	6,680,236	6,857,482	6,733,876	6,640,738	6,640,738	7,901,387	6,539,494	6,757,399	6,977,272
GRAP adjustments		–	–	–	–	–	–	–	–	–	–
Restated balance		6,438,613	6,680,236	6,857,482	6,733,876	6,640,738	6,640,738	7,901,387	6,539,494	6,757,399	6,977,272
Surplus/(Deficit)		389,819	316,428	587,882	1,322,579	1,248,844	1,248,844	673,619	1,472,148	1,533,180	1,691,727
Transfers to/from Reserves		–	–	–	49,554	49,554	49,554	–	–	–	–
Depreciation offsets		–	–	–	–	–	–	–	–	–	–
Other adjustments		(1,707)	(112,730)	465,661	–	–	–	(1,442)	–	–	–
Accumulated Surplus/(Deficit)	1	**6,826,725**	**6,883,935**	**7,911,026**	**8,106,010**	**7,939,137**	**7,939,137**	**8,573,564**	**8,011,642**	**8,290,579**	**8,669,000**
Reserves											
Housing Development Fund											
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance											
Other reserves											
Revaluation		–	–	17,977	–	–	–	17,977	–	–	–
Total Reserves	2	**–**	**–**	**17,977**	**–**	**–**	**–**	**17,977**	**–**	**–**	**–**
TOTAL COMMUNITY WEALTH/EQUITY	2	**6,826,725**	**6,883,935**	**7,929,003**	**8,106,010**	**7,939,137**	**7,939,137**	**8,591,541**	**8,011,642**	**8,290,579**	**8,669,000**

Municipal manager's quality certificate

I ……, municipal manager of OR Tambo District 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 _____

Municipal manager of OR Tambo District Municipality (DC15)

Signature _____

Date _____