

ANNUAL BUDGET MTERF FOR 2023/2024-2025/2026



MATATIELE

LOCAL MUNICIPALITY

ANNUAL BUDGET OF
MATATIELE LOCAL
MUNICIPALITY

2023/2024 TO 2025/26
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	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
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 Electricity 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
Mscoa	Municipal standard chart of accounts

Part 1 – Annual Budget

1.1 Mayor's report

Allow me to present to Council the final Medium Term Revenue and Expenditure Framework (MTREF) report for 2023/24 and two outer years 2024/25 and 2025/26 for consideration and recommendations for approval by Council before start of the 2023/2024 financial year.

I have indicated to the Executive Committee that the State of the Municipality Address will be held in July where we will table our successes, shortcomings and corrective measures to challenges we faced during the 2022/23 financial year.

We will only today table the budget for the next financial year for approval by the council.

This budget we will present is a pro-poor budget which is aimed at addressing the needs of the people of Matatiele.

Madame Speaker,

2022/23 financial year has been the most challenging and yet presented opportunities for the people of Matatiele and the leadership of Matatiele.

We faced court challenges when we were in the process of appointing a number of service providers. We had a backlog in terms of tenders emanating from the circular from National Treasury as per the court order.

As you have been indicating madame speaker on your communication statements that another challenge we faced during this financial year is the issue of non-spending internally. Clear directions were presented to the management and we are hoping to spend the allocated budget.

We do not want any allocated budget to return to the National Treasury, that we will never allow.

We must also be honest that our budget is not enough to cover the backlog that we are facing especially when it comes to roads and storm water drainage system.

While we faced such challenges honourable members, we faced disasters around our area.

It is worth noting that in the 2022/23 financial year, for our road network and bridges we received a budget of Eighty-Three Million Nine Hundred & Eighty-Five Thousand Two Hundred & Thirty-Four (R 83 985 234.00) which is not enough in ensuring that our roads, storm water drainage system & bridges are in a good state. We depend on grants as the Municipality and the backlog is huge.

The total amount required to reinstate the 207 km of damaged roads network is more R 130 million for the February 2023 floods, whilst a total of 133km (valued at more than R 72 million) were damaged in the April 2022.

During these disasters 25 bridges were damaged and require our immediate intervention. 2 new damaged bridges are estimated to cost more than R 7 million and 23 existing bridges are estimated at more than R 70 million to repair.

Enye yezinto somlomo esingekke sizivume kukuba abantu bavale iinkonzo ukuba zingezi ebantwini. Siyibonile lonto isenzeka kuvalwa iifisi zikaMasipala nezinye iindawo. Ngoku kuvalwa ukwenziwa kwendlela uR405 okanye DR08015 nto leyo engamkelekanga kuba abantu bakwa Ward 17, 18, 22 kunye no 23 badinga indlela igqityiwe ukuze bafikelele kwiinkonzo zoluntu. Siyacela ke kwabo bantu okokuba lomkhwa bawuyeke kungenjalo umthetho udlale indima yawo.

Madame Speaker

The budget that we are presenting today will cover some of these damaged roads and bridges but we must make it out to the public that not all will be attended to speedily.

I am pleased that some of the components of the plant are starting to return from service. This will assist us in ensuring that we speed up change and deliver quality services.

Honourable councillors

Now is the time for us to unite and prioritize the people who elected us to serve. As we are today commemorating the Africa Day under the theme “Deepening the AU vision for unity for Africa through prosperity, peace and modernity for a better Africa and a better world”.

Let there be peace in Matatiele and let us unite irrespective of our differences and backgrounds.

Let us unite in ending poverty, inequality and unemployment in Matatiele.

We have a number of challenges facing us including the economic climate, ixabiso lokuphila liyonyuka rhoqo and load shedding. Therefore, we need to unite and tackle these challenges.

Madame Speaker

It is worth mentioning that the budget we are tabling today was prepared according to the Zero Based Method. In terms of the method all votes and line items were reduced to zero and every amount allocated had to be motivated.

BUDGET PROCESS PLAN

On 28th July 2022, the IDP and Budget process plan as required by section 21 of the MFMA was submitted and approved by Council to ensure that municipality does not fail to prepare and approve its credible budget within the legislated time frames.

IDP REVIEW

As per the approved plan, the Municipality on the 19 – 22 September 2022, conducted its public consultative meetings with all 27 wards to review IDP for 2022-2027. The reviewed IDP has been used by the municipality to inform the budget for 2023/24 to 2025/26 (MTREF) for consideration.

DRAFT BUDGET 2023/24 – 2025/2026

On the 03rd April 2023- 05th April 2023 the Municipality held a budget community outreach in all 27 wards to present the tabled draft budget 2023/24-2025/26 MTREF. The Municipality also had a session with the Provincial Treasury on assessment or benchmarking of the draft budget.

The comments received have been considered on the final budget 2023/24 -2025/26. Singurhulumente omamelayo kwaye ukuze senze izinto siqala ebantwini sive iimfuno zabo ze sibuye senze zona njengoko sizokwenza njalo kunyaka mali ozayo.

Madame Speaker

The revenue is anticipated to be R 610,233,708 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 591,449,135. This is an increase of R 18,784,572 from the current adjustment budget. Revenue budget for the indicative years 2024/25 and 2025/26 is anticipated to be R 630,268,992 and R 632,253,88 respectively.

The property rates amount is calculated from the current valuation roll as implemented from 01st July 2018.

It should be noted that capital transfers and subsidies has decreased due to decreased grants allocation for the integrated national electrification grant.

Included on the other revenue is an amount of R 3,301,845 which relates to 5% admin fees for the human settlements projects that the Municipality will be implementing on behalf of Human settlements.

This is as per the attempt by the Municipality to implement its own housing development in 2021, the EC Department of Human Settlement initiated the process of accreditation with selected municipalities of which Matatiele LM participated.

The Eastern Cape Department of Human Settlements has approved Matatiele Local Municipality as an Implementing Agent for Housing Development in Matatiele on the 13th of October 2022.

The Department appointed Matatiele Local Municipality as an Implementing Agent for the projects like: Mehloolaneng 898 (491), Maluti 200, Pote 40, Tsitsong 200 and processes of appointing service providers are at an advanced stage.

Madame Speaker

The final operating expenditure is anticipated to be R 514,750,752 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 612,547,719. This is a decrease of R 97,796,967 from the current adjustment budget. For the two outer years 2024/25 and 2025/26 the operating expenditure budget is R 535,721,232 and R 566,298,504 respectively.

- An increase of 5.4% has been affected on employee related costs as per 2021-2024 Salary and Wage collective agreement from SALGBC.
- Included in the budget for employee related costs is an allocation of R 11,500,000 for the Expanded Public Works Programme and an amount of R 3,403,944 for the staff establishment of Human Settlements Unit.
- Employee related costs represents 36% of the total operating budget with senior managers and other staff representing 31% and remuneration of Councillors representing 5% of the total operating budget.
- Included on contracted services is repairs and maintenance R 31,215,000 as follows;
 - Maintenance of Municipal Fleet and Plant –R 4,000,000
 - Maintenance of ICT Network -R 1,100,000
 - Road Maintenance - R 5,000,000
 - Building and Facilities -R 6,050,000
 - Electrical Infrastructure -R 5,600,000
 - Machinery and Equipment -R 5,774,000
 - Wattle clearing project -R 3,691,000

We must thank the Department of Environmental Affairs, Economic Development and Tourism for their investment in Matatiele towards wattle clearing.

It is our instruction MM as this council that the allocated budget for the maintenance of plant must ensure that we do not face the challenges we face this financial year.

The designated groups strategy forces us a government to support vulnerable groups within our society and create a conducive environment for these sectors. Just as we will do with LED, I urge the Standing Committee for Good Governance and Special Programmes to work with sector departments and NGOs in order to address challenges facing special groups because the budget we are allocating today is not enough. As such madame speaker we allocating the following budget for special programmes;

- Mayoral Cup -R 1,050,000
- Youth and Children Programmes -R 2,800,000
- Gender and Elderly Programmes -R 400,000
- HIV and Disability programmes -R 420,000

Communications and Marketing related services to ensure that we showcase our successes has been allocated a budget of R 2,150,000.

In ensuring that we implement our vision madame speaker, Local Economic Development has been allocated budget as follows;

- Cropping and Household food security –R 6,000,000
- Livestock improvement programme -R 1,500,000
- LED Support programme -R 1,250,000
- Tourism events -R 5,450,000

It is our hope that the upcoming local economic development and investment summit will help us to unlock our potential and finally see investors and tourists flocking into our area.

Indigent support budget of R 13 million has been provided for gas and solar maintenance, electricity and refuse. Oku sikwenza kuba singurhulumente okhathalayo. Kodwa kumele sisebenzele ukudala amathuba emisebenzi silwe nentlupheko ukuze abantu baphume phantsi kwe indigent support.

On Capital expenditure madame speaker

Capital expenditure is the expenditure appropriated for items to be utilised over a period of time longer than 12 months to generate future income and derive economic benefit for the municipality.

- The capital expenditure is anticipated to be R 181,715,522 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 180,650,964. This is an increase of R 1,065,535 from the adjustment budget due with the following funding source movements:
 - Decrease on INEP from R 46,288,000 to R 39,900,000.
 - Decrease of MIG from R 62,606,276 to R 55,580,700 due to allocated roll-over in the 2022/23 financial.
 - Municipal reserves funding has been increased from R 71,756,716 to R 86,235,799.

Transfers and grant receipts madame speaker

The municipality will receive both conditional and unconditional grants of R 413, 9 million, an increase of R 7, million from R 406, 9 million on the 2023/24 from the allocations as gazetted on Division of Revenue Act (DoRA).

The equitable share allocation is appropriated to fund municipal delivery of services through day to day operations and strategic social development programs, the allocation for equitable share has increased with R 17,6 million from the adjusted allocation for the current financial year.

Conditional operational grants (EPWP & FMG) are appropriated to fund expenditures relate to EPWP programs and financial reforms respectively as per grants stipulated conditions

The Expanded Public Works incentive has been allocated a budget of R 3,974,000, due to a decreased by R 836,000 from R 4,810,000 for the next budget year.

The finance management grant has an allocation of R 1,700,000, due to a slight increase by R 50,000 from R 1,650, 000 for the next budget year.

Conditional capital grants (MIG & INEP) are appropriated to fund capital expenditure of roads construction, local economic development capital projects and electrification projects.

The allocation for MIG has increased by R 2,3 million from the current years 'allocation of R 56,0 million to R 58, 5 million.

The allocation for INEP has decreased by R6,3 million from the current years 'allocation of R 46,6million to R 39, 9million.

Let us look at allocations per department honourable members

- The total budget for Budget and Treasury Office is R 3,780,000 to be funded from the Capital Replacement Reserves.
- The total budget for the office of the Municipal Manager amounts to R 2,050,000 to be funded from Capital Replacement Reserves.
- The total budget for Corporate Services is R 2,610,000 to be funded from the Capital Replacement Reserves. The budget will look into the public WiFi benefitting our youth, surveillance cameras to ensure the safety of assets of both residents and the Municipality and also purchase equipment for ward support assistants in order for them to serve the people better.
- The budget is R 130,000 for Economic Development and Planning to be funded from the Capital Replacement Reserves.
- We need a park in our area and ensure that Matatiele is green, our sport grounds must be maintained as we saw on our Facebook page, during disasters we need a fire engine, machines to cut grass, construct chalets and maintain the nature reserve. For these activities we are allocating a total budget of R 9,130,000 for Community Services to be funded from the Capital Replacement Reserves.

MASINGENE KUQHUZUTHULI

The total capital budget for the Electricity Unit is R 51,328,538, INEP will fund R 39,900,000 million of the budget and R 11, 428,538 will be funded from the Capital Replacement Reserves.

Nazi iindawo esizokwazi ukufakela umbane kuzo:

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Electricity						
Nkululekweni	New	3	12,500,000	-	-	12,500,000
Tholang	New	1	10,125,000	-	-	10,125,000
Skiti	New	1	7,750,000	-	-	7,750,000
fubane	New	23	1,250,000	-	-	1,250,000
Matolong	New	23	1,400,000	-	-	1,400,000
Bethesda	New	23	3,000,000	-	-	3,000,000
Jabavu	New	2	3,875,000			3,875,000
Sifolweni Electrification pre-eng	New	7	568,538	568,538		
Replace 1 substation switch gears	New	19	3,000,000	3,000,000	-	-
Replace 3 transformer	New	19	3,000,000	3,000,000	-	-
Fencing of Transformers	New	19	500,000	500,000	-	-
Refurbishment of FM Tower line	New	19	2,000,000	2,000,000	-	-
Christmas Lights in Town	New	19	500,000	500,000	-	-
Highmast Lights	New	1	900,000	900,000		
Highmast Lights	New	26	900,000	900,000		
Laptops	New	Admin	60,000	60,000		
			51,328,538	11,428,538	-	39,900,000

Under Operations & Maintenance madame speaker, the allocated budget is R 26,7 million, to be funded from the Capital Replacement Reserves. It will be spent on these projects:

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Project Operations and Maintenance							
4km Pholile Access Road at ward 15	New	15	2,000,000	2,000,000	-	-	-
2,6km Belford Access Road at ward 8	New	8	1,690,000	1,690,000	-	-	-
2,4km Moriting Access Road at ward 24	New	24	1,560,000	1,560,000	-	-	-
9,2km Shepard's hope Access Road at wrad 16	Renewal	16	3,000,000	3,000,000	-	-	-
3,7km Springana Access Road at ward 11	Renewal	11	2,000,000	2,000,000	-	-	-
5km Sekhutlong Access Road	Renewal	23	3,000,000	3,000,000	-	-	-
3,6km Mkrwabo Access Road at ward 18	Renewal	18	2,340,000	2,340,000	-	-	-
6,3km Pamlaville – Mngeni Access Road	Renewal	7	3,095,000	3,095,000			
Upgrade of Municipal Offices	Renewal	Admin	1,000,000	1,000,000			
Municipal Plant	Renewal	All	2,500,000	2,500,000			
Black Diamond Access Road	Renewal	26	1,000,000	1,000,000			
Mavundleni Access Road	Renewal	5	1,000,000	1,000,000			
Tsepisong Kamorathaba to Kuyasa AR	Renewal	3	1,000,000	1,000,000			
Laptops	Renewal	Admin	100,000	100,000			
Aircons	Renewal	Admin	500,000	500,000			
Landfill Site access road	Upgrade	19	1,000,000	1,000,000	-	-	-
			26,785,000	26,785,000	-	-	-

On Project Management Unit madame speaker, the capital budget is R 85,9 million, a portion of R 55,5 million will be funded from the Municipal Infrastructure Grant and R 30,2 million will be funded from the Capital Replacement Reserves.

These are the projects we are prioritizing honourable councillors following an extensive consultation process with communities:

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Project Management Unit						
Extension of Matatiele Sports Centre - Phase 2	New	20	5,000,000	-	5,000,000	-
Construction of Harry Gwala Internal Streets	New	20	13,750,000	-	13,750,000	-
Rehabilitation of Matatiele Internal Streets Cluster 1	New	19	4,113,345	-	4,113,345	-
Installation of 500 Streetlights	Upgrade	19	7,860,500	-	7,860,500	-
Installation of 20 High Mast	Upgrade	20	5,166,800	-	5,166,800	-
Construction of Cedarville Internal Streets Phase 4	Upgrade	26	2,465,434	-	2,465,434	-
Maluti Internal Streets Phase 5	New	1	2,623,463	-	2,623,463	-
Mahasheng Access Road & Bridge	New	14	2,532,013	-	2,532,013	-
Mnceba - Matias Access Road & Bridge	New	5	2,095,230	-	2,095,230	-
Mafube-Nkosana Access Road & Bridge	New	8	8,723,915	-	8,723,915	-
Lekhalong via Magera-Outspan Access Road	New	27	1,250,000	-	1,250,000	-
Extension of Matatiele Sports Centre - Phase 2	New	20	4,058,298	4,058,298	-	-
Masopa A/R	New	13	3,500,000	3,500,000	-	-
Dlodweni Phase 2	New	10	3,500,000	3,500,000	-	-
Khesa A/R	New	18	2,650,000	2,650,000	-	-
Mpofini A/R	New	22	2,300,000	2,300,000	-	-
Mango A/R	New	17	2,800,000	2,800,000	-	-
Rehabilitation of Matatiele Internal Streets Cluster 1	New	19	5,360,000	5,360,000	-	-
Lekhalong Access Road	New	14	1,500,000	1,500,000	-	-
Silo Facility Phase 4	New	19	3,000,000	3,000,000	-	-
Council Chamber Water Supply	New	Admin	1,400,000	1,400,000	-	-
Ngcwengane Bridge	New	7	48,963	48,963	-	-
Laptops	New	Admin	90,000	90,000	-	-
Furniture & equipment	New	Admin	75,000	75,000	-	-
			85,862,961	30,282,261	55,580,700	-

Madame speaker

I have indicated earlier that the economic outlook is not favouring the people of Matatiele and therefore, property and refuse rates tariff will increase by 0% for the 2023/24 financial year. The electricity tariff will increase by 15.1% as approved by NERSA.

As part of this budget, we are tabling 34 budget related policies that were reviewed for your attention honourable councillors.

As I move to proposals madame speaker allow me to thank the people of Matatiele for being patient with us under difficult circumstances and financial difficulties. We thank you madame speaker and the council for leading the people of Matatiele and always putting them at the fore front. Your caucus honourable Chief Whip continues to provide the necessary guidance.

I must thank the Executive Committee for working with all committees in ensuring that we table this budget today.

All committees of council are indeed appreciated for their excellent work especially the budget steering committee.

The Municipal Manager, CFO, Heads of Departments, the management at large and the entire staff of this glorious institution we want to thank you for implementing our decisions and ensuring that this council does not fail in delivering quality services to the people of Matatiele.

Minister of Finance, Mr Enoch Godongwana said during the 2023 budget speech and I quote “Our economy is facing significant risks. Uncertainty is on the rise. It requires us to do bold things. To put the fear of failure aside and execute the difficult trade-offs needed to get from where we are now, to where we want to be in the future.” close quotes.

INFRASTRUCTURE

Electricity Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Electricity						
Nkululekweni	New	3	12,500,000	-	-	12,500,000
Tholang	New	1	10,125,000	-	-	10,125,000
Skiti	New	1	7,750,000	-	-	7,750,000
fubane	New	23	1,250,000	-	-	1,250,000
Matolong	New	23	1,400,000	-	-	1,400,000
Bethesda	New	23	3,000,000	-	-	3,000,000
Jabavu	New	2	3,875,000			3,875,000
Sifolweni Electrification pre-eng	New	7	568,538	568,538		
Replace 1 substation switch gears	New	19	3,000,000	3,000,000	-	-
Replace 3 transformer	New	19	3,000,000	3,000,000	-	-
Fencing of Transformers	New	19	500,000	500,000	-	-
Refurbishment of FM Tower line	New	19	2,000,000	2,000,000	-	-
Christmas Lights in Town	New	19	500,000	500,000	-	-
Highmast Lights	New	1	900,000	900,000		
Highmast Lights	New	26	900,000	900,000		
Laptops	New	Admin	60,000	60,000		
			51,328,538	11,428,538	-	39,900,000

Remarks;

- The total capital budget for the Electricity Unit is R 51,328,538, INEP will fund R 39,900,000 million of the budget and R 11,428,538 will be funded from the Capital Replacement Reserves.
- This budget includes electrification in various wards and the upgrade of Electricity Infrastructure.

Operations and Maintenance Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Project Operations and Maintenance						
4km Pholile Access Road at ward 15	New	15	2,000,000	2,000,000	-	-
2,6km Belford Access Road at ward 8	New	8	1,690,000	1,690,000	-	-
2,4km Moriting Access Road at ward 24	New	24	1,560,000	1,560,000	-	-
9,2km Shepard's hope Access Road at ward 16	Renewal	16	3,000,000	3,000,000	-	-
3,7km Springana Access Road at ward 11	Renewal	11	2,000,000	2,000,000	-	-
5km Sekhutlong Access Road	Renewal	23	3,000,000	3,000,000	-	-
3,6km Mkrwabo Access Road at ward 18	Renewal	18	2,340,000	2,340,000	-	-
6,3km Pamlaville – Mngeni Access Road	Renewal	9	3,095,000	3,095,000		
Upgrade of Municipal Offices	Renewal	Admin	1,000,000	1,000,000		
Municipal Plant	Renewal	All	2,500,000	2,500,000		
Black Diamond Access Road	Renewal	26	1,000,000	1,000,000		
Mavundleni Access Road	Renewal	5	1,000,000	1,000,000		
Tsepisong Kamorathaba to Kuyasa AR	Renewal	3	1,000,000	1,000,000		
Laptops	Renewal	Admin	100,000	100,000		
Aircons	Renewal	Admin	500,000	500,000		
Landfill Site access road	Upgrade	19	1,000,000	1,000,000	-	-
			26,785,000	26,785,000	-	-

Remarks;

- The capital budget for Operations and Maintenance Unit is R 26,7 million, to be funded from the Capital Replacement Reserves.

Project Management Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Project Management Unit						
Extension of Matatiele Sports Centre - Phase 2	New	20	5,000,000	-	5,000,000	-
Construction of Harry Gwala Internal Streets	New	20	13,750,000	-	13,750,000	-
Rehabilitation of Matatiele Internal Streets Cluster 1	New	19	4,113,345	-	4,113,345	-
Installation of 500 Streetlights	Upgrade	19	7,860,500	-	7,860,500	-
Installation of 20 High Mast	Upgrade	20	5,166,800	-	5,166,800	-
Construction of Cedarville Internal Streets Phase 4	Upgrade	26	2,465,434	-	2,465,434	-
Maluti Internal Streets Phase 5	New	1	2,623,463	-	2,623,463	-
Mahasheng Access Road & Bridge	New	14	2,532,013	-	2,532,013	-
Mnceba - Matiase Access Road & Bridge	New	5	2,095,230	-	2,095,230	-
Mafube-Nkosana Access Road & Bridge	New	8	8,723,915	-	8,723,915	-
Lekhalong via Magema-Outspan Access Road	New	27	1,250,000	-	1,250,000	-
Extension of Matatiele Sports Centre - Phase 2	New	20	4,058,298	4,058,298	-	-
Masopa A/R	New	13	3,500,000	3,500,000	-	-
Dlodlweni Phase 2	New	10	3,500,000	3,500,000	-	-
Khesa A/R	New	18	2,650,000	2,650,000	-	-
Mpofini A/R	New	22	2,300,000	2,300,000	-	-
Mango A/R	New	17	2,800,000	2,800,000	-	-
Rehabilitation of Matatiele Internal Streets Cluster 1	New	19	5,360,000	5,360,000	-	-
Lekhalong Access Road	New	14	1,500,000	1,500,000	-	-
Silo Facility Phase 4	New	19	3,000,000	3,000,000	-	-
Council Chamber Water Supply	New	Admin	1,400,000	1,400,000	-	-
Ngcwengane Bridge	New	7	48,963	48,963	-	-
Laptops	New	Admin	90,000	90,000	-	-
Furniture & equipment	New	Admin	75,000	75,000	-	-
			85,862,961	30,282,261	55,580,700	-

Remarks;

- The capital budget for Project Management Unit is R 85,9 million, a portion of R 55,5 million will be funded from the Municipal Infrastructure Grant and R 30,2 million will be funded from the Capital Replacement Reserves.

The capital budget per municipal departments is tabulated as below,

Municipal Manager's Office

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Municipal Manager			70,000	70,000	-	-
Desktop x 1 and 1 x Laptop	New	Admin	70,000	70,000		
Internal Audit			1,860,000	1,860,000	-	-
Laptops	New	Admin	60,000	60,000		
Internal Audit System	New		1,800,000	1,800,000		
SPU & Communications			120,000	120,000	-	-
1x Laptop & 2x desktops for the youth to print & search	New	Admin	70,000	70,000	-	-
Loudhailer/Loudcruiser round horn roof mounted vehicle PA system kit	New	Admin	50,000	50,000		
Total Municipal Manager's Office			2,050,000	2,050,000	-	-

Remarks;

- The total budget for the office of the Municipal Manager amounts to R 2,050,000 to be funded from Capital Replacement Reserves.

Budget & Treasury Office

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Budget Planning & Investments			60,000	60,000	-	-
Computer Equipment	New	Admin	60,000	60,000		
Revenue & Expenditure Management			100,000	100,000	-	-
Laptops	New	Admin	60,000	60,000		
Office Furniture	New	Admin	40,000	40,000	-	-
Supply Chain Management			3,560,000	3,560,000	-	-
New Fleet	New	Admin	3,000,000	3,000,000	-	-
Strong Room	New	Admin	450,000	450,000		
Furniture	New	Admin	50,000	50,000		
Laptops	New	Admin	60,000	60,000		
Financial Reporting & Assets Management			60,000	60,000		
Laptops	New	Admin	60,000	60,000		
TOTAL BUDGET & TREASURY			3,780,000	3,780,000	-	-

Remarks;

- The total budget for Budget and Treasury Office is R 3,780,000 to be funded from the Capital Replacement Reserves.

Corporate Services

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Admin & Council Support							
Furniture and Equipment	New	Admin	50,000	50,000			
Palisade Fencing	New	Admin	200,000	200,000			
Computer Equipment	New	Admin	30,000	30,000			
			280,000	280,000	-	-	-
Council Support							
Furniture	New	Admin	300,000	300,000			
Laptops-Computer Equipment	New	Admin	150,000	150,000			
			450,000	450,000	-	-	-
Human Resources							
Laptop	New	Admin	30,000	30,000			
			30,000	30,000	-	-	-
ICT SERVICES							
Computer Equipment (Laptops for ward Cle	Upgrade	All Wards	600,000	600,000			
Delegate management system (New Council	Upgrade	Admin	350,000	350,000			
UNINTERIPTED POWER SUPPLY (ups)	Upgrade	Admin	250,000	250,000			
SURVEILLANCE CAMERAS	Upgrade	Ward 26	200,000	200,000			
PUBLIC WI FI	Upgrade	Ward 1 or 6 (village)	350,000	350,000			
IT EQUIPMENT	Upgrade	Admin	100,000	100,000			
			1,850,000	1,850,000	-	-	-
TOTAL CORPORATE SERVICES			2,610,000	2,610,000	-	-	-

Remarks;

- The total budget for Corporate Services is R 2,610,000 million to be funded from the Capital Replacement Reserves.

Economic Development and Planning

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Planning						
Projector	New	Admin	15,000	15,000	-	-
filing cabinet (shelf)	New	Admin	5,000	5,000		
			20,000	20,000		
Local Economic Development						
Laptop	New	Admin	70,000	70,000		
			70,000	70,000	-	-
EDP Governance			40,000	40,000	-	-
Laptop	New	Admin	40,000	40,000		
Development and Planning			130,000	130,000	-	-

Remarks;

- The budget is R 130, 000 for Economic Development and Planning to be funded from the Capital Replacement Reserves.

Community Services

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Public Amenities			910,000	910,000	-	-	-
Sportsfield Goal Posts & Maintenance	New	1,19,20	250,000	250,000			
Cleaning Machinery	New	Admin	60,000	60,000			
Laptops	New	19	200,000	200,000			
Swimming Pool Pump	New and upgrade	19	300,000	300,000			
Stadiums borehole	NEW	1,19,26	100,000	100,000	-		-
Replacement of Libraries AIRCONS							
Public Safety			3,690,000	3,690,000	-	-	-
Procurement of the fire engine	New	All	3,000,000	3,000,000			
2 x Containers for Licensing and Fire storage	New	Admin	100,000	100,000			
2 x Laptops	New	Admin	60,000	60,000			
Pulaski Axe	New	Amin	30,000	30,000			
Procurement of the automatic plate recognition Machinery	New	19	400,000	400,000			
Procurement of grassfire high pressure Bakkie fire fighter Unit 500L	New	All	100,000	100,000			
Solid Waste & Enviroment			4,530,000	4,530,000	-	-	-
Development of parks	New	1,19,20,26	150,000	150,000	-	-	-
Tractor	new	Admin	400,000	400,000			
Grass cutting Machines	new	Admin	200,000	200,000			
Laptop	new	Admin	30,000	30,000			
Furniture	new	Admin	50,000	50,000			
Cemetery development	new	Admin	1,000,000	1,000,000			
Construction of chalets	new	19	500,000	500,000			
Fencing Nature reserve	new	19	500,000	500,000			
Weighbridge	new	19	1,700,000	1,700,000			
				-			
TOTAL COMMUNITY SERVICES			9,130,000	9,130,000	-	-	-

Remarks;

- The total budget for Community Services is R 9,130,000 million, to be funded from the Capital Replacement Reserves.

TOTAL BUDGET 2023/24-2025/26

Description	Current Budget		2023/24 Medium Term Revenue & Expenditure Framework		
	APPROVED BUDGET 2022/2023	ADJUSTED BUDGET 2022/2023	BUDGET +2023/2024	BUDGET +2024/2025	BUDGET +2025/2026
Operating Budget	480,023,034	612,547,719	514,750,752	535,721,232	566,298,504
Capital Budget	171,309,299	180,650,964	181,716,552	130,772,630	120,563,448
Total Budget	651,332,333	793,198,683	696,467,304	666,493,862	686,861,952

Remarks:

- The total budget is R 696,4 million, it should be noted that this is a decrease of R 96,7 million from the current adjustments budget.
- The decrease is mainly as a result of decreased allocation on the capital grants i.e. INEP and loss on disposal of Property Plant and Equipment.

TARIFF INCREASES AND BUDGET ASSUMPTIONS

Property Rates

Property rates tariff will increase by 0% for the 2023/24 financial year as follows;

Categories	Rate Randages /Rand Value – c/R	Ratio in relation to residential property
Residential property	0.103597	1:1
Farm property as defined in Section 8(2) (d)(i) and 8 (2) (f) (i) of the Act (being Farm property used for agricultural purposes and smallholdings used for agricultural purposes)	0.0025899	1: 0.25
Agricultural property used predominantly for commercial and / or industrial purposes	0.0025899	1:0.25
Smallholdings used predominantly for commercial and / or industrial purposes	0.0025899	1: 0.25
Commercial / Business properties	0.013076	1: 1.2
Industrial properties	0.0124316	1:1.2
Public Service Infrastructure properties	0.0025145	1:0.25
Municipal properties	0.0120696	1:1.2

Residential	0.010878	0%
First R65 000 exempt		
40% Rebate		
Vacant Land	0.02176	0%
Commercial	0.013054	0%
15% exempt		0%
Government	0.02176	0%
Farms	0.0027195	0%
70% rebate		0%
Industrial	0.013054	0%
15% rebate		0%
Municipal	0.013054	0%
100% rebate		

Service Charges

- The electricity tariff will increase by 15.1% as approved by NERSA.
- Refuse tariffs and all other tariffs will remain unchanged.

Remuneration of Councillors and Employee related costs

The municipality has provided for a 5.4 % increase on employee related costs as per the SALGBC salary and wage increase agreement.

Budget Related Policies

The following budget related policies have been reviewed for the 2023/2024 budget,

1. Budget policy,
2. Cash management policy,
3. Cash shortage policy,
4. Credit control and debt collection policy,
5. Cost containment policy ,
6. Customer care policy,
7. Customer incentive scheme policy,
8. Data backup policy,
9. Debt capacity policy,
10. Donor finance policy,
11. Electricity token policy,
12. Entertainment & refreshments policy,

13. Fleet Management Policy ,
14. Unclaimed deposits policy,
15. Fraud prevention plan,
16. Gifts policy for officials,
17. Grants & donation policy,
18. GRAP framework policy,
19. Impairment and write off policy,
20. Cash-up Policy,
21. Fixed Assets Policy,
22. Payment Policy,
23. Petty Cash Policy,
24. Rates Policy,
25. Special Services Policy,
26. Strategy to improve Debtor policy,
27. Supply Chain Management Policy,
28. Tariff Policy,
29. Use of Credit Card Policy
30. Virement Policy.
31. Infrastructure procurement and delivery management policy.

32. Indigent Policy
33. Banking and Investments Policy
34. Use of Consultants Policy

AUTHORITY

- Council

LABOUR IMPLICATIONS

- None

PARTIES CONSULTED

- Provincial Treasury

FINANCIAL IMPLICATIONS

- None

ANNEXURES

“A” – MFMA Budget Circulars and Provincial Gazette

“B” – Final Budget schedules 2023-24

“C” – Budget report 2023-24/2025-26 MTREF

“D” – Budget Related Policies 2023-24

“E” – Budget outreach report 2023-24

“F” – Final Tariffs 2023-24

RECOMMENDATIONS

Council resolves the following,

1. That, the budget of the municipality for the year 2023/24; and its indicative for the two projected outer years 2024/2025 and 2025/2026 as outlined on the report be tabled as set out in the following:
 - Operating Revenue by source of R610, 233,708 for the 2023/24, R630,268,992 for the 2024/25 and R632,253,888 for the 2025/26 MTREF.
 - Operating Expenditure by source of R514, 750,752 for the 2023/24, R535,721,232 for the 2024/25 and R566,298,504 for the 2025/26 MTREF.

- Capital Expenditure by source and municipal vote of R181,716, 552 for the 2023/24, R130,772,660 for the 2024/25 and R120,563,472 for the 2025/26 MTREF.
 - Total budget of R696, 466, 988 for the 2023/24 budget
2. That, the Council approves the salary increase of 5.4% for employees for the 2023/2024 budget.
 3. That, the Council notes that employee related costs represent 36% of the total operation budget including the establishment of Human settlements unit.
 4. That, the Council notes and approves the following tariff increases for the 2023/24 financial year
 - Property rates tariff increase of 0% and first R65 000 property values as exemption, 40% rebates on all residential properties, 15% rebates on all commercial and government properties, 70% on farm properties, 15% rebates on industrial properties and 100% rebates to all municipal properties.
 - No increase of Refuse tariffs.
 - Electricity tariff increase of 15.1% as approves by NERSA.
 - That all other municipal tariffs will not be increased.

5. That, Council approves the reviewed policies as listed below,

- 5.1. Budget policy,
- 5.2. Cash management policy,
- 5.3. Cash shortage policy,
- 5.4. Credit control and debt collection policy,
- 5.5. Cost containment policy,
- 5.6. Customer care policy,
- 5.7. Customer incentive scheme policy,
- 5.8. Data backup policy,
- 5.9. Debt capacity policy,
- 5.10. Donor finance policy,
- 5.11. Electricity token policy,
- 5.12. Entertainment & refreshments policy,
- 5.13. Fleet Management Policy ,
- 5.14. Unclaimed deposits policy,
- 5.15. Fraud prevention plan,
- 5.16. Gifts policy for officials,
- 5.17. Grants & donation policy,
- 5.18. GRAP framework policy,
- 5.19. Impairment and write off policy,
- 5.20. Cash-up Policy,
- 5.21. Fixed Assets Policy,
- 5.22. Payment Policy,
- 5.23. Petty Cash Policy,
- 5.24. Rates Policy,
- 5.25. Special Services Policy,
- 5.26. Strategy to improve Debtor policy,
- 5.27. Supply Chain Management Policy,
- 5.28. Tariff Policy,
- 5.29. Use of Credit Card Policy and
- 5.30. Virement Policy.

- 5.31. Infrastructure procurement and delivery management policy.
- 5.32. Indigent Policy
- 5.33. Banking and Investments Policy
- 5.34. Use of Consultants Policy

1.3 Executive Summary

ANNUAL BUDGET 2023/24 – 2025/2026

Budgeted Financial Performance (revenue)

REVENUE SOURCE	APPROVED BUDGET 2022/2023	ADJUSTMENTS BUDGET 2022/23	BUDGET 2023/2024	BUDGET 2023/24 % ALLOCATION	BUDGET YEAR 2024/2025	BUDGET YEAR 2025/2026
Property Rates	54,088,413	54,088,413	54,360,276	9%	57,023,930	59,704,054
Service Charges	86,941,669	86,941,669	86,941,680	14%	91,201,822	95,488,308
Rental Of Facilities & Equipment	2,027,556	2,027,556	2,027,544	0%	2,126,894	2,226,858
Interest - Outstanding Debtors	18,730,800	18,730,800	24,930,800	4%	26,152,409	27,381,572
Interest - External Investment	14,650,000	15,060,000	17,200,000	3%	18,042,800	18,890,812
Fines , Penalties and Forfeits	1,769,000	1,769,000	1,769,004	0%	1,855,685	1,942,902
Licences & Permits	4,130,853	4,130,853	4,118,844	1%	4,320,667	4,523,739
Transfers & Subsidies Operational	293,418,000	295,226,337	318,510,300	52%	333,877,752	324,099,891
Transfers & Subsidies Capital	102,356,000	111,697,672	95,480,700	16%	90,532,630	90,561,448
Other Revenue	1,470,696	1,776,836	4,894,572	1%	5,134,406	7,434,267
Total Revenue	579,582,987	591,449,136	610,233,708	100%	630,268,992	632,253,888

Remarks;

- The revenue is anticipated to be R 610,233,708 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 591,449,136. This is an increase of R 18,784,572 from the current adjustment budget. Revenue budget for the indicative years 2024/25 and 2025/26 is anticipated to be R 630,268,992 and R 632,253,88 respectively.
- The property rates amount is calculated from the current valuation roll as implemented from 01st July 2018.
- Operational transfers and subsidies have been included as per the Dora and the Eastern Cape provincial allocations.
- It should be noted that capital transfers and subsidies has decreased due to decreased grants allocation for the integrated national electrification grant.

- Included on the other revenue is an amount of R 3,301,845 which relates to 5% admin fees for the human settlements projects that the Municipality will be implementing on behalf of Human settlements.
- Revenue budget from all other own revenue sources have been anticipated using the municipal tariff and proposed increases.

Budgeted Financial Performance (operating expenditure)

EXPENDITURE TYPE	APPROVED BUDGET 2022/2023	ADJUSTMENTS BUDGET 2022/23	BUDGET 2023/2024	BUDGET 2023/24 % ALLOCATION	BUDGET YEAR 2024/2025	BUDGET YEAR 2025/2026
Employee Related Costs	141,262,190	155,816,212	161,716,536	31%	169,640,646	177,613,757
Remuneration of Councillors	22,459,243	22,459,248	25,320,192	5%	26,560,881	27,809,243
Bad Debt Written Off	6,000,000	6,000,000	6,000,000	1%	6,294,000	6,589,818
Depreciation	53,336,135	73,136,148	53,300,148	10%	55,911,855	58,539,712
Bulk Purchases	61,382,985	61,382,988	71,075,364	14%	74,558,057	78,062,286
Contracted Services	113,584,081	110,776,264	113,384,580	22%	118,940,424	124,530,624
Other Material	7,747,000	8,141,966	7,629,420	1%	8,003,262	8,379,415
Other Expenditure	74,251,400	69,834,863	76,324,512	15%	80,064,413	83,827,440
Loss on disposal of Assets	-	105,000,000	-	0%	-	-
Total Expenditure	480,023,034	612,547,719	514,750,752	100%	535,721,232	566,298,504

Remarks;

- The final operating expenditure is anticipated to be R 514,750,752 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 612,547,719. This is a decrease of R 97,796,967 from the current adjustment budget. For the two outer years 2024/25 and 2025/26 the operating expenditure budget is R 535,721,232 and R 566,298,504 respectively.
- An increase of 5.4% has been affected on employee related costs as per 2021-2024 Salary and Wage collective agreement from SALGBC.

- Included in the budget for employee related costs is an allocation of R 11,500,000 for the Expanded Public Works Programme and an amount of R 3,403,944 for the staff establishment of human settlements unit.
- Employee related costs represents 36% of the total operating budget with senior managers and other staff representing 31% and remuneration of Councillors representing 5% of the total operating budget.
- Included on contracted services is repairs and maintenance R 31,215,000 as follows;
 - Maintenance of Municipal Fleet and Plant –R 4,000,000
 - Maintenance of ICT Network –R 1,100,000
 - Road Maintenance –R 5,000,000
 - Building and Facilities –R 6,050,000
 - Electrical Infrastructure –R 5600,000
 - Machinery and Equipment –R 5,774,000
 - Wattle clearing project –R 3,691,000
- Special programmes have been allocated budget as follows;
 - Mayoral Cup –R 1,050,000
 - Youth and Children Programmes –R 2,800,000
 - Gender and Elderly Programmes –R 400,000
 - HIV and Disability programmes –R 420,000
- Communications and Marketing has been allocated a budget of R 2,150,000.
- Local Economic Development has been allocated budget as follows;
 - Cropping and Household food security –R 6,000,000
 - Livestock improvement programme –R 1,500,000
 - LED Support programme –R 1,250,000
 - Tourism events –R 5,450,000
- Indigent support budget of R 13 million has been provided for gas and solar maintenance, electricity and refuse.

Budgeted Capital Expenditure by vote, and funding

DEPARMENT/MUNICIPAL VOTE	APPROVED BUDGET 2022/23	ADJUSTMENTS BUDGET 2022/23	FINAL BUDGET 2023/2024	BUDGET YEAR +2024/2025	BUDGET YEAR 2025/2026
Executive and Council	-	-	-	-	-
Municipal Manager's Office	260,000	260,000	2,050,000	280,000	5,520,000
Budget & Treasury	3,000,000	3,000,000	3,780,000	600,000	-
Corporate Services	2,310,000	2,310,000	2,610,000	4,250,000	3,022,000
Community Services	6,360,000	6,360,000	9,130,000	8,560,000	2,210,000
Economic Development Planning	500,000	500,000	130,000	250,000	300,000
Infrastructure	158,879,299	168,220,964	164,016,499	116,832,630	109,511,448
TOTAL CAPITAL PER MUNICIPAL VOTE	171,309,299	180,650,964	181,716,499	130,772,630	120,563,448
Funding Sources					
Capital Replacement reserves	71,756,716	71,756,716	86,235,799	40,226,694	29,971,296
Municipal Infrastructure Grant	53,264,624	62,606,276	55,580,700	58,045,940	60,592,140
Intergrated National Electrification Programme	46,287,972	46,287,972	39,900,000	32,499,996	30,000,012
TOTAL CAPITAL FUNDING	171,309,312	180,650,964	181,716,499	130,772,630	120,563,448

Remarks;

Capital expenditure is the expenditure appropriated for items to be utilised over a period of time longer than 12 months to generate future income and derive economic benefit for the municipality.

- The capital expenditure is anticipated to be R 181,715, 499 in the 2023/24 financial year. The adjusted budget for 2022/23 was R 180,650,964. This is an increase of R 1,065,535 from the adjustment budget due with the following funding source movements:
 - Decrease on INEP from R 46,288,000 to R 39,900,000.
 - Decrease of MIG from R 62,606,276 to R 55,580,700 due to allocated roll-over in the 2022/23 financial.
 - Municipal reserves funding has been increased from R 71,756,716 to R 86,235,799.

Transfers and grant receipts

Description	2022/23 Medium Term Revenue & Expenditure Framework		2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2022/23	Adjustments Budget	Budget 2023/24	Budget 2024/25	Budget 2025/26
R thousand					
RECEIPTS:					
Operating Transfers and Grants					
National Government:	292,768,000	292,768,000	309,644,000	324,577,000	314,131,000
Local Government Equitable Share	286,308,000	286,308,000	303,970,000	322,877,000	312,431,000
Expanded Public Works Programme Integrated Grant	4,810,000	4,810,000	3,974,000	-	-
Local Government Financial Management Grant	1,650,000	1,650,000	1,700,000	1,700,000	1,700,000
Provincial Government:	650,000	2,458,337	5,941,000	-	-
Capacity Building and Other : Library	650,000	2,458,337	2,250,000	-	-
Dedeat -Alen Plant Eradication		-	3,691,000		
Total Operating Transfers and Grants	293,418,000	295,226,337	315,585,000	324,577,000	314,131,000
Capital Transfers and Grants	102,356,000	111,697,672	98,406,000	93,601,000	93,805,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	46,288,000	46,288,000	39,900,000	32,500,000	30,000,000
Municipal Infrastructure Grant (MIG)	56,068,000	65,409,672	58,506,000	61,101,000	63,805,000
TOTAL RECEIPTS OF TRANSFERS & GRANTS	395,774,000	406,924,009	413,991,000	418,178,000	407,936,000

Remarks;

- The municipality will receive both conditional and unconditional grants of R 413, 9 million, an increase of R 7, million from R 406, 9 million on the 2023/24 from the allocations as gazetted on Division of Revenue Act (DoRA).
- The equitable share allocation is appropriated to fund municipal delivery of services through day to day operations and strategic social development programs, the allocation for equitable share has increased with R 17,6 million from the adjusted allocation for the current financial year.
- Conditional operational grants (EPWP & FMG) are appropriated to fund expenditures relate to EPWP programs and financial reforms respectively as per grants stipulated conditions
- The Expanded Public Works incentive has been allocated a budget of R 3,974,000, due to a decreased by R 836,000 from R 4, 810, 000 for the next budget year.
- The finance management grant has an allocation of R 1,700,000, due to a slight increase by R 50,000 from R 1, 650, 000 for the next budget year.
- Conditional capital grants (MIG & INEP) are appropriated to fund capital expenditure of roads construction, local economic development capital projects and electrification projects.
- The allocation for MIG has increased by R 2,3 million from the current years 'allocation of R 56,0 million to R 58,5 million.

- The allocation for INEP has decreased by R 6,3 million from the current years 'allocation of R 46,6million to R 39,9million.

The capital budget per municipal departments is tabulated as below,

Budget & Treasury Office

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Budget Planning & Investments			60,000	60,000	-	-
Computer Equipment	New	Admin	60,000	60,000		
Revenue & Expenditure Management			100,000	100,000	-	-
Laptops	New	Admin	60,000	60,000		
Office Furniture	New	Admin	40,000	40,000	-	-
Supply Chain Management			3,560,000	3,560,000	-	-
New Fleet	New	Admin	3,000,000	3,000,000	-	-
Strong Room	New	Admin	450,000	450,000		
Furniture	New	Admin	50,000	50,000		
Laptops	New	Admin	60,000	60,000		
Financial Reporting & Assets Management			60,000	60,000		
Laptops	New	Admin	60,000	60,000		
TOTAL BUDGET & TREASURY			3,780,000	3,780,000	-	-

Remarks;

- The total budget for Budget and Treasury Office is R 3,780,000 to be funded from the Capital Replacement Reserves.

Municipal Manager's Office

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Municipal Manager			70,000	70,000	-	-
Desktop x 1 and 1 x Laptop	New	Admin	70,000	70,000		
Internal Audit			1,860,000	1,860,000	-	-
Laptops	New	Admin	60,000	60,000		
Internal Audit System	New		1,800,000	1,800,000		
SPU & Communications			120,000	120,000	-	-
1x Laptop & 2x desktops for the youth to print & search	New	Admin	70,000	70,000	-	-
Loudhailer/Loudcruiser round horn roof mounted vehicle PA system kit	New	Admin	50,000	50,000		
Total Municipal Manager's Office			2,050,000	2,050,000	-	-

Remarks;

- The total budget for the office of the Municipal Manager amounts to R 2,050,000 to be funded from Capital Replacement Reserves.

Corporate Services

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Admin & Council Support							
Furniture and Equipment	New	Admin	50,000	50,000			
Palisade Fencing	New	Admin	200,000	200,000			
Computer Equipment	New	Admin	30,000	30,000			
			280,000	280,000	-	-	-
Council Support							
Furniture	New	Admin	300,000	300,000			
Laptops-Computer Equipment	New	Admin	150,000	150,000			
			450,000	450,000	-	-	-
Human Resources							
Laptop	New	Admin	30,000	30,000			
			30,000	30,000	-	-	-
ICT SERVICES							
Computer Equipment (Laptops for ward Clerk)	Upgrade	All Wards	600,000	600,000			
Delegate management system (New Council)	Upgrade	Admin	350,000	350,000			
UNINTERIPTED POWER SUPPLY (ups)	Upgrade	Admin	250,000	250,000			
SURVEILLANCE CAMERAS	Upgrade	Ward 26	200,000	200,000			
PUBLIC WI FI	Upgrade	Ward 1 or 6 (village)	350,000	350,000			
IT EQUIPMENT	Upgrade	Admin	100,000	100,000			
			1,850,000	1,850,000	-	-	-
TOTAL CORPORATE SERVICES			2,610,000	2,610,000	-	-	-

Remarks;

- The total budget for Corporate Services is R 2,610,000 million to be funded from the Capital Replacement Reserves.

Economic Development and Planning

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Planning						
Projector	New	Admin	15,000	15,000	-	-
filing cabinet (shelf)	New	Admin	5,000	5,000		
			20,000	20,000		
Local Economic Development						
Laptop	New	Admin	70,000	70,000		
			70,000	70,000	-	-
EDP Governance			40,000	40,000	-	-
Laptop	New	Admin	40,000	40,000		
Development and Planning			130,000	130,000	-	-

Remarks;

- The budget is R130, 000 for Economic Development and Planning to be funded from the Capital Replacement Reserves.

Community Services

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Public Amenities			910,000	910,000	-	-	-
Sportsfield Goal Posts & Maintenance							
Cleaning Machinery	New	1,19,20	250,000	250,000			
Laptops	New	Admin	60,000	60,000			
Swimming Pool Pump	New	19	200,000	200,000			
Stadiums borehole	New and upgrade	19	300,000	300,000			
Replacement of Libraries AIRCONS	NEW	1,19,26	100,000	100,000	-		-
Public Safety			3,690,000	3,690,000	-	-	-
Procurement of the fire engine	New	All	3,000,000	3,000,000			
2 x Containers for Licensing and Fire storage	New	Admin	100,000	100,000			
2 x Laptops	New	Admin	60,000	60,000			
Pulaski Axe	New	Amin	30,000	30,000			
Procurement of the automatic plate recognition Machinery	New	19	400,000	400,000			
Procurement of grassfire high pressure Bakkie fire fighter Unit 500L	New	All	100,000	100,000			
Solid Waste & Enviroment			4,530,000	4,530,000	-	-	-
Development of parks	New	1,19,20,26	150,000	150,000	-	-	-
Tractor	new	Admin	400,000	400,000			
Grass cutting Machines	new	Admin	200,000	200,000			
Laptop	new	Admin	30,000	30,000			
Furniture	new	Admin	50,000	50,000			
Cemetery development	new	Admin	1,000,000	1,000,000			
Construction of chalets	new	19	500,000	500,000			
Fencing Nature reserve	new	19	500,000	500,000			
Weighbridge	new	19	1,700,000	1,700,000			
				-			
TOTAL COMMUNITY SERVICES			9,130,000	9,130,000	-	-	-

Remarks;

- The total budget for Community Services is R 9,130,000 million, to be funded from the Capital Replacement Reserves.

INFRASTRUCTURE

Electricity Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Electricity						
Nkululekweni	New	3	12,500,000	-	-	12,500,000
Tholang	New	1	10,125,000	-	-	10,125,000
Skiti	New	1	7,750,000	-	-	7,750,000
fubane	New	23	1,250,000	-	-	1,250,000
Matolong	New	23	1,400,000	-	-	1,400,000
Bethesda	New	23	3,000,000	-	-	3,000,000
Jabavu	New	2	3,875,000			3,875,000
Sifolweni Electrification pre-eng	New	7	568,538	568,538		
Replace 1 substation switch gears	New	19	3,000,000	3,000,000	-	-
Replace 3 transformer	New	19	3,000,000	3,000,000	-	-
Fencing of Transformers	New	19	500,000	500,000	-	-
Refurbishment of FM Tower line	New	19	2,000,000	2,000,000	-	-
Christmas Lights in Town	New	19	500,000	500,000	-	-
Highmast Lights	New	1	900,000	900,000		
Highmast Lights	New	26	900,000	900,000		
Laptops	New	Admin	60,000	60,000		
			51,328,538	11,428,538	-	39,900,000

Remarks;

- The total capital budget for the Electricity Unit is R 51,328,538, INEP will fund R 39,900,000 million of the budget and R 11,428,538 will be funded from the Capital Replacement Reserves.
- This budget includes electrification in various wards and the upgrade of Electricity Infrastructure.

Operations and Maintenance Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Project Operations and Maintenance						
4km Pholile Access Road at ward 15	New	15	2,000,000	2,000,000	-	-
2,6km Belford Access Road at ward 8	New	8	1,690,000	1,690,000	-	-
2,4km Moriting Access Road at ward 24	New	24	1,560,000	1,560,000	-	-
9,2km Shepard's hope Access Road at wrad 16	Renewal	16	3,000,000	3,000,000	-	-
3,7km Springana Access Road at ward 11	Renewal	11	2,000,000	2,000,000	-	-
5km Sekhutlong Access Road	Renewal	23	3,000,000	3,000,000	-	-
3,6km Mkrwabo Access Road at ward 18	Renewal	18	2,340,000	2,340,000	-	-
6,3km Pamlaville – Mngeni Access Road	Renewal	9	3,095,000	3,095,000		
Upgrade of Municipal Offices	Renewal	Admin	1,000,000	1,000,000		
Municipal Plant	Renewal	All	2,500,000	2,500,000		
Black Diamond Access Road	Renewal	26	1,000,000	1,000,000		
Mavundleni Access Road	Renewal	5	1,000,000	1,000,000		
Tsepisong Kamorathaba to Kuyasa AR	Renewal	3	1,000,000	1,000,000		
Laptops	Renewal	Admin	100,000	100,000		
Aircons	Renewal	Admin	500,000	500,000		
Landfill Site access road	Upgrade	19	1,000,000	1,000,000	-	-
			26,785,000	26,785,000	-	-

Remarks;

- The capital budget for Operations and Maintenance Unit is R 26,7 million, to be funded from the Capital Replacement Reserves.

Project Management Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2023/2024	CAPITAL REPLACEMENT RESERVES	MIG	INEP
Project Management Unit						
Extension of Matatiele Sports Centre - Phase 2	New	20	5,000,000	-	5,000,000	-
Construction of Harry Gwala Internal Streets	New	20	13,750,000	-	13,750,000	-
Rehabilitation of Matatiele Internal Streets Cluster 1	New	19	4,113,345	-	4,113,345	-
Installation of 500 Streetlights	Upgrade	19	7,860,500	-	7,860,500	-
Installation of 20 High Mast	Upgrade	20	5,166,800	-	5,166,800	-
Construction of Cedarville Internal Streets Phase 4	Upgrade	26	2,465,434	-	2,465,434	-
Maluti Internal Streets Phase 5	New	1	2,623,463	-	2,623,463	-
Mahasheng Access Road & Bridge	New	14	2,532,013	-	2,532,013	-
Mnceba - Matiase Access Road & Bridge	New	5	2,095,230	-	2,095,230	-
Mafube-Nkosana Access Road & Bridge	New	8	8,723,915	-	8,723,915	-
Lekhalong via Magera-Outspan Access Road	New	27	1,250,000	-	1,250,000	-
Extension of Matatiele Sports Centre - Phase 2	New	20	4,058,298	4,058,298	-	-
Masopa A/R	New	13	3,500,000	3,500,000	-	-
Dlodlweni Phase 2	New	10	3,500,000	3,500,000	-	-
Khesa A/R	New	18	2,650,000	2,650,000	-	-
Mpofini A/R	New	22	2,300,000	2,300,000	-	-
Mango A/R	New	17	2,800,000	2,800,000	-	-
Rehabilitation of Matatiele Internal Streets Cluster 1	New	19	5,360,000	5,360,000	-	-
Lekhalong Access Road	New	14	1,500,000	1,500,000	-	-
Silo Facility Phase 4	New	19	3,000,000	3,000,000	-	-
Council Chamber Water Supply	New	Admin	1,400,000	1,400,000	-	-
Ngcwengane Bridge	New	7	48,963	48,963	-	-
Laptops	New	Admin	90,000	90,000	-	-
Furniture & equipment	New	Admin	75,000	75,000	-	-
			85,862,961	30,282,261	55,580,700	-

Remarks;

- The capital budget for Project Management Unit is R 85,9 million, a portion of R 55,5 million will be funded from the Municipal Infrastructure Grant and R 30,2 million will be funded from the Capital Replacement Reserves.

TOTAL BUDGET 2023/24-2025/26

Description	Current Budget		2023/24 Medium Term Revenue & Expenditure Framework		
	APPROVED BUDGET 2022/2023	ADJUSTED BUDGET 2022/2023	BUDGET +2023/2024	BUDGET +2024/2025	BUDGET +2025/2026
Operating Budget	480,023,034	612,547,719	514,750,752	535,721,232	566,298,504
Capital Budget	171,309,299	180,650,964	181,716,552	130,772,630	120,563,448
Total Budget	651,332,333	793,198,683	696,467,304	666,493,862	686,861,952

Remarks:

- The total budget is R696,4 million, it should be noted that this is a decrease of R96,7 million from the current adjustments budget.
- The decrease is mainly as a result of decreased allocation on the capital grants i.e. INEP and loss on disposal of Property Plant and Equipment.

TARIFF INCREASES AND BUDGET ASSUMPTIONS**Property Rates**

Property rates tariff will increase by 0% for the 2023/24 financial year as follows;

Categories	Rate Randages /Rand Value – c/R	Ratio in relation to residential property

Residential property	0.103597	1:1
Farm property as defined in Section 8(2) (d)(i) and 8 (2) (f) (i) of the Act (being Farm property used for agricultural purposes and smallholdings used for agricultural purposes)	0.0025899	1: 0.25
Agricultural property used predominantly for commercial and / or industrial purposes	0.0025899	1:0.25
Smallholdings used predominantly for commercial and / or industrial purposes	0.0025899	1: 0.25
Commercial / Business properties	0.013076	1: 1.2
Industrial properties	0.0124316	1:1.2
Public Service Infrastructure properties	0.0025145	1:0.25
Municipal properties	0.0120696	1:1.2

Residential	0.010878	0%
First R65 000 exempt		
40% Rebate		
Vacant Land	0.02176	0%
Commercial	0.013054	0%
15% exempt		0%

Government	0.02176	0%
Farms	0.0027195	0%
70% rebate		0%
Industrial	0.013054	0%
15% rebate		0%
Municipal	0.013054	0%
100% rebate		

Service Charges

- The electricity tariff will increase by 15.1% as approved by NERSA.
- Refuse tariffs and all other tariffs will remain unchanged.

Remuneration of Councillors and Employee related costs

The municipality has provided for a 5.4 % increase on employee related costs as per the SALGBC salary and wage increase agreement.

Budget Related Policies

The following budget related policies have been reviewed for the 2023/2024 budget,

35. Budget policy,
36. Cash management policy,
37. Cash shortage policy,
38. Credit control and debt collection policy,
39. Cost containment policy ,
40. Customer care policy,
41. Customer incentive scheme policy,
42. Data backup policy,

43. Debt capacity policy,
44. Donor finance policy,
45. Electricity token policy,
46. Entertainment & refreshments policy,
47. Fleet Management Policy ,
48. Unclaimed deposits policy,
49. Fraud prevention plan,
50. Gifts policy for officials,
51. Grants & donation policy,
52. GRAP framework policy,
53. Impairment and write off policy,
54. Cash-up Policy,
55. Fixed Assets Policy,
56. Payment Policy,
57. Petty Cash Policy,
58. Rates Policy,
59. Special Services Policy,
60. Strategy to improve Debtor policy,
61. Supply Chain Management Policy,
62. Tariff Policy,
63. Use of Credit Card Policy
64. Virement Policy.
65. Infrastructure procurement and delivery management policy.
66. Indigent Policy
67. Banking and Investments Policy
68. Use of Consultants Policy

Operating Revenue Framework

For Matatiele Local 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. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- 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 Municipality.

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

Table 1 -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		
		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	47 645	57 058	56 530	71 416	71 416	71 416	71 416	71 416	74 915	79 185
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10 790	11 531	11 615	15 526	15 526	15 526	15 526	15 526	16 287	17 215
Sale of Goods and Rendering of Services		1 144	759	923	566	872	872	872	3 930	4 122	4 357
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		485	1 371	2 168	4 300	4 300	4 300	4 300	6 500	6 818	7 207
Interest earned from Current and Non Current Assets		12 973	8 835	9 599	14 650	15 060	15 060	15 060	17 200	18 043	19 071
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	172	144	-	-	-	-	-	-	-
Rental from Fixed Assets		2 783	1 398	1 260	2 028	2 028	2 028	2 028	2 028	2 127	2 248
Licence and permits		1 232	3 770	3 503	4 106	4 106	4 106	4 106	4 094	4 294	4 539
Operational Revenue		330	114	283	905	905	905	905	965	1 012	1 070
Non-Exchange Revenue											
Property rates	2	44 904	46 575	48 726	54 088	54 088	54 088	54 088	54 360	57 024	60 274
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 398	762	2 058	1 769	1 769	1 769	1 769	1 769	1 856	1 961
Licences or permits		1 325	17	(96)	25	25	25	25	25	26	28
Transfer and subsidies - Operational		244 441	306 535	267 351	293 418	295 226	295 226	295 226	318 510	333 878	324 100
Interest		11 070	11 986	14 020	14 431	14 431	14 431	14 431	18 431	19 334	20 436
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	333	-	-	-	-	-	-	-	-
Other Gains		(3)	1 468	(15)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contr		380 515	452 685	418 070	477 227	479 751	479 751	479 751	514 753	539 736	541 692

1.4.1 Property Rates

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

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 1:025. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17 (h) of the MPRA). In addition to this rebate, a further R50 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy i.e. the market value less R 65 000.00;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;

- For pensioners, physically and mentally disabled persons, a minimum total rebate of 40 per cent will be granted to owners of rateable property if the total gross income of the applicant and/or his/her spouse, if any, is the following:

- Income not exceeding R 8 000.00

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse.
- The applicant must submit proof of his/her age, identity and also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
- The property must be categorized as residential.

Additional:

- Residential properties a 40% rebate

- Properties categorized commercial 15% rebate on rates.

- Farms/ Smallholdings used for agricultural purposes 70% rebates.

- The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain

Classes such as churches, registered welfare organizations, institutions or organizations performing charitable work,

Sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

Table 2- Transfers and Grant Receipts

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	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		(0)	(0)	83 508	6 460	6 460	59 183	8 599	4 769	5 082
Expanded Public Works Programme Integrated Grant		(0)	0	4 887	4 810	4 810	4 810	3 974	–	–
Local Government Financial Management Grant		(0)	–	1 650	1 650	1 650	1 650	1 700	1 700	1 838
Municipal Infrastructure Grant		(0)	(0)	76 971	–	–	52 723	2 925	3 069	3 244
Provincial Government:		–	2 224	–	650	650	–	5 941	6 232	6 587
Specify (Add grant description)		–	–	–	650	650	–	2 250	2 360	2 495
Specify (Add grant description)		–	2 224	–	–	–	–	3 691	3 872	4 093
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	(0)	2 224	83 508	7 110	7 110	59 183	14 540	11 001	11 669
Capital Transfers and Grants										
National Government:		(1 964)	(0)	97 778	102 356	108 353	46 288	95 481	90 533	90 561
Municipal Infrastructure Grant		–	–	–	56 068	62 065	–	55 581	58 033	60 561
Integrated National Electrification Programme Grant		(1 964)	(0)	97 778	46 288	46 288	46 288	39 900	32 500	30 000
Provincial Government:		–	–	650	–	1 808	–	–	–	–
Specify (Add grant description)		–	–	650	–	1 808	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	(1 964)	(0)	98 428	102 356	110 161	46 288	95 481	90 533	90 561
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	(1 964)	2 224	181 936	109 466	117 271	105 471	110 021	101 533	102 230

The municipality operational grants budget amounts to R 14,540 million for 2023/24 year, this amount exclude the equitable share allocation, the operational grants budget equates to 2.8% of the total revenue budget.

Table 3 Comparison of rated levies for the 2023/24 financial year

CATEGORY	CURRENT TARIFF	TARIFF (EFFECTIVE FROM 1ST JULY)
Residential	0.0109	0.0109
Vacant Land	0.0218	0.0218
Commercial	0.0131	0.0131
Farms	0.0026	0.0026
Government	0.0218	0.0218
Industrial	0.1013	0.1013
Municipal	0.0131	0.0131

Table 4 Comparison between current electricity charges and increases

NO	DESCRIPTION	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
6	ELECTRICITY CHARGES					
	Electricity tariff subject to National Electricity Regulator S.A approval					
	The charges payable by consumers for the supply of electricity shall be as follows:					
6.1	Scale 1: Domestic Consumers					
(a)	Basic charge, single or three phase per household per month. Plus the following kWh charges per month.	7.47%	R 568.41	15%	R 654.24	R 752.38
	0-50	7.47%	R 1.26	15%	R 1.45	R 1.67
	51-350	7.47%	R 1.64	15%	R 1.89	R 2.17
	351-600	7.47%	R 2.32	15%	R 2.67	R 3.07
	600 over	7.47%	R 2.78	15%	R 3.20	R 3.68
(b)	Scale 2: Commercial & Other Consumers					
	Basic charge of consumers with the following kVA installed per month					
	0 - 25 KVA	7.47%	R 630.32	15%	R 725.50	R 834.32
	Commercial unit charge:	7.47%	R 2.47	15%	R 2.84	R 3.27
	26 - 64 KVA	7.47%	R 2,349.71	15%	R 2,704.52	R 3,110.20
	Commercial unit charge:	7.47%	R 2.51	15%	R 2.89	R 3.32
	65 KVA and more	7.47%	R 13,748.67	15%	R 15,824.72	R 18,198.43
	Commercial unit charge:	7.47%	R 2.51	15%	R 2.89	R 3.32
(c)	Scale 3: Pre-Paid Metre Units					
	Domestic:					
	That a flat rate per kWh					
	0-50	7.47%	R 1.25	15%	R 1.44	R 1.65
	51-350	7.47%	R 1.63	15%	R 1.87	R 2.15
	351-600	7.47%	R 2.31	15%	R 2.66	R 3.05
	600 over	7.47%	R 2.77	15%	R 3.18	R 3.66
	Commercial Prepaid					
	That a flat rate per kWh					
	0 - 2000 kWh	7.47%	R 2.51	15%	R 2.89	R 3.33
(d)	Scale 4: Schools/School Hostels					
	"Schools defined as the majority of its Teachers paid for by the Government or State Education Department."					
	Basic Charges per month,	7.47%	R 453.46	15%	R 521.94	R 600.23
	Plus the following charger per kWh per month					
	0 - 2000 kWh	7.47%	R 1.71	15%	R 1.96	R 2.26
	2000 - and more	7.47%	R 1.71	15%	R 1.96	R 2.26
6.2	Special Agreements					

Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as fuel and oil and the employee related cost.

No increase on the waste tariff is proposed from for the 2023/24 budget year.

The following table compares current and proposed amounts payable for the 2023/24 MTREF Table 6 Comparison between current waste removal fees and increases

Table 5 Comparison between current refuse charges and increases

NO	DESCRIPTION	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
1	REFUSE REMOVAL CHARGES					
1.1	<i>Domestic Removals</i>					
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	0%	R 139.19	0%	R 139.19	R 160.07
1.2	<i>Commercial Removals</i>					
(a)	Each individual/separate business shall be charged a basic service charge per month.	0%	R 208.77	0%	R 208.77	R 240.09
1.3	In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	0%	R 208.77	0%	R 208.77	R 240.09
1.4	Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above tariff shall be the applicable tariff.					
1.5	<i>Removal from Separate Consumers on same Premises</i>					
	Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of refuse shall be as prescribed in applicable scales.					
1.6	<i>Availability Charge</i>					
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	0%	R 235.94	0%	R 235.94	R 271.33
	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	0%	R 117.97	0%	R 117.97	R 135.66

1.1.1 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.

Table 6 EC441 MATATIELE LOCAL MUNICIPALITY Table SA14 – Household bills

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	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		322.72	355.79	355.79	355.79	355.79	355.79	15.80%	411.87	432.46	432.46
Electricity: Basic levy		219.21	247.76	247.76	461.56	528.90	461.56	34.60%	621.30	621.30	621.30
Electricity: Consumption		659.56	745.45	745.45	745.45	745.45	745.45	17.50%	875.68	875.68	875.68
Water: Basic levy		–	–	–	–	–	–	0.00%	–	–	–
Water: Consumption		–	–	–	–	–	–	0.00%	–	–	–
Sanitation		–	–	–	–	–	–	0.00%	–	–	–
Refuse removal		50.85	117.99	132.00	139.00	139.00	139.00	0.00%	139.00	145.95	153.00
Other		–	–	–	–	–	–	0.00%	–	–	–
sub-total		1 252.34	1 466.99	1 481.00	1 701.80	1 769.14	1 701.80	20.3%	2 047.85	2 075.39	2 082.44
VAT on Services		–	–	–	–	–	–	0.00%	–	–	–
Total large household bill:		1 252.34	1 466.99	1 481.00	1 701.80	1 769.14	1 701.80	20.3%	2 047.85	2 075.39	2 082.44
% increase/decrease			17.1%	1.0%	14.9%	4.0%	(3.8%)		20.3%	1.3%	0.3%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		322.72	355.79	355.79	355.79	355.79	355.79	15.80%	411.87	432.46	432.46
Electricity: Basic levy		219.21	247.76	247.76	461.56	528.90	461.56	34.60%	621.30	621.30	621.30
Electricity: Consumption		659.56	745.45	745.45	745.45	745.45	745.45	17.50%	875.68	875.68	875.68
Water: Basic levy		–	–	–	–	–	–	0.00%	–	–	–
Water: Consumption		–	–	–	–	–	–	0.00%	–	–	–
Sanitation		–	–	–	–	–	–	0.00%	–	–	–
Refuse removal		50.85	117.99	132.00	139.00	139.00	139.00	0.00%	139.00	145.95	153.00
Other		–	–	–	–	–	–	0.00%	–	–	–
sub-total		1 252.34	1 466.99	1 481.00	1 701.80	1 769.14	1 701.80	20.3%	2 047.85	2 075.39	2 082.44
VAT on Services		–	–	–	–	–	–	0.00%	–	–	–
Total small household bill:		1 252.34	1 466.99	1 481.00	1 701.80	1 769.14	1 701.80	20.3%	2 047.85	2 075.39	2 082.44
% increase/decrease			17.1%	1.0%	14.9%	4.0%	(3.8%)		20.3%	1.3%	0.3%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–	0.00%	–	–	–
Electricity: Basic levy		–	–	–	–	–	–	0.00%	–	–	–
Electricity: Consumption		50.00	50.00	50.00	50.00	50.00	50.00	0.00%	50.00	50.00	50.00
Water: Basic levy		–	–	–	–	–	–	0.00%	–	–	–
Water: Consumption		–	–	–	–	–	–	0.00%	–	–	–
Sanitation		–	–	–	–	–	–	0.00%	–	–	–
Refuse removal		–	–	–	–	–	–	0.00%	–	–	–
Other		–	–	–	–	–	–	0.00%	–	–	–
sub-total		50.00	50.00	50.00	50.00	50.00	50.00	–	50.00	50.00	50.00
VAT on Services		–	–	–	–	–	–	0.00%	–	–	–
Total small household bill:		50.00	50.00	50.00	50.00	50.00	50.00	–	50.00	50.00	50.00
% increase/decrease			–	–	–	–	–		–	–	–

Operating Expenditure Framework

The Municipality's expenditure framework for the 2023/24 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;
- Strict adherences to the principle of no project plan no budget.
- Cost containment regulations

The following table is a high level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure):

Table 7 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		
		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
R thousand	1										
Expenditure											
Employee related costs	2	114 310	119 453	128 303	141 262	155 816	155 816	155 816	161 717	165 472	174 904
Remuneration of councillors		20 447	19 979	21 444	22 459	22 459	22 459	22 459	25 320	26 561	28 075
Bulk purchases - electricity	2	43 138	48 196	58 161	61 383	61 383	61 383	61 383	71 075	74 558	78 808
Inventory consumed	8	4 016	5 757	6 075	7 747	8 142	8 142	8 142	7 629	8 003	8 459
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		47 812	42 843	52 798	53 336	73 136	73 136	73 136	53 300	55 912	59 099
Interest	3	-	14	35	-	-	-	-	-	-	-
Contracted services		80 304	93 160	100 354	113 584	110 776	110 776	110 776	113 385	118 882	125 699
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		15 797	27 338	17 651	6 000	6 000	6 000	6 000	6 000	6 294	6 653
Operational costs		36 353	39 240	49 201	74 252	69 835	69 835	69 835	76 325	80 040	84 602
Losses on disposal of Assets		684	-	78 219	-	105 000	105 000	105 000	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		362 865	395 981	512 240	480 023	612 548	612 548	612 548	514 751	535 721	566 299

The budgeted allocation for employee related costs for the 2023/24 financial year totals

R 161,7 million, which equals 31 per cent of the total operating expenditure. The municipality has effected an increase of 5.4 % for the 2023/2024 budget year.

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 Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 80 per cent and the Debt Write-off Policy of the Municipality. For the 2023/24 financial year this amount equates to R 6, million and escalates to R 6,6 million by 2025/26. 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 Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 53,3 million for the 2023/24 financial and equates to 11 per cent of the total operating expenditure.

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

Other material comprises of amongst others materials for maintenance.

For 2023/24 budget year the appropriation against this group of expenditure is by 1 per cent and is maintained at 1 per cent for the two outer years.

Other expenditure comprises of various line items relating to the daily operations of the municipality. The appropriation for this group of expenditures equates to 15 per cent for 2023/24.

1.1.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2023/24 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

The table below provides a breakdown of the repairs and maintenance in relation expenditure items:

Table 8 Repairs and maintenance by expenditure item

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Repairs and Maintenance by Asset Class	3	18 143	20 774	19 089	30 645	20 477	20 477	25 645	26 902	28 435
Roads Infrastructure		5 229	8 714	4 513	10 790	1 170	1 170	4 300	4 511	4 768
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		5 229	8 714	4 513	10 790	1 170	1 170	4 300	4 511	4 768
Community Facilities		695	989	1 491	3 750	1 450	1 450	1 800	1 888	1 996
Sport and Recreation Facilities		8 412	6 125	7 523	9 700	9 852	9 852	11 900	12 483	13 195
Community Assets		9 106	7 114	9 014	13 450	11 302	11 302	13 700	14 371	15 190
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2 781	1 311	715	600	600	600	1 750	1 836	1 940
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2 781	1 311	715	600	600	600	1 750	1 836	1 940
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		1 026	1 261	1 277	3 305	1 905	1 905	1 895	1 988	2 101
Transport Assets		-	2 375	3 570	2 500	5 500	5 500	4 000	4 196	4 435
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

For the 2023/24 financial year repairs and maintenance is budgeted at R 25,9 million this equates to 5% of the total operating budget.

1.5.2 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 Municipality's Indigent Policy. The target is to register 15 000 or more indigent households during the 2023/24 financial year, a process reviewed annually.

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.

1.2 Capital expenditure

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

Table 09 2023/24 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		
		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
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Council		(28)	3 574	74	-	-	-	-	70	80	190
Vote 2 - Finance and Admin		133 748	4 061	562	3 260	4 060	4 060	4 060	3 900	600	5 270
Vote 3 - Corporate		3 467	(2 384)	4 698	2 310	2 310	2 310	2 310	2 610	4 250	3 022
Vote 4 - Development and Planning		158 094	21 920	163	500	500	500	500	130	250	300
Vote 5 - Community		5 579	2 402	2 484	6 360	6 360	6 360	6 360	9 130	8 560	2 210
Vote 6 - Infrastructure		189 132	122 092	181 915	158 879	164 076	164 076	164 076	164 017	116 833	109 511
Vote 7 - Internal Audit		(12 655)	-	-	-	-	-	-	1 860	150	60
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		477 336	151 664	189 896	171 309	177 306	177 306	177 306	181 717	130 723	120 563
Total Capital Expenditure - Vote		477 336	151 664	189 896	171 309	177 306	177 306	177 306	181 717	130 723	120 563

1.3 Annual Budget Tables

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 2023/24 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

MBRR Table A1 - Budget Summary

Description	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
R thousands										
Financial Performance										
Property rates	44 904	46 575	48 726	54 088	54 088	54 088	54 088	54 360	57 024	60 274
Service charges	58 434	68 589	68 146	86 942	86 942	86 942	86 942	86 942	91 202	96 400
Investment revenue	12 973	8 835	9 599	14 650	15 060	15 060	15 060	17 200	18 043	19 071
Transfer and subsidies - Operational	244 441	306 535	267 351	293 418	295 226	295 226	295 226	318 510	333 878	324 100
Other own revenue	19 764	22 151	24 248	28 129	28 435	28 435	28 435	37 741	39 590	41 847
Total Revenue (excluding capital transfers and contributions)	380 515	452 685	418 070	477 227	479 751	479 751	479 751	514 753	539 736	541 692
Employee costs	114 310	119 453	128 303	141 262	155 816	155 816	155 816	161 717	165 472	174 904
Remuneration of councillors	20 447	19 979	21 444	22 459	22 459	22 459	22 459	25 320	26 561	28 075
Depreciation and amortisation	47 812	42 843	52 798	53 336	73 136	73 136	73 136	53 300	55 912	59 099
Interest	3	14	35	—	—	—	—	—	—	—
Inventory consumed and bulk purchases	47 154	53 954	64 236	69 130	69 525	69 525	69 525	78 705	82 561	87 267
Transfers and subsidies	—	—	—	—	—	—	—	—	—	—
Other expenditure	133 139	159 738	245 424	193 836	291 611	291 611	291 611	195 709	205 215	216 954
Total Expenditure	362 865	395 981	512 240	480 023	612 548	612 548	612 548	514 751	535 721	566 299
Surplus/(Deficit)	17 650	56 704	(94 170)	(2 796)	(132 796)	(132 796)	(132 796)	2	4 015	(24 606)
Transfers and subsidies - capital (monetary allocations)	124 782	92 926	165 532	102 356	108 353	108 353	108 353	95 481	90 533	90 561
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	142 432	149 630	71 362	99 560	(24 444)	(24 444)	(24 444)	95 483	94 548	65 955
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	142 432	149 630	71 362	99 560	(24 444)	(24 444)	(24 444)	95 483	94 548	65 955
Capital expenditure & funds sources										
Capital expenditure	477 336	151 664	189 896	171 309	177 306	177 306	177 306	181 717	130 723	120 563
Transfers recognised - capital	329 461	63 461	141 845	99 553	105 549	105 549	105 549	95 481	90 533	90 561
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	8 503	72 758	47 688	71 757	71 757	71 757	71 757	86 236	40 190	30 002
Total sources of capital funds	337 964	136 219	189 533	171 309	177 306	177 306	177 306	181 717	130 723	120 563
Financial position										
Total current assets	307 193	379 998	420 000	309 470	354 413	354 413	354 413	523 858	607 100	676 080
Total non current assets	1 064 250	1 128 072	1 140 318	1 361 729	1 242 926	1 242 926	1 242 926	1 304 697	1 379 507	1 440 972
Total current liabilities	111 761	126 310	148 127	99 372	149 515	149 515	149 515	160 394	223 899	288 388
Total non current liabilities	28 276	37 728	43 429	14 442	14 442	14 442	14 442	38 827	38 827	38 827
Community wealth/Equity	1 098 604	1 344 132	1 365 373	1 557 385	1 433 382	1 433 382	1 433 382	1 629 334	1 723 882	1 789 837
Cash flows										
Net cash from (used) operating	645 889	491 348	340 998	110 185	129 241	129 241	129 241	147 918	141 731	113 534
Net cash from (used) investing	(165 782)	(161 457)	(188 241)	(171 309)	(177 306)	(177 306)	(177 306)	(181 717)	(130 723)	(120 563)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	604 064	329 891	377 179	232 963	246 023	246 023	246 023	326 924	337 933	330 903
Cash backing/surplus reconciliation										
Cash and investments available	153 196	224 422	236 732	232 938	245 998	245 998	245 998	326 924	337 933	330 903
Application of cash and investments	368 148	402 871	411 269	455 040	181 204	181 204	181 204	255 807	275 003	291 741
Balance - surplus (shortfall)	(214 952)	(178 449)	(174 537)	(222 101)	64 794	64 794	64 794	71 117	62 929	39 161
Asset management										
Asset register summary (WDV)	754 393	808 393	906 805	1 239 140	1 095 686	1 095 686	1 095 686	1 145 895	1 106 823	1 057 226
Depreciation	47 812	42 843	52 798	53 336	73 136	73 136	73 136	53 300	55 912	59 099
Renewal and Upgrading of Existing Assets	17 620	46 475	32 993	30 215	44 478	44 478	44 478	31 517	32 407	32 900
Repairs and Maintenance	18 143	20 774	19 089	30 645	20 477	20 477	20 477	25 645	26 902	28 435
Free services										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	185	0	—	25 514	20 214	20 214	—	15 945	16 727	17 680
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the 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 surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2023/24, when a small surplus is reflected.
5. 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.

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		
		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
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		309 872	369 360	333 981	376 020	376 430	376 430	403 019	426 696	422 209
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		309 872	369 360	333 981	376 020	376 430	376 430	403 019	426 696	422 209
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		7 125	9 482	11 464	11 569	13 377	13 377	12 190	8 618	9 110
Community and social services		3 469	4 965	6 057	6 368	8 176	8 176	6 989	3 163	3 343
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		3 655	4 517	5 407	5 201	5 201	5 201	5 201	5 456	5 767
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		59 075	61 176	68 038	56 290	62 593	62 593	62 020	64 787	67 701
Planning and development		481	691	171	202	508	508	3 504	3 676	3 885
Road transport		58 594	60 486	67 867	56 088	62 085	62 085	58 516	61 112	63 816
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		129 225	105 593	170 119	135 705	135 705	135 705	133 005	130 167	133 234
Energy sources		118 306	91 192	156 620	57 024	57 024	57 024	113 716	109 933	111 847
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		10 919	14 401	13 498	78 681	78 681	78 681	19 289	20 234	21 387
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	505 297	545 611	583 602	579 583	588 104	588 104	610 234	630 269	632 254
Expenditure - Functional										
<i>Governance and administration</i>		183 488	209 526	241 512	224 974	230 609	230 609	233 487	244 844	258 842
Executive and council		30 896	24 561	28 850	29 845	30 745	30 745	33 967	35 632	37 663
Finance and administration		150 259	181 677	208 282	191 438	195 683	195 683	194 744	204 203	215 884
Internal audit		2 333	3 287	4 380	3 692	4 182	4 182	4 775	5 009	5 295
<i>Community and public safety</i>		29 052	32 878	34 947	53 254	55 661	55 661	51 797	50 167	53 026
Community and social services		11 872	13 826	15 683	27 956	31 219	31 219	27 466	24 643	26 048
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		17 180	19 052	19 264	25 297	24 442	24 442	24 331	25 523	26 978
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		82 304	63 504	69 977	90 830	112 152	112 152	105 773	110 956	117 280
Planning and development		15 981	17 620	19 907	24 989	25 871	25 871	38 759	40 658	42 976
Road transport		66 323	45 884	50 069	65 841	86 281	86 281	67 014	70 297	74 304
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		77 650	131 030	166 961	110 966	214 126	214 126	123 693	129 754	137 150
Energy sources		59 728	96 944	141 882	86 897	194 757	194 757	102 345	107 360	113 480
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		17 922	34 085	25 079	24 069	19 369	19 369	21 348	22 394	23 671
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	372 494	436 938	513 396	480 023	612 548	612 548	514 751	535 721	566 299
Surplus/(Deficit) for the year		132 803	108 674	70 206	99 560	(24 444)	(24 444)	95 483	94 548	65 955

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

- 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 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

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		
		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
R thousand										
Revenue by Vote	1									
Vote 1 - Executive Council		–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Admin		309 400	369 140	333 448	375 670	376 080	376 080	402 544	426 198	421 683
Vote 3 - Corporate		471	221	533	350	350	350	475	498	527
Vote 4 - Development and Planning		816	508	283	202	508	508	3 504	3 676	3 885
Vote 5 - Community		18 044	23 883	24 963	90 249	92 057	92 057	31 479	28 852	30 497
Vote 6 - Infrastructure		176 565	151 860	224 375	113 112	119 109	119 109	172 232	171 045	175 663
Vote 7 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	505 297	545 611	583 602	579 583	588 104	588 104	610 234	630 269	632 254
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Council		30 896	24 561	28 850	29 845	30 745	30 745	33 967	35 632	37 663
Vote 2 - Finance and Admin		90 105	114 110	144 999	118 223	122 363	122 363	111 852	117 250	123 974
Vote 3 - Corporate		60 154	67 567	63 283	73 215	73 320	73 320	82 892	86 954	91 910
Vote 4 - Development and Planning		18 673	20 280	20 957	24 989	25 871	25 871	38 759	40 658	42 976
Vote 5 - Community		46 974	66 963	60 026	77 323	75 030	75 030	73 146	72 561	76 697
Vote 6 - Infrastructure		123 359	140 169	190 901	152 737	281 037	281 037	169 359	177 658	187 784
Vote 7 - Internal Audit		2 333	3 287	4 380	3 692	4 182	4 182	4 775	5 009	5 295
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	372 494	436 938	513 396	480 023	612 548	612 548	514 751	535 721	566 299
Surplus/(Deficit) for the year	2	132 803	108 674	70 206	99 560	(24 444)	(24 444)	95 483	94 548	65 955

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

- 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 Municipality. This means it is possible to present the operating surplus or deficit of a vote.

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		
		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
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	47 645	57 058	56 530	71 416	71 416	71 416	71 416	71 416	74 915	79 185
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10 790	11 531	11 615	15 526	15 526	15 526	15 526	15 526	16 287	17 215
Sale of Goods and Rendering of Services		1 144	759	923	566	872	872	872	3 930	4 122	4 357
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		485	1 371	2 168	4 300	4 300	4 300	4 300	6 500	6 818	7 207
Interest earned from Current and Non Current Assets		12 973	8 835	9 599	14 650	15 060	15 060	15 060	17 200	18 043	19 071
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	172	144	-	-	-	-	-	-	-
Rental from Fixed Assets		2 783	1 398	1 260	2 028	2 028	2 028	2 028	2 028	2 127	2 248
Licence and permits		1 232	3 770	3 503	4 106	4 106	4 106	4 106	4 094	4 294	4 539
Operational Revenue		330	114	283	905	905	905	905	965	1 012	1 070
Non-Exchange Revenue											
Property rates	2	44 904	46 575	48 726	54 088	54 088	54 088	54 088	54 360	57 024	60 274
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 398	762	2 058	1 769	1 769	1 769	1 769	1 769	1 856	1 961
Licences or permits		1 325	17	(96)	25	25	25	25	25	26	28
Transfer and subsidies - Operational		244 441	306 535	267 351	293 418	295 226	295 226	295 226	318 510	333 878	324 100
Interest		11 070	11 986	14 020	14 431	14 431	14 431	14 431	18 431	19 334	20 436
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	333	-	-	-	-	-	-	-	-
Other Gains		(3)	1 468	(15)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contr		380 515	452 685	418 070	477 227	479 751	479 751	479 751	514 753	539 736	541 692
Expenditure											
Employee related costs	2	114 310	119 453	128 303	141 262	155 816	155 816	155 816	161 717	165 472	174 904
Remuneration of councillors		20 447	19 979	21 444	22 459	22 459	22 459	22 459	25 320	26 561	28 075
Bulk purchases - electricity	2	43 138	48 196	58 161	61 383	61 383	61 383	61 383	71 075	74 558	78 808
Inventory consumed	8	4 016	5 757	6 075	7 747	8 142	8 142	8 142	7 629	8 003	8 459
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		47 812	42 843	52 798	53 336	73 136	73 136	73 136	53 300	55 912	59 099
Interest	3	-	14	35	-	-	-	-	-	-	-
Contracted services		80 304	93 160	100 354	113 584	110 776	110 776	110 776	113 385	118 882	125 699
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		15 797	27 338	17 651	6 000	6 000	6 000	6 000	6 000	6 294	6 653
Operational costs		36 353	39 240	49 201	74 252	69 835	69 835	69 835	76 325	80 040	84 602
Losses on disposal of Assets		684	-	78 219	-	105 000	105 000	105 000	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		362 865	395 981	512 240	480 023	612 548	612 548	612 548	514 751	535 721	566 299
Surplus/(Deficit)		17 650	56 704	(94 170)	(2 796)	(132 796)	(132 796)	(132 796)	2	4 015	(24 606)
Transfers and subsidies - capital (monetary)	6	124 782	92 926	165 532	102 356	108 353	108 353	108 353	95 481	90 533	90 561
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		142 432	149 630	71 362	99 560	(24 444)	(24 444)	(24 444)	95 483	94 548	65 955
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		142 432	149 630	71 362	99 560	(24 444)	(24 444)	(24 444)	95 483	94 548	65 955
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		142 432	149 630	71 362	99 560	(24 444)	(24 444)	(24 444)	95 483	94 548	65 955
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	142 432	149 630	71 362	99 560	(24 444)	(24 444)	(24 444)	95 483	94 548	65 955

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

1. Total revenue is R 514,7 million (excluding capital and escalates to R 541,6 million by 2025/26.
2. Revenue to be generated from property rates is R 54,3 million in the 2023/24 financial year and increases to R 60,2 million by 2025/26 which represents 9 per cent of the own operating revenue base of the Municipality and therefore remains a significant funding source for the municipality's own revenue.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R 86,9 million for the 2023/24 financial year and increasing to R 96,4 million by 2025/26. For the 2023/24 financial year services charges amount to 16 per cent of

the total operating revenue base. This growth can mainly be attributed to the increase in the bulk prices of electricity.

4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue source increases each year as per the allocations on the DORA.
5. Bulk purchases amount to R 71 million and increases to R 78,8 million for 2025/26. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
6. Employee related costs and bulk purchases 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.

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		
		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
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote 1 - Executive Council		--	--	--	--	--	--	--	--	--	--
Vote 2 - Finance and Admin		--	--	--	--	--	--	--	--	--	--
Vote 3 - Corporate		--	--	--	--	--	--	--	--	--	--
Vote 4 - Development and Planning		--	--	--	--	--	--	--	--	--	--
Vote 5 - Community		--	--	--	--	--	--	--	--	--	--
Vote 6 - Infrastructure		--	--	--	--	--	--	--	--	--	--
Vote 7 - Internal Audit		--	--	--	--	--	--	--	--	--	--
Vote 8 -		--	--	--	--	--	--	--	--	--	--
Vote 9 -		--	--	--	--	--	--	--	--	--	--
Vote 10 -		--	--	--	--	--	--	--	--	--	--
Vote 11 -		--	--	--	--	--	--	--	--	--	--
Vote 12 -		--	--	--	--	--	--	--	--	--	--
Vote 13 -		--	--	--	--	--	--	--	--	--	--
Vote 14 -		--	--	--	--	--	--	--	--	--	--
Vote 15 -		--	--	--	--	--	--	--	--	--	--
Capital multi-year expenditure sub-total	7	--	--	--	--	--	--	--	--	--	--
Single-year expenditure - to be appropriated	2										
Vote 1 - Executive Council		(28)	3 574	74	--	--	--	--	70	80	190
Vote 2 - Finance and Admin		133 748	4 061	562	3 260	4 060	4 060	4 060	3 900	600	5 270
Vote 3 - Corporate		3 467	(2 384)	4 698	2 310	2 310	2 310	2 310	2 610	4 250	3 022
Vote 4 - Development and Planning		158 094	21 920	163	500	500	500	500	130	250	300
Vote 5 - Community		5 579	2 402	2 484	6 360	6 360	6 360	6 360	9 130	8 560	2 210
Vote 6 - Infrastructure		189 132	122 092	181 915	158 879	164 076	164 076	164 076	164 017	116 833	109 511
Vote 7 - Internal Audit		(12 655)	--	--	--	--	--	--	1 860	150	60
Vote 8 -		--	--	--	--	--	--	--	--	--	--
Vote 9 -		--	--	--	--	--	--	--	--	--	--
Vote 10 -		--	--	--	--	--	--	--	--	--	--
Vote 11 -		--	--	--	--	--	--	--	--	--	--
Vote 12 -		--	--	--	--	--	--	--	--	--	--
Vote 13 -		--	--	--	--	--	--	--	--	--	--
Vote 14 -		--	--	--	--	--	--	--	--	--	--
Vote 15 -		--	--	--	--	--	--	--	--	--	--
Capital single-year expenditure sub-total		477 336	151 664	189 896	171 309	177 306	177 306	177 306	181 717	130 723	120 563
Total Capital Expenditure - Vote		477 336	151 664	189 896	171 309	177 306	177 306	177 306	181 717	130 723	120 563
Capital Expenditure - Functional											
Governance and administration		124 532	5 250	5 334	5 570	6 370	6 370	6 370	8 448	5 088	8 542
Executive and council		(28)	3 574	74	--	--	--	--	70	80	190
Finance and administration		137 215	1 676	5 260	5 570	6 370	6 370	6 370	6 510	4 850	8 292
Internal audit		(12 655)	--	--	--	--	--	--	1 860	150	60
Community and public safety		52 737	2 248	1 368	3 460	3 460	3 460	3 460	4 600	7 060	1 760
Community and social services		49 956	2 093	166	1 510	1 510	1 510	1 510	910	500	1 760
Sport and recreation		--	--	--	--	--	--	--	--	--	--
Public safety		2 781	155	1 199	1 950	1 950	1 950	1 950	3 690	6 560	--
Housing		--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--
Economic and environmental services		208 813	98 243	84 145	110 101	114 603	114 603	114 603	99 791	62 331	48 611
Planning and development		904	488	163	500	500	500	500	130	250	300
Road transport		207 909	97 755	83 983	109 601	114 103	114 103	114 103	99 661	62 081	48 311
Environmental protection		--	--	--	--	--	--	--	--	--	--
Trading services		91 254	45 923	99 051	52 178	52 873	52 873	52 873	68 886	56 252	61 650
Energy services		138 413	45 769	97 933	49 278	49 973	49 973	49 973	64 356	54 752	61 200
Water management		--	--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--	--
Waste management		(47 159)	154	1 119	2 900	2 900	2 900	2 900	4 530	1 500	450
Other		--	--	--	--	--	--	--	--	--	--
Total Capital Expenditure - Functional	3	477 336	151 664	189 896	171 309	177 306	177 306	177 306	181 717	130 723	120 563
Funded by:											
National Government		306 482	63 340	141 845	99 553	105 549	105 549	105 549	95 481	90 533	90 561
Provincial Government		22 821	121	--	--	--	--	--	--	--	--
District Municipality		--	--	--	--	--	--	--	--	--	--
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		158	--	--	--	--	--	--	--	--	--
Transfers recognised - capital	4	329 461	63 461	141 845	99 553	105 549	105 549	105 549	95 481	90 533	90 561
Borrowing	6	--	--	--	--	--	--	--	--	--	--
Internally generated funds	7	8 503	72 758	47 048	71 757	71 757	71 757	71 757	86 236	40 190	30 002
Total Capital Funding	7	337 964	136 219	188 893	171 309	177 306	177 306	177 306	181 717	130 723	120 563

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (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. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
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 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.

The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

MBRR Table A6 -Budgeted Financial Position**Explanatory notes to 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			153 196	224 422	236 732	232 938	245 998	245 998	245 998	326 924	337 933	330 903
Trade and other receivables from exchange transactions		1	3 206	(13 393)	(20 836)	45 253	64 390	64 390	64 390	125 378	149 875	175 769
Receivables from non-exchange transactions		1	92 060	103 001	126 487	30 185	30 185	30 185	30 185	52 209	82 948	115 442
Current portion of non-current receivables			—	—	—	—	—	—	—	—	—	—
Inventory		2	1 703	2 137	1 874	1 093	1 094	1 094	1 094	2 025	2 025	2 025
VAT			56 951	59 135	70 782	—	12 746	12 746	12 746	17 322	34 319	51 942
Other current assets			76	4 696	4 961	—	—	—	—	—	—	—
Total current assets			307 193	379 998	420 000	309 470	354 413	354 413	354 413	523 858	607 100	676 080
Non current assets												
Investments			—	—	—	—	—	—	—	—	—	—
Investment property			3 698	4 960	4 960	—	—	—	—	4 960	4 960	4 960
Property, plant and equipment		3	1 059 860	1 122 708	1 134 394	1 356 483	1 237 680	1 237 680	1 237 680	1 297 761	1 371 632	1 433 318
Biological assets			—	—	—	—	—	—	—	—	—	—
Living and non-living resources			—	—	—	—	—	—	—	—	—	—
Heritage assets			—	—	870	620	620	620	620	—	—	—
Intangible assets			692	403	94	4 626	4 626	4 626	4 626	1 975	2 915	2 693
Trade and other receivables from exchange transactions			—	—	—	—	—	—	—	—	—	—
Non-current receivables from non-exchange transactions			—	—	—	—	—	—	—	—	—	—
Other non-current assets			—	—	—	—	—	—	—	—	—	—
Total non current assets			1 064 250	1 128 072	1 140 318	1 361 729	1 242 926	1 242 926	1 242 926	1 304 697	1 379 507	1 440 972
TOTAL ASSETS			1 371 443	1 508 070	1 560 318	1 671 199	1 597 338	1 597 338	1 597 338	1 828 554	1 986 607	2 117 052
LIABILITIES												
Current liabilities												
Bank overdraft			—	—	—	—	—	—	—	—	—	—
Financial liabilities			—	—	—	—	—	—	—	—	—	—
Consumer deposits			1 387	1 497	1 578	822	822	822	822	413	413	413
Trade and other payables from exchange transactions		4	46 942	47 666	51 878	62 798	99 104	99 104	99 104	56 071	105 896	155 925
Trade and other payables from non-exchange transactions		5	1 753	4 461	12 340	0	0	0	0	—	—	—
Provision			12 157	12 357	11 350	35 752	35 752	35 752	35 752	90 868	90 868	90 868
VAT			46 562	57 369	68 021	—	13 836	13 836	13 836	13 041	26 722	41 182
Other current liabilities			2 961	2 961	2 961	—	—	—	—	—	—	—
Total current liabilities			111 761	126 310	148 127	99 372	149 515	149 515	149 515	160 394	223 899	288 388
Non current liabilities												
Financial liabilities		6	—	—	—	—	—	—	—	—	—	—
Provision		7	19 617	24 191	28 828	14 442	14 442	14 442	14 442	38 827	38 827	38 827
Long term portion of trade payables			—	—	—	—	—	—	—	—	—	—
Other non-current liabilities			8 659	13 536	14 601	—	—	—	—	—	—	—
Total non current liabilities			28 276	37 728	43 429	14 442	14 442	14 442	14 442	38 827	38 827	38 827
TOTAL LIABILITIES			140 037	164 038	191 556	113 814	163 956	163 956	163 956	199 221	262 726	327 215
NET ASSETS			1 231 407	1 344 032	1 368 762	1 557 385	1 433 382	1 433 382	1 433 382	1 629 334	1 723 882	1 789 837
COMMUNITY WEALTH/EQUITY												
Accumulated surplus/(deficit)		8	646 144	891 672	969 989	1 178 048	1 361 803	1 361 803	1 361 803	1 455 964	1 550 512	1 616 467
Reserves and funds		9	452 460	452 460	395 384	379 337	71 579	71 579	71 579	173 370	173 370	173 370
Other			—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY			1 098 604	1 344 132	1 365 373	1 557 385	1 433 382	1 433 382	1 433 382	1 629 334	1 723 882	1 789 837

1. Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors 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. 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.
4. 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.

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		
		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
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		9	17 483	36 620	43 271	43 271	43 271	43 271	43 488	45 619	48 216
Service charges		57 798	54 759	62 021	69 553	64 253	64 253	64 253	76 730	80 490	85 078
Other revenue		44 102	33 631	15 705	7 598	31 464	31 464	31 464	51 959	46 685	47 054
Transfers and Subsidies - Operational	1	259 411	309 461	266 202	293 418	295 226	295 226	295 226	318 510	333 878	324 100
Transfers and Subsidies - Capital	1	108 432	92 926	174 749	102 356	108 353	108 353	108 353	95 481	90 533	90 561
Interest		174	—	4 385	14 650	15 060	15 060	15 060	17 200	18 043	19 071
Dividends		—	—	—	—	—	—	—	—	—	—
Payments											
Suppliers and employees		175 962	(16 912)	(218 683)	(420 662)	(428 386)	(428 386)	(428 386)	(455 451)	(473 515)	(500 547)
Interest		—	—	—	—	—	—	—	—	—	—
Transfers and Subsidies	1	—	—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		645 889	491 348	340 998	110 185	129 241	129 241	129 241	147 918	141 731	113 534
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—	—
Payments											
Capital assets		(165 782)	(161 457)	(188 241)	(171 309)	(177 306)	(177 306)	(177 306)	(181 717)	(130 723)	(120 563)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(165 782)	(161 457)	(188 241)	(171 309)	(177 306)	(177 306)	(177 306)	(181 717)	(130 723)	(120 563)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—	—
Payments											
Repayment of borrowing		—	—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—	—	—	—
NET INCREASE/ (DECREASE) IN CASH HELD		480 107	329 891	152 757	(61 125)	(48 065)	(48 065)	(48 065)	(33 799)	11 009	(7 030)
Cash/cash equivalents at the year begin:	2	123 957	—	224 422	294 088	294 088	294 088	294 088	360 723	326 924	337 933
Cash/cash equivalents at the year end:	2	604 064	329 891	377 179	232 963	246 023	246 023	246 023	326 924	337 933	330 903

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. The 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. The estimated surplus for the 2023/24 MTREF is based on enhancing the going concern principle of the municipality, the cash and cash equivalents is estimated at R 326,9 million and R 330,9 million in 2025/26 outer year.

Explanatory notes to 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	604 064	329 891	377 179	232 963	246 023	246 023	246 023	326 924	337 933	330 903
Other current investments > 90 days			(450 868)	(105 469)	(140 447)	(25)	(25)	(25)	(25)	–	–	–
Non current investments		1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:			153 196	224 422	236 732	232 938	245 998	245 998	245 998	326 924	337 933	330 903
Application of cash and investments												
Trade payables from Non-exchange transactions: Other			1 753	4 461	12 340	0	0	0	0	–	–	–
Unspent borrowing			–	–	–	–	–	–	–	–	–	–
Statutory requirements		2	20 604	57 702	77 824	–	1 091	1 091	1 091	(4 281)	(7 598)	(10 760)
Other working capital requirements		3	(34 058)	(39 341)	(57 937)	39 950	72 782	72 782	72 782	(4 150)	18 364	38 264
Other provisions			15 117	15 318	14 310	35 752	35 752	35 752	35 752	90 868	90 868	90 868
Long term investments committed		4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		5	364 732	364 732	364 732	379 337	71 579	71 579	71 579	173 370	173 370	173 370
Total Application of cash and investments:			368 148	402 871	411 269	455 040	181 204	181 204	181 204	255 807	275 003	291 741
Surplus(shortfall)			(214 952)	(178 449)	(174 537)	(222 101)	64 794	64 794	64 794	71 117	62 929	39 161

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. Considering the requirements of section 18 of the MFMA, it can be concluded that the tabled 2023/24 MTREF is funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

A9 - Asset Management

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	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	459 716	105 189	156 903	141 095	132 828	132 828	150 200	98 316	87 663
Roads Infrastructure		179 041	26 982	47 268	43 437	52 651	52 651	63 147	30 126	23 261
Storm water Infrastructure		—	—	—	700	700	700	—	—	—
Electrical Infrastructure		102 932	43 793	97 236	63 238	57 488	57 488	55 129	46 000	51 200
Water Supply Infrastructure		—	—	—	450	590	590	300	500	1 200
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	1 100	1 100	1 100	1 700	850	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		454	(3 358)	898	550	630	630	250	500	—
Infrastructure		282 427	67 417	145 403	109 475	113 159	113 159	120 526	77 976	75 661
Community Facilities		35 562	400	885	—	—	—	500	—	—
Sport and Recreation Facilities		33 289	5 828	1 634	200	100	100	4 308	2 000	—
Community Assets		68 851	6 228	2 519	200	100	100	4 808	2 000	—
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		24 889	20 817	2 464	5 700	6 773	6 773	6 100	2 000	2 500
Housing		—	—	—	—	—	—	—	—	—
Other Assets		24 889	20 817	2 464	5 700	6 773	6 773	6 100	2 000	2 500
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		642	—	50	600	600	600	2 150	1 150	—
Intangible Assets		642	—	50	600	600	600	2 150	1 150	—
Computer Equipment		18 507	2 008	4 328	1 700	1 940	1 940	2 350	4 030	3 530
Furniture and Office Equipment		39 159	3 986	301	700	380	380	1 085	550	320
Machinery and Equipment		3 118	1 228	1 837	3 770	4 875	4 875	4 280	160	652
Transport Assets		33 816	3 504	—	18 950	5 000	5 000	8 900	10 450	5 000
Land		(11 692)	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Living Resources		—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets	2	—	—	—	2 850	4 944	4 944	—	—	—
Roads Infrastructure		—	—	—	2 850	4 944	4 944	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		—	—	—	2 850	4 944	4 944	—	—	—
Community Facilities		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Community Assets		—	—	—	—	—	—	—	—	—
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—

Total Upgrading of Existing Assets	6	17 620	46 475	32 993	27 365	39 535	39 535	31 517	32 487	32 900
Roads Infrastructure		2 747	44 876	32 536	21 615	37 635	37 635	18 750	16 500	14 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 653	565	240	-	-	-	5 667	8 502	9 500
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	217	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		5 400	45 441	32 993	21 615	37 635	37 635	24 417	25 002	23 500
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		110	334	-	5 200	1 800	1 800	5 000	4 905	8 950
Community Assets		110	334	-	5 200	1 800	1 800	5 000	4 905	8 950
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		208	614	-	550	100	100	2 100	2 500	450
Housing		-	-	-	-	-	-	-	-	-
Other Assets		208	614	-	550	100	100	2 100	2 500	450
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		130	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		11 772	85	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	477 336	151 664	189 896	171 309	177 306	177 306	181 717	130 723	120 563
Roads Infrastructure		181 788	71 858	79 805	67 901	95 230	95 230	81 897	46 626	37 261
Storm water Infrastructure		-	-	-	700	700	700	-	-	-
Electrical Infrastructure		105 585	44 358	97 476	63 238	57 488	57 488	60 796	54 502	60 700
Water Supply Infrastructure		-	-	-	450	590	590	300	500	1 200
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	217	1 100	1 100	1 100	1 700	850	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		454	(3 358)	898	550	630	630	250	500	-
Infrastructure		287 827	112 858	178 396	133 939	155 738	155 738	144 943	102 978	99 161
Community Facilities		35 562	400	885	-	-	-	500	-	-
Sport and Recreation Facilities		33 399	6 163	1 634	5 400	1 900	1 900	9 308	6 905	8 950
Community Assets		68 961	6 563	2 519	5 400	1 900	1 900	9 808	6 905	8 950
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		25 097	21 432	2 464	6 250	6 873	6 873	8 200	4 500	2 950
Housing		-	-	-	-	-	-	-	-	-
Other Assets		25 097	21 432	2 464	6 250	6 873	6 873	8 200	4 500	2 950
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		642	-	50	600	600	600	2 150	1 150	-
Intangible Assets		642	-	50	600	600	600	2 150	1 150	-
Computer Equipment		18 637	2 008	4 328	1 700	1 940	1 940	2 350	4 030	3 530
Furniture and Office Equipment		39 159	3 986	301	700	380	380	1 085	550	320
Machinery and Equipment		14 891	1 314	1 837	3 770	4 875	4 875	4 280	160	652
Transport Assets		33 816	3 504	-	18 950	5 000	5 000	8 900	10 450	5 000
Land		(11 692)	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		477 336	151 664	189 896	171 309	177 306	177 306	181 717	130 723	120 563

R thousand	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	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
ASSET REGISTER SUMMARY - PPE (WDV)			5	754 393	808 393	906 805	1 239 140	1 095 686	1 095 686	1 145 895	1 106 823	1 057 226
Roads Infrastructure				469 356	500 561	509 380	(32 234)	(51 743)	(51 743)	(34 584)	(70 863)	(109 210)
Storm water Infrastructure				(2 282)	(2 282)	(2 282)	—	—	—	—	—	—
Electrical Infrastructure				127	1 960	(3 076)	3 150	(106 455)	(106 455)	(9 700)	(26 694)	(44 656)
Water Supply Infrastructure				—	—	—	(45)	(45)	(45)	(45)	(92)	(142)
Sanitation Infrastructure				—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure				(360)	(360)	(360)	—	—	—	—	—	—
Rail Infrastructure				—	—	—	—	—	—	—	—	—
Coastal Infrastructure				—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure				371	371	371	280	335	335	(70)	(143)	(221)
Infrastructure				467 213	500 249	504 033	(28 849)	(157 908)	(157 908)	(44 399)	(97 792)	(154 229)
Community Assets				120 124	133 151	124 476	1 241 380	1 240 930	1 240 930	1 171 695	1 171 695	1 171 695
Heritage Assets				—	—	870	620	620	620	—	—	—
Investment properties				3 698	4 960	4 960	—	—	—	4 960	4 960	4 960
Other Assets				66 603	63 759	168 332	1 270	1 420	1 420	(10)	(20)	(32)
Biological or Cultivated Assets				—	—	—	—	—	—	—	—	—
Intangible Assets				692	403	94	4 626	4 626	4 626	1 975	2 915	2 693
Computer Equipment				17 183	18 721	23 318	1 818	2 083	2 083	2 724	7 334	10 932
Furniture and Office Equipment				8 072	12 327	5 410	673	303	303	1 038	1 539	1 807
Machinery and Equipment				1 495	2 023	2 512	1 397	1 357	1 357	907	726	1 034
Transport Assets				16 579	20 065	20 065	16 205	2 255	2 255	7 005	15 467	18 366
Land				52 734	52 734	52 734	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals				—	—	—	—	—	—	—	—	—
Living Resources				—	—	—	—	—	—	—	—	—
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)			5	754 393	808 393	906 805	1 239 140	1 095 686	1 095 686	1 145 895	1 106 823	1 057 226
EXPENDITURE OTHER ITEMS				65 955	63 618	71 887	83 981	93 613	93 613	78 945	82 813	87 534
Depreciation			7	47 812	42 843	52 798	53 336	73 136	73 136	53 300	55 912	59 099
Repairs and Maintenance by Asset Class			3	18 143	20 774	19 089	30 645	20 477	20 477	25 645	26 902	28 435
Roads Infrastructure				5 229	8 714	4 513	10 790	1 170	1 170	4 300	4 511	4 768
Storm water Infrastructure				—	—	—	—	—	—	—	—	—
Electrical Infrastructure				—	—	—	—	—	—	—	—	—
Water Supply Infrastructure				—	—	—	—	—	—	—	—	—
Sanitation Infrastructure				—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure				—	—	—	—	—	—	—	—	—
Rail Infrastructure				—	—	—	—	—	—	—	—	—
Coastal Infrastructure				—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure				—	—	—	—	—	—	—	—	—
Infrastructure				5 229	8 714	4 513	10 790	1 170	1 170	4 300	4 511	4 768
Community Facilities				695	989	1 491	3 750	1 450	1 450	1 800	1 888	1 996
Sport and Recreation Facilities				8 412	6 125	7 523	9 700	9 852	9 852	11 900	12 483	13 195
Community Assets				9 106	7 114	9 014	13 450	11 302	11 302	13 700	14 371	15 190
Heritage Assets				—	—	—	—	—	—	—	—	—
Revenue Generating				—	—	—	—	—	—	—	—	—
Non-revenue Generating				—	—	—	—	—	—	—	—	—
Investment properties				—	—	—	—	—	—	—	—	—
Operational Buildings				2 781	1 311	715	600	600	600	1 750	1 836	1 940
Housing				—	—	—	—	—	—	—	—	—
Other Assets				2 781	1 311	715	600	600	600	1 750	1 836	1 940
Biological or Cultivated Assets				—	—	—	—	—	—	—	—	—
Servitudes				—	—	—	—	—	—	—	—	—
Licences and Rights				—	—	—	—	—	—	—	—	—
Intangible Assets				—	—	—	—	—	—	—	—	—
Computer Equipment				—	—	—	—	—	—	—	—	—
Furniture and Office Equipment				—	—	—	—	—	—	—	—	—
Machinery and Equipment				1 026	1 261	1 277	3 305	1 905	1 905	1 895	1 988	2 101
Transport Assets				—	2 375	3 570	2 500	5 500	5 500	4 000	4 196	4 435
Land				—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals				—	—	—	—	—	—	—	—	—
Mature				—	—	—	—	—	—	—	—	—
Immature				—	—	—	—	—	—	—	—	—
Living Resources				—	—	—	—	—	—	—	—	—
TOTAL EXPENDITURE OTHER ITEMS				65 955	63 618	71 887	83 981	93 613	93 613	78 945	82 813	87 534
Renewal and upgrading of Existing Assets as % of total capex				3.7%	30.6%	17.4%	17.6%	25.1%	25.1%	17.3%	24.8%	27.3%
Renewal and upgrading of Existing Assets as % of deprecn				36.9%	108.5%	62.5%	56.6%	60.8%	60.8%	59.1%	58.0%	55.7%
R&M as a % of PPE				2.4%	2.6%	2.1%	2.5%	1.9%	1.9%	2.2%	2.4%	2.7%
Renewal and upgrading and R&M as a % of PPE				4.7%	8.3%	5.7%	4.9%	6.0%	6.0%	5.0%	5.4%	5.8%

Explanatory notes to Table A9 - Asset Management

- 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.
- 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 7 per cent of PPE.

Table 19 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 levels										
Water:	1									
Piped water inside dwelling		--	--	--	--	--	--	--	--	--
Piped water inside yard (but not in dwelling)		--	--	--	--	--	--	--	--	--
Using public tap (at least min.service level)	2	--	--	--	--	--	--	--	--	--
Other water supply (at least min.service level)	4	--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total										
Using public tap (< min.service level)	3	--	--	--	--	--	--	--	--	--
Other water supply (< min.service level)	4	--	--	--	--	--	--	--	--	--
No water supply		--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total										
Total number of households	5									
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		--	--	--	--	--	--	--	--	--
Flush toilet (with septic tank)		--	--	--	--	--	--	--	--	--
Chemical toilet		--	--	--	--	--	--	--	--	--
Pit toilet (ventilated)		--	--	--	--	--	--	--	--	--
Other toilet provisions (> min.service level)		--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total										
Bucket toilet		--	--	--	--	--	--	--	--	--
Other toilet provisions (< min.service level)		--	--	--	--	--	--	--	--	--
No toilet provisions		--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total										
Total number of households	5									
Energy:										
Electricity (at least min.service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (min.service level)		--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total										
Electricity (< min.service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (< min.service level)		--	--	--	--	--	--	--	--	--
Other energy sources		--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total										
Total number of households	5									
Refuse:										
Removed at least once a week		--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total										
Removed less frequently than once a week		--	--	--	--	--	--	--	--	--
Using communal refuse dump		--	--	--	--	--	--	--	--	--
Using own refuse dump		--	--	--	--	--	--	--	--	--
Other rubbish disposal		--	--	--	--	--	--	--	--	--
No rubbish disposal		--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total										
Total number of households	5									
Households receiving Free Basic Service										
Water (5 kilolitres per household per month)	7	--	--	--	--	--	--	--	--	--
Sanitation (free minimum level service)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per household per month)		--	--	--	--	--	--	--	--	--
Refuse (removed at least once a week)		--	--	--	--	--	--	--	--	--
Informal Settlements		--	--	--	--	--	--	--	--	--
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (5 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per indigent household per month)		--	--	--	--	--	--	--	--	--
Refuse (removed once a week for indigent households)		--	--	--	--	--	--	--	--	--
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8	--	--	--	--	--	--	--	--	--
Highest level of free service provided per household										
Property rates (R value threshold)		--	--	--	--	--	--	--	--	--
Water (kilolitres per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (kilolitres per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (Rand per household per month)		--	--	--	--	--	--	50	50	50
Electricity (kwh per household per month)		--	--	--	--	--	--	139	139	139
Refuse (average R/m per week)		--	--	--	--	--	--	18 852	19 794	20 388
Revenue cost of subsidised services provided (R'000)										
Property rates (R/m adjustment) (impermissible values per section 17 of MPRA)	9	--	--	--	--	--	--	--	--	--
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		185	0	--	13 514	13 514	13 514	15 945	16 727	17 680
Water (in excess of 6 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (in excess of free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (in excess of 50 kwh per indigent household per month)		0	--	--	12 000	6 700	6 700	--	--	--
Refuse (in excess of one removal a week for indigent households)		--	--	--	--	--	--	--	--	--
Municipal Housing - rental rebates		--	--	--	--	--	--	--	--	--
Housing - top structure subsidies		--	--	--	--	--	--	--	--	--
Other	6	--	--	--	--	--	--	--	--	--
Total revenue cost of subsidised services provided		185	0	--	25 514	20 214	20 214	15 945	16 727	17 680

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The budget provides for 15 164 households to be registered as indigent in 2023/24, and therefore entitled to receiving Free Basic Services. The number is to be maintained at 15 000 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
3. It is anticipated that these Free Basic Services will cost the municipality R 17 million in 2023/24, increasing to R 21,9 million in 2025/2026. This is covered by the municipality's equitable share allocation from national government.

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

On 29th July 2020, the IDP and Budget process plan as required by section 21 of the MFMA was submitted and approved by Council to ensure that municipality does not fail to prepare and approve its credible budget within the legislated time frames.

IDP review

As per the approved plan, the municipality on the 13 – 16 September 2021, conducted its public consultative meetings with all 26 wards to review IDP for 2023-2027. The reviewed IDP has been used by the municipality to inform the draft budget for 2023/24 to 2025/26 (MTREF) for consideration. The tabled draft budget will then be subjected for comments and suggestions by stakeholders and publicly stakeholders and public.

The Municipal Departments are aligned with the 5 Local Government Key Performance Areas. The Department's strategies are therefore linked to the 5 KRA's Details of the Budgets allocated to the various departments are reflected in schedules SA4-6.

The Departmental SDBIP contains projects and programmes listed in the IDP. The General Manager's performances plan is linked to the Departmental SDBIP.

The SDBIP marries the Performance Management System with the budget and the IDP. Thus the strategic Direction mapped out in the IDP is matched with financial resources and delivery of services as specified in the PMS.

The SDBIP allows the budget to be implemented fully as it identifies:

- The Strategic Imperative – Through link with the IDP.
- The Financial Imperative – Through links with the Budget
- The Performance Imperative – Through links to the PMS

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South Africa society can only be realised 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 other, 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 Nation 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 City, 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 City strategically complies with the key national and provincial priorities.

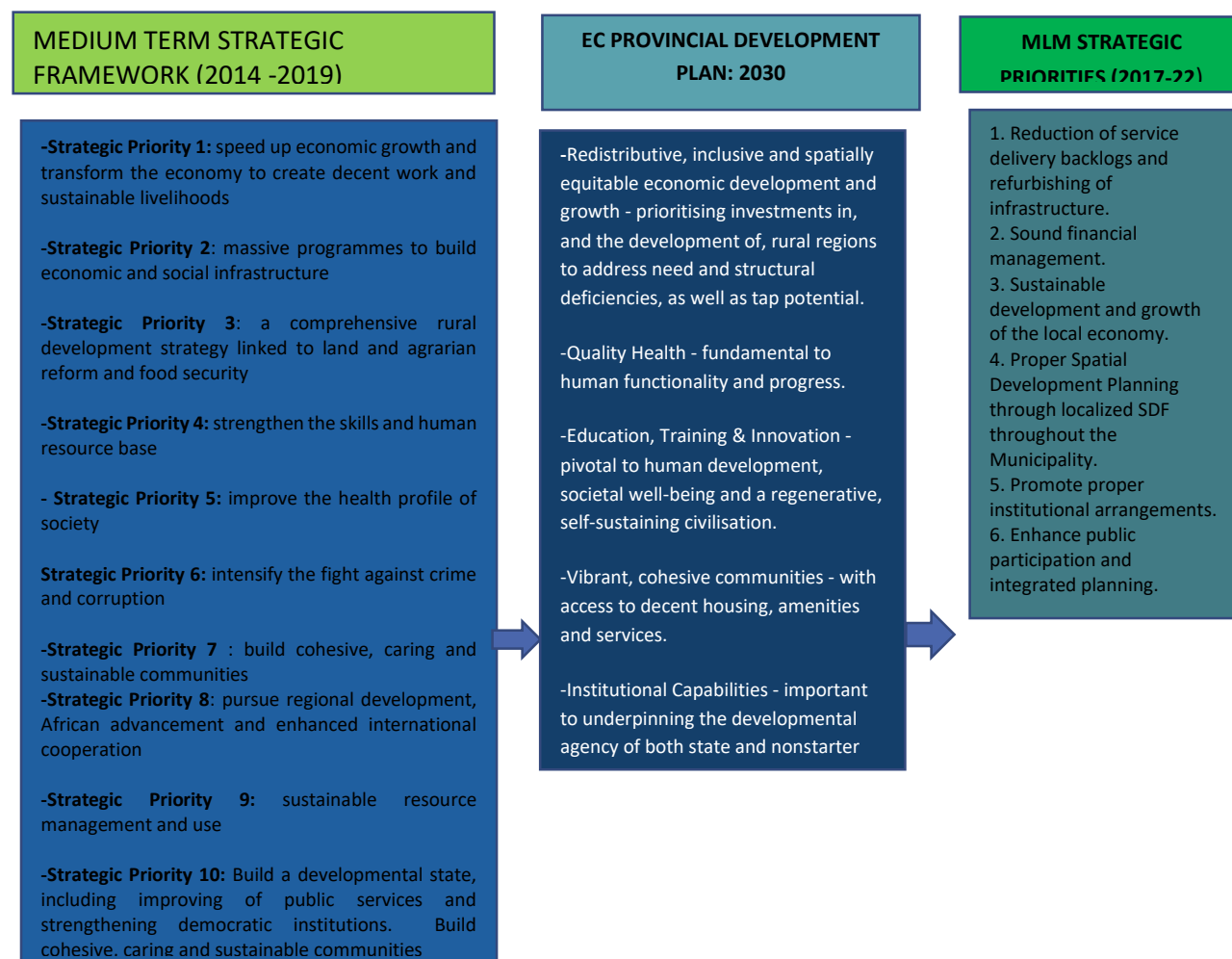
The aim of the revision cycle was develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and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

The national and provision priorities, policies

- Green Paper on National Strategic
- Government Programme of Action
- Development Facilitation Act of
- Provincial Growth and Development
- National and Provincial Spatial Development Perspectives;
- Relevant Sector plans such as transportation, Legislation and policy;
- National Key Performance Indicators (NKPI's);
- Accelerated and Shared Growth
- National Spatial Development
- 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 2016/2017 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives



In order to ensure integrated and focused service delivery between all spheres of government it was important for the city to align its budget with that of national and provincial government. All spheres of government place a high priority on infrastructure 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. Provision of quality basic service and infrastructure which includes, amongst others:
 - Provide Electricity
 - Provide Water
 - Provide Sanitation
 - Provide Waste Removal

- Provide Housing
 - Provide Roads and Storm Water
 - Provide Public Transport
 - Provide City Planning Service; and
 - Maintaining the Infrastructure of the municipality
2. Economic growth and development that leads to sustainable job creation by:
- Ensuring there is a clear structural plan for the municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
3. Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
 - Working with the Provincial Department of Health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.1 Integrated Social Services for empowered and sustained communities
- Work with Provincial Departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the Revenue Management Strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 4.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personal;

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

In addition to the five-year IDP, the City 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 City 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 City's IDP, associated scotal plans and strategies, and the allocation of resources of the City 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 planning cycles as well as changing environments were taken into consideration in the compilation for the fourth revised IDP, including;

- Strengthening the analysis and strategic planning processes of the City;
- Initiating zoned 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.

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

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Ensure full compliance with legislative requirements of MFMA, MPRA and financial relevant regulations and national treasury guides and reforms to improve financial management and its viability	sustain a Financially viable institution that is sustainable and complies with statutes	003		416,702	451,527	483,893	474,065	479,600	479,600	468,643	495,127	492,238
To promote safer, informed and secure communities	Realize sustainable communities in a safe and Healthy environment	001		3,380	3,583	3,798	4,026	4,268	4,268	5,201	5,461	5,733,821.36
Improve revenue enhancement through broadening revenue base and improving revenue collection	sustain a Financially viable institution that is sustainable and complies with statutes	003		87,336	88,930	94,266	99,922	105,918	105,918	134,363	134,363	134,363
Improve access to sports and recreational facilities in rural and urban areas within the municipality	: Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.			1,318	1,397	1,481	1,570	1,664	1,664	2,028	2,129	2,235,380.49
Allocations to other priorities				2								
			1	508,736	545,438	583,438	579,583	591,449	591,449	610,234	637,080	634,570

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

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
Provide suitable and conducive working conditions for municipal staff and councilors	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001								222,469	231,741	241,787
Ensure full compliance with legislative requirements of MFMA, MPRA and financial relevant regulations and national treasury guides and reforms to improve financial management and its viability	sustain a Financially viable institution that is sustainable and complies with statutes	002		70,978,842.32	75,238	79,752	84,537	89,609	89,609	66,961	70,309	73,825
Achieve sound environmental management and land use conservation management	Realize sustainable communities in a safe and Healthy environment	003		36,068,110.88	38,232	40,526	42,958	45,535	45,535	39,321	38,371	45,622
Provide support to indigent households with the municipality	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001		21,200,000.00	22,472	23,820	25,250	26,765	26,765	20,000	21,000	22,050
Improve the provision basic services to rural and urban communities in the municipality.	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001		216,740,665.67	270,813	338,407	294,518	415,913	415,913	140,050	147,053	154,405,455.41
Maintain municipal infrastructure and public amenities ;	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001		27,506,381.13	29,157	30,906	32,761	34,726	34,726	25,949	27,247	28,609
Allocations to other priorities												
#REF!			1	372,494	435,912	513,411	480,023	612,548	612,548	514,751	535,721	566,299

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

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Improve the provision basic services to rural and urban communities in the municipality.	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification	A		148,226	101,456	151,685	137,053	144,682	144,682	122,086	83,685	19,168
Improve access to sports and recreational facilities in rural and urban areas within the municipality	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification	B		3,250	3,413	3,583	3,762	3,950	3,950	5,000	6,450	70,000
Provide suitable and conducive working conditions for municipal staff and councilors	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification	C		4,973	5,221	5,482	5,756	6,044	6,044	7,650	9,800	10,500
Maintain municipal infrastructure and public amenities	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification	D		25,156	26,413	27,734	29,121	30,577	30,577	38,701	18,858	6,706
Achieve sound environmental management and land use conservation management	Realize sustainable communities in a safe and Healthy environment	E		2,958	3,105	3,261	3,424	3,595	3,595	4,550	5,430	6,540
Realize sustainable communities in a safe and Healthy environment	Realize sustainable communities in a safe and Healthy environment	F		2,425	2,546	2,673	2,807	2,947	2,947	3,730	6,500	7,650
Allocations to other priorities			3									
Total Capital Expenditure			1	186,986	142,154	194,418	181,923	191,795	191,795	181,717	130,723	120,563

2.2 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 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 5 Planning, Budgeting and Reporting Cycle

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

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitor 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 (marking changes where necessary)

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

Figure 6 Definition of performance information concepts

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

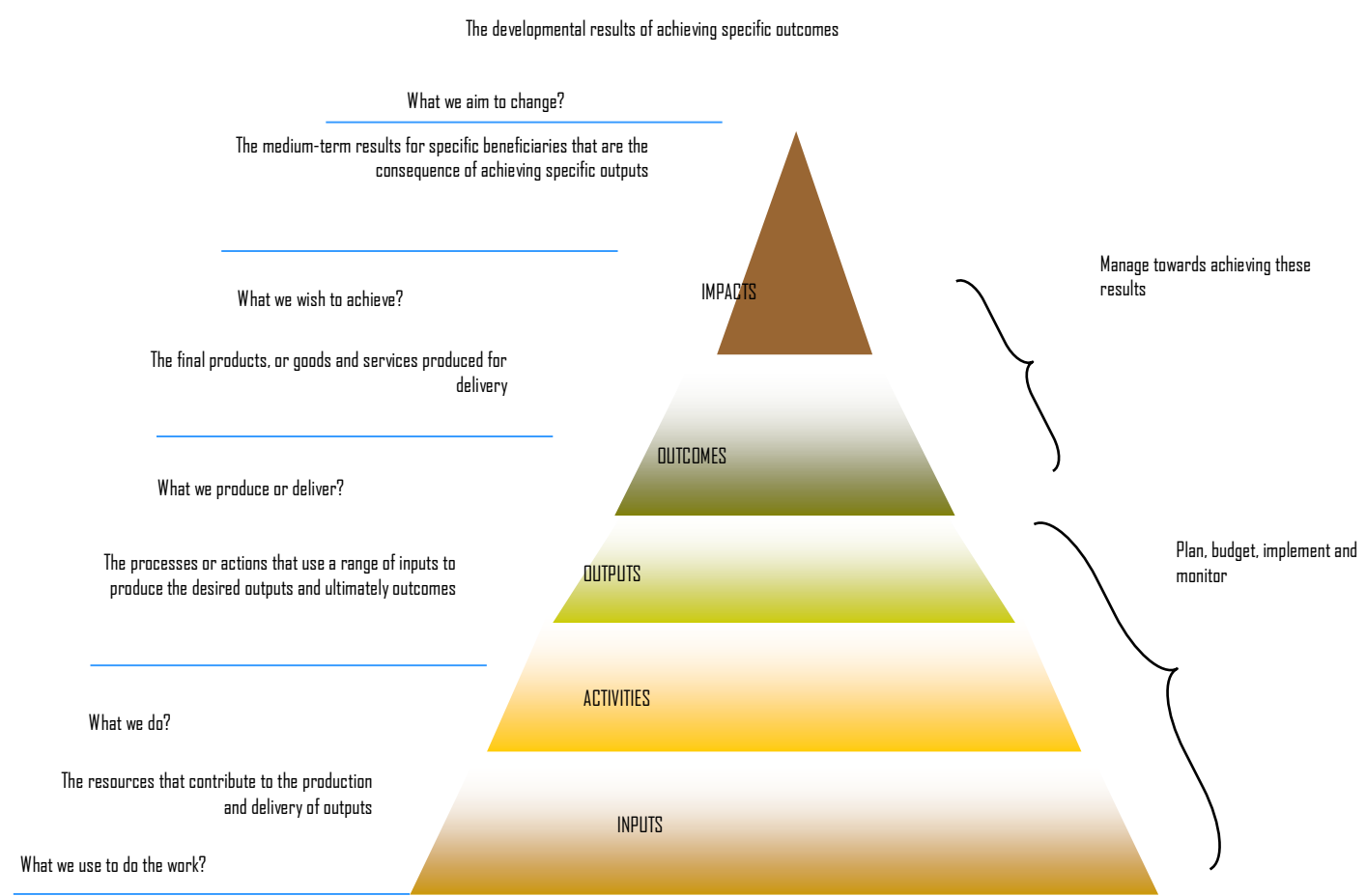


Figure 6 Definition of performance information concepts

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

MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing / Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	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	2.7	3.0	2.8	3.1	2.4	2.4	2.4	4.9	3.6	2.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.7	3.0	2.8	3.1	2.4	2.4	2.4	4.9	3.6	2.9
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	1.7	1.5	2.8	2.1	2.1	2.1	3.5	2.4	1.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		55.9%	62.7%	84.4%	80.0%	76.2%	76.2%	53.2%	54.2%	54.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		55.3%	62.3%	83.7%	79.7%	75.8%	75.8%	75.8%	83.7%	83.7%	83.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	40.6%	37.4%	48.8%	6.6%	9.2%	9.2%	9.2%	29.7%	36.3%	45.0%
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		7.8%	14.4%	13.8%	27.0%	40.3%	16.3%	16.3%	18.9%	32.8%	40.4%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kWh) technical								1 900	1 900	1 900
	Total Volume Losses (kWh) non technical								1 500	1 500	1 500
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated								4.0%	4.0%	4.0%
Water Volumes :System Input	Bulk Purchase								1 900	1 900	1 900
	Water treatment works								1 500	1 500	1 500
	Natural sources										
	Total Volume Losses (kH)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.0%	26.4%	30.7%	29.6%	32.9%	32.5%	32.5%	31.9%	31.6%	33.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.9%	26.4%	30.6%	34.2%	37.1%	37.1%		36.8%	36.5%	38.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.8%	4.6%	4.6%	6.4%	4.3%	4.3%		4.7%	4.7%	4.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15.1%	18.9%	12.9%	11.2%	15.2%	15.2%	15.2%	10.9%	10.4%	10.9%
GDP regulation financial stability indicators											
I. Debt coverage	(Total Operating Revenue - Operating Grants)/ Debt service payments due within financial year	-	103.2	28.5	31.7	31.7	31.7	27.9	28.1	28.3	28.3
II.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue realised for services	253.0%	236.0%	288.3%	35.7%	50.1%	50.1%	50.1%	105.5%	204.0%	340.0%
III. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	26.4	13.2	13.7	7.5	7.7	19.1	19.2	9.2	9.3	8.8

2.2.1 Performance indicators and benchmarks

2.2.1.1 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, Matatiele Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayment. The structure of the Municipality's debt portfolio is dominated by annuity loans.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

2.2.1.2 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 gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.2.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2022/23 MTREF the current ratio is 3.11 in the 2023/24 financial year 4.91 and 3.59 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately.

2.2.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework 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, and credit control and debt collection.

2.2.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. 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. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.2.1.6 Other Indicators

- Employee costs as a percentage of operating revenue continues to increase over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

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

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

For the 2023/24 financial year 15 164 registered indigents have been provided for in the budget with this figured increasing to 15 000 by 2024/25. In terms of the Municipality's indigent policy registered households are entitled to 50 kWh of electricity and free waste removal as well as a discount on their property rates.

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 27 MBRR A10 (Basic Service Delivery Measurement)

Note that the number of households in informal 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.

2.4 OVERVIEW OF BUDGET RALATED POLICIES

As listed hereunder are all the budget related policies that were reviewed;

Matatiele Local Municipality. All these policies can be viewed on the official municipal website www.matatiele.gov.za

Budget Related Policies

Appointment of consultant's policy,
Banking and investments policy,
Budget policy,
Cash management policy,
Cash shortage policy,
Credit control and debt collection policy,
Cost containment policy ,
Customer care policy,
Customer incentive scheme policy,
Data backup policy,
Debt capacity policy,
Donor finance policy,
Electricity token policy,
Entertainment & refreshments policy,
Unclaimed deposits policy,
Fleet Management Policy,
Fraud prevention plan ,
Gifts policy for officials,
Grants & donation policy,
GRAP framework policy,
Impairment and write off policy,
Cash-up Policy,
Fixed Assets Policy,
Policy,
Petty Cash Policy,
Rates Policy,
Special Services Policy,
Strategy to improve Debtor policy,
Supply Chain Management Policy,
Tariff Policy,
Use of Credit Card Policy and
Virement Policy.
Infrastructure procurement and delivery management policy.
Indigent Policy

Overview of Budget Assumptions

Arising from the above Overview of Economic Analysis, the following Budget Assumptions were made and are affected in the 2023/24 budget:

Estimate Salary Increases

- 2023/24 – 5.4%
- 2024/25 – 6%
- 2025/26 – 6%

Debt Impairment: the overall collection levels are estimate around 80% overall for the MLM. Payment levels for the following revenue streams have been estimated as follows:

- Property Rates (80% in 2023/24)
- Electricity (80% in 2023/24)
- Refuse (80% in 2023/24)

Other expenditure: In order to accommodate the increases in salaries, bulk purchases, debt Impairment and depreciation, it means that all other expenditure will increase at a reduced rate or maintained at the current levels;

The Budget is based on current service levels.

Government grants for the years 2023/24- 2025/26 are as per the Division of Revenue Act, assuming that all allocations will be received;

Growth in staff related costs has been provided for in the budget at 5.4% per annum, growth in the remaining expense items range from 0% to 10%;

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Breakdown of the operating revenue over the medium-term

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	47 045	57 058	58 530	71 416	71 416	71 416	71 416	71 416	74 915	79 185
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10 790	11 531	11 615	15 526	15 526	15 526	15 526	15 526	16 287	17 215
Sale of Goods and Rendering of Services		1 144	759	923	566	872	872	872	3 930	4 122	4 357
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		485	1 371	2 168	4 300	4 300	4 300	4 300	6 500	6 818	7 207
Interest earned from Current and Non Current Assets		12 973	8 835	9 599	14 450	15 060	15 060	15 060	17 200	18 043	19 071
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	172	144	-	-	-	-	-	-	-
Rental from Fixed Assets		2 783	1 398	1 260	2 028	2 028	2 028	2 028	2 028	2 127	2 248
Licence and permits		1 232	3 770	3 503	4 106	4 106	4 106	4 106	4 094	4 294	4 539
Operational Revenue		330	114	283	905	905	905	905	965	1 012	1 070
Non-Exchange Revenue											
Property rates	2	44 904	46 575	48 726	54 088	54 088	54 088	54 088	54 300	57 024	60 274
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 398	762	2 058	1 769	1 769	1 769	1 769	1 769	1 856	1 961
Licences or permits		1 325	17	(96)	25	25	25	25	25	26	28
Transfer and subsidies - Operational		244 441	306 535	267 351	293 418	295 226	295 226	295 226	318 510	333 878	324 100
Interest		11 070	11 986	14 020	14 431	14 431	14 431	14 431	18 431	19 334	20 436
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	333	-	-	-	-	-	-	-	-
Other Gains		(3)	1 468	(15)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contr		380 616	462 686	418 070	477 227	478 761	478 761	478 761	514 763	539 738	541 892

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

- The revenue strategy is a function of key components such as:
- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of 80 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The tariff increases for the 2023/24 MTREF on the different revenue categories are:

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
1	REFUSE REMOVAL CHARGES				
1.1	<i>Domestic Removals</i>				
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	R 139.19	0%	R 139.19	R 160.07
1.2	<i>Commercial Removals</i>				
(a)	Each individual/separate business shall be charged a basic service charge per month.	R 208.77	0%	R 208.77	R 240.09
1.3	In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	R 208.77	0%	R 208.77	R 240.09
1.4	Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above tariff shall be the applicable tariff.				
1.5	<i>Removal from Separate Consumers on same Premises</i>				
	Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of refuse shall be as prescribed in applicable scales.				
1.6	<i>Availability Charge</i>				
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	R 235.94	0%	R 235.94	R 271.33
	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	R 117.97	0%	R 117.97	R 135.66
2	BUILDING PLAN FEES				
2.1	The fees payable for plans of any building submitted in terms of the building regulations shall be calculated at R6.00 per R1 000 or part thereof in respect of total estimated cost of the work, subject to a minimum charge of R1 000. Building Cost is calculated at R2 500 per m². This calculation is used to calculate the building plan fees for buildings in excess of 100m² and major alterations to existing buildings.				
2.1.1	Building less than 80m².	R 813.39	0%	R 813.39	R 935.40
2.1.2	Building less than 100m².	R 2 051.23	0%	R 2 051.23	R 2 358.91
2.1.3	Building more than 100m².				
	Tariff 2.1 is applicable				
2.1.4	Hoarding Permit				
	Commercial (for 3 months)	R 264.02	0%	R 264.02	R 303.62
	Residential (for 3 months)	R 234.57	0%	R 234.57	R 269.75
	Industrial (for 3 months)	R 455.94	0%	R 455.94	R 524.33
	CBD Buildings (for 3 months)	R 714.89	0%	R 714.89	R 822.12
2.1.5	Demolishing fee for all buildings	R 433.09	0%	R 433.09	R 498.05

NO	DESCRIPTION	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
3 POUND FEES						
3.1	Schedule B: Rate of Compensation for all animals delivered to the pound, per head.	0%	R 21.33	0%	R 21.33	R 24.53
3.2	Schedule C: Trespass on private land					
	Description of animal					
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	0%	R 17.26	0%	R 17.26	R 19.85
	Sheep and goats per head per day	0%	R 12.18	0%	R 12.18	R 14.01
3.3	Schedule E: Pound Fees					
	Description of animal					
	Donkeys, Horses, Cattle, Pigs and Ostriches,	0%	R 17.26	0%	R 17.26	R 19.85
	Sheep and Goats.	0%	R 12.18	0%	R 12.18	R 14.01
3.4	Schedule F: Sustenance fees					
	Description of animal					
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	0%	R 28.43	0%	R 28.43	R 32.69
	Sheep and Goats, per head per day	0%	R 17.26	0%	R 17.26	R 19.85
4 SWIMMING POOL FEES						
4.1	Single Tickets					
	Entrance, per occasion					
(a)	Adults	0%	R 10.52	0%	R 10.52	R 12.00
(b)	Scholars and Children	0%	R 5.26	0%	R 5.26	R 6.00
4.2	Season Tickets					
	Bath only, not transferable					
(a)	Adult (Full Season)	0%	R 234.57	0%	R 234.57	R 269.76
(b)	Adult (Part Season - valid for one month from day issue)	0%	R 117.80	0%	R 117.80	R 135.47
(c)	Scholars and children (Full Season)	0%	R 117.80	0%	R 117.80	R 135.47
(d)	Scholars and children (Part Season valid for one month from day of issue)	0%	R 46.71	0%	R 46.71	R 53.71
	For the purposes of this Section "scholars" shall mean any scholars attending a primary or secondary school and "children" shall mean any children who have not reached the age of 17 years; provided that children have not reached the age of five years may be admitted free of charge if accompanied and under the care of a responsible adult.					
	School Swimming Classes					
	The Council may permit school swimming classes to use the bath free of charge at such times as the Council may determine from time to time provided that the pupils of such swimming classes are accompanied by and under the control of a responsible teacher.					
5 FIRE SERVICES						
	The charges payable for services rendered or materials supplied by the Council's Fire Department and for the use of the Department's Equipment, appliances and water, in connection with the preservation of life and property against fire, accident or other mishap, whether on private property or otherwise shall be as follows:					
5.1	For the services rendered involving the making available of any appliances, together with the attendance of personnel, the charges shall be as follows:					
(a)	Fire fighting and life-saving, per hour or part thereof	0%	R 468.12	0%	R 468.12	R 538.34
(b)	Travelling costs: Fire tenders per km or part thereof	0%	R 17.26	0%	R 17.26	R 19.85
(c)	Subsidized vehicles and any other equipment, materials used during a fire by officials of the Council					

NO	DESCRIPTION	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
6	ELECTRICITY CHARGES					
	Electricity tariff subject to National Electricity Regulator S.A approval					
	The charges payable by consumers for the supply of electricity shall be as follows:					
6.1	Scale 1: Domestic Consumers					
(a)	Basic charge, single or three phase per household per month. Plus the following kWh charges per month.	7.47%	R 568.41	15%	R 654.24	R 752.38
	0-50	7.47%	R 1.26	15%	R 1.45	R 1.67
	51-350	7.47%	R 1.64	15%	R 1.89	R 2.17
	351-600	7.47%	R 2.32	15%	R 2.67	R 3.07
	600 over	7.47%	R 2.78	15%	R 3.20	R 3.68
(b)	Scale 2: Commercial & Other Consumers					
	Basic charge of consumers with the following kVA installed per month					
	0 - 25 KVA	7.47%	R 630.32	15%	R 725.50	R 834.32
	Commercial unit charge:	7.47%	R 2.47	15%	R 2.84	R 3.27
	26 - 64 KVA	7.47%	R 2,349.71	15%	R 2,704.52	R 3,110.20
	Commercial unit charge:	7.47%	R 2.51	15%	R 2.89	R 3.32
	65 KVA and more	7.47%	R 13,748.67	15%	R 15,824.72	R 18,198.43
	Commercial unit charge:	7.47%	R 2.51	15%	R 2.89	R 3.32
(c)	Scale 3: Pre-Paid Metre Units					
	Domestic:					
	That a flat rate per kWh					
	0-50	7.47%	R 1.25	15%	R 1.44	R 1.65
	51-350	7.47%	R 1.63	15%	R 1.87	R 2.15
	351-600	7.47%	R 2.31	15%	R 2.66	R 3.05
	600 over	7.47%	R 2.77	15%	R 3.18	R 3.66
	Commercial Prepaid					
	That a flat rate per kWh					
	0 - 2000 kWh	7.47%	R 2.51	15%	R 2.89	R 3.33
(d)	Scale 4: Schools/School Hostels					
	"Schools defined as the majority of its Teachers paid for by the Government or State Education Department."					
	Basic Charges per month,	7.47%	R 453.46	15%	R 521.94	R 600.23
	Plus the following charger per kWh per month					
	0 - 2000 kWh	7.47%	R 1.71	15%	R 1.96	R 2.26
	2000 - and more	7.47%	R 1.71	15%	R 1.96	R 2.26
6.2	Special Agreements					
	The Council reserves the right in special circumstances to enter into special agreements subject to the approval of the Premier of the supply of electrical energy to consumers.					

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
	CEMETERY CHARGES				
	The following fees shall be payable to the Council in respect of burials and other services in the public cemetery.				
7.1	<i>Burial Plots - Charge per Burial Plot</i>				
	A non-refundable charge of:	R 184.32	0%	R 184.32	R 211.97
7.2	<i>Burial Fees</i>				
(a)	Adult	R 305.06	0%	R 305.06	R 350.82
(b)	Child	R 305.06	0%	R 305.06	R 350.82
7.3	<i>Miscellaneous Charges</i>				
(a)	Exhumation of body	R 2 307.13	0%	R 2 307.13	R 2 653.20
(b)	Widening or deepening of grave	R 311.42	0%	R 311.42	R 358.13
(c)	Permit to erect a memorial	R 126.94	0%	R 126.94	R 145.98
7.4	Fees for non-residents of the municipal area shall be the prescribed fees in (7.1) and (7.2) above, plus 50%				
7.5	After hours burial request as in (7.1) plus 100%				
7.6	At least 16 working hours notice must be given of a burial				
7.7	Pauper burial fees	R 508.75	0%	R 508.75	R 585.06
7.8	Internment of ashes in excising graves	R 40.62	0%	R 40.62	R 46.71

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
8	PUBLIC HALLS TARIFF				
8.1	<i>Town Hall (Matatiele)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 4 374.72	0%	R 4 374.72	R 5 030.93
(b)	Main hall and kitchen per function exceeding 12 hour.	R 5 091.35	0%	R 5 091.35	R 5 855.05
8.2	<i>Town Hall (Maluti Civic Centre)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 4 374.72	0%	R 4 374.72	R 5 030.93
(b)	Main hall and kitchen per function exceeding 12 hour.	R 5 091.35	0%	R 5 091.35	R 5 855.05
	<i>Town Hall (Cedarville)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 1 653.75	0%	R 1 653.75	R 1 901.81
(b)	Main hall and kitchen per function exceeding 12 hour.	R 2 386.91	0%	R 2 386.91	R 2 744.95
(c)	Old Cedarville Boardroom	R 159.86	0%	R 159.86	R 183.84
8.3	<i>Harry Gwala Park Community Hall</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 716.63	0%	R 716.63	R 824.12
(b)	Main hall and kitchen per function exceeding 12 hour.	R 716.63	0%	R 716.63	R 824.12
8.4	<i>Nokhwezi & Msingizi Community Hall</i>				
(a)	Hall per 12 hour period per day	R 716.63	0%	R 716.63	R 824.12
(b)	Hall per kitchen per function exceeding 12 hours	R 716.63	0%	R 716.63	R 824.12
8.5	<i>Library Hall (Matatiele)</i>				
(a)	Hall per 12 hour period per day	R 238.14	0%	R 238.14	R 273.86
8.6	<i>Library Hall (Cedarville)</i>				
(a)	Hall per 12 hour period per day	R 207.27	0%	R 207.27	R 238.36
8.7	<i>Community Halls (Rural Area)</i>				
(a)	Hall per 12 hour period per day	R 159.86	0%	R 159.86	R 183.84
8.8	<i>Equipment</i>				
	The public address system per day or part thereof	R 438.80	0%	R 438.80	R 504.61
8.9	In addition to 8.1 to 8.6 above the hirer shall purchase pre-paid electricity cards for the supply of electricity.				
8.10	Where the hall is hired there shall first be deposited with the Chief Financial Officer the following amounts which amounts shall be refunded when the premises is handed over in satisfactory condition.				
	Town Hall (Matatiele)	R 4 360.00	0%	R 4 535.00	R 4 535.00
	Town Hall (Cedarville)	R 1 720.00	0%	R 1 790.00	R 1 790.00
	Harry Gwala Park Community Hall	R 705.00	0%	R 735.00	R 735.00
	Nokhwezi & Msingizi Community Hall	R 705.00	0%	R 735.00	R 735.00
	Library Hall (Matatiele)	R 235.00	0%	R 245.00	R 245.00
	Library Hall (Cedarville)	R 185.00	0%	R 192.00	R 192.00
8.11	<i>Community Halls</i>				
	The Municipal Manager has delegated Authority to hire the Community Halls to Matatiele Local Registered Non-Profit Organisations/Institutions and to resident members of the community for memorial/personal social activities at a variable charge not less than the following amount per occasion	R 80.00	0%	R 80.00	R 92.00

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
9	MISCELLANEOUS SERVICES				
	<i>Sundry Charges</i>				
9.1	Search Fees				
(a)	Other than from the Minutes of proceedings of the Council, for any document or information required dated back:				
(b)	More than 12 months but not more than 24 months.	R 81.24	0%	R 81.24	R 93.42
(c)	24 Months or more but not more than 48 months.	R 152.32	0%	R 152.32	R 175.17
(d)	48 months or more	R 304.64	0%	R 304.64	R 350.33
9.2	Copy of valuation roll (Electronic only)	R 760.58	0%	R 760.58	R 874.67
9.3	Copy of voters roll (per ward)	R 760.58	0%	R 760.58	R 874.67
9.4	Rates and Service clearance certificates	R 81.24	0%	R 81.24	R 93.42
	Deed Search Print out	R 31.96	0%	R 31.96	R 36.76
	Title Deed Search	R 141.52	0%	R 141.52	R 162.75
	SG Diagram Search per image (1page)	R 18.26	0%	R 18.26	R 21.00
9.5	Objections or Appeals to property valuations	R 71.08	0%	R 71.08	R 81.74
9.6	Services rendered by Council but not covered in tariffs of charges.				
9.7	Valuation Certificate	R 87.33	0%	R 87.33	R 100.43
9.8	Copy of estimates	R 325.96	0%	R 325.96	R 374.86
9.11	Amendments of conditions of approval (per condition)	R 286.36	0%	R 286.36	R 329.32
9.12	Vehicle pound fees on all impounded vehicles per vehicle per day plus tow-in costs Impounded vehicles not released within 90 (ninety) days will be sold.	R 224.41	0%	R 224.41	R 258.07
9.13	Chemical toilet hire per toilet per day: Fee	R 798.15	0%	R 798.15	R 917.87
	Deposit per toilet	R 399.07	0%	R 399.07	R 458.93
9.14	Sports grounds rental Local clubs for practices per practice	R 89.36	0%	R 89.36	R 102.77
	Local clubs per game	R 445.79	0%	R 445.79	R 512.66
	Outside clubs per game	R 668.18	0%	R 668.18	R 768.40
	Stadium hire for non sporting events.	R 570.69	0%	R 570.69	R 656.29
	Tennis Court Rental				
	PER PRACTICE				
	Practice sessions maximum of 3 hours per session				
	Fees per team of 2 players – (below the age of 18)	R 26.09	0%	R 26.09	R 30.00
	(18 and above)	R 95.65	0%	R 95.65	R 110.00
	PER MATCH				
	Fees per Match team of 2 players– (below the age of 18)	R 104.35	0%	R 104.35	R 120.00
	(18 and above)	R 182.61	0%	R 182.61	R 210.00
	SEASON TICKETS (SIX MONTHS)				
	Fees per Practice per team of 2 – (below the age of 18)	R 191.30	0%	R 191.30	R 220.00
	(18 and above)	R 573.91	0%	R 573.91	R 660.00
	YEAR TICKETS (12 MONTHS)				
	Fees per Practice per team of 2 – (below the age of 18)	R 486.96	0%	R 486.96	R 560.00
	(18 and above)	R 973.91	0%	R 973.91	R 1 120.00
9.15	Pre-paid Electricity Metering cards to be purchased for the use of lights at the stadium at the Domestic Rates.				
9.16	A penalty will be charged for any dishonoured cheque.	R 200.04	0%	R 200.04	R 230.05
9.17	Damage to any Council property	R 2 173.09	0%	R 2 173.09	R 2 499.05
9.18	Cleaning of over grown property after failing to respond to councils instruction to clean this said property.	R 5 632.76	0%	R 5 632.76	R 6 477.67
9.19	Dog Licenses Dogs	R 22.34	0%	R 22.34	R 25.70
9.20	Library Fines Lost books + cost of the book. Book/s per day Video/s per day Photocopies per copy Internet per 30 minutes Internet E-Mail address per 6 months.	R 30.47	0%	R 30.47	R 35.04
9.22	Tender Documents				
	Tender that is less than R1 million (including VAT)	R 260.87			R 300.00
	Tender that is between R1 million and R10 million (including VAT)	R 434.79			R 500.00
	Tender that is above R10 million (including VAT)	R 869.57			R 1 000.00
	The fee will increase according to the size of the tender document.				

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
10	BUSINESS LICENSES				
11.1	Food Vendors in caravans & carts or similar vessel	R 194.97	0%	R 194.97	R 224.22
11.2	General Dealers	R 649.89	0%	R 649.89	R 747.37
11.3	Supermarkets, Wholesalers & Butcheries	R 649.89	0%	R 649.89	R 747.37
11.4	Restaurants, B&B's, Hotels, Guest Houses, Lodges	R 649.89	0%	R 649.89	R 747.37
11.5	Spaza Shops	R 390.12	0%	R 390.12	R 448.64
11.6	Funeral Parlours	R 649.89	0%	R 649.89	R 747.37
11.7	Hawker License: Trucks & Bakkies	R 194.97	0%	R 194.97	R 224.22
11.8	Hawker License: Street Vendors	R 104.35	0%	R 104.35	R 120.00
11.8.1	Hawker License: Sheltered	R 156.52	0%	R 156.52	R 180.00
11.9	Hawker License: (Special Application – Events)	R 389.94	0%	R 389.94	R 448.43
11.10	Clothing Shops	R 649.89	0%	R 649.89	R 747.37
11.11	Hardware	R 649.89	0%	R 649.89	R 747.37
11.12	Garages	R 649.89	0%	R 649.89	R 747.37
11.13	Livestock Sales	R 259.96	0%	R 259.96	R 298.95
11.14	Car wash	R 259.96	0%	R 259.96	R 298.95
11.15	Laundromat/Dry Cleaning	R 649.89	0%	R 649.89	R 747.37
11.16	Financial Institution	R 649.89	0%	R 649.89	R 747.37
11.17	Beauty Parlour: Hair Salons, Barber Shops etc	R 259.96	0%	R 259.96	R 298.95
11.18	Furniture Shops	R 649.89	0%	R 649.89	R 747.37
11.19	Legal Practice	R 649.89	0%	R 649.89	R 747.37
11.20	Surgeries	R 649.89	0%	R 649.89	R 747.37
11.21	Transport Industry	R 649.89	0%	R 649.89	R 747.37
11.22	Liquor: Bottle Stores, Taverns	R 649.89	0%	R 649.89	R 747.37
11.23	Book Shops	R 649.89	0%	R 649.89	R 747.37
11.24	Brokers: Insurance, Estate agents etc	R 649.89	0%	R 649.89	R 747.37

	WITHOUT VAT	Current Tariff VAT Excluded 2022/2023	Increase for 2023/2024	New Tariff VAT Excluded 2023/2024	New Tariff Including VAT 2023/2024
15	ADVERTISING & SIGNAGE				
15.1	Billboards				
	non refundable application fee per board/sign (annually)		0%		R 3 400.00
	+ Approval fee per applicant		0%		R 91.00
15.2	Ground Signs				
	non refundable application fee per board/sign (annually)		0%		R 313.00
	+ Approval fee per applicant		0%		R 50.00
15.3	Wall Sign - Flat				
	non refundable application fee per board/sign (annually)		0%		R 563.00
	+ Approval fee per applicant		0%		R 50.00
15.4	Roof, Veranda, Balcony, Canopy and Under awning Sign				
	non refundable application fee per board/sign (annually)		0%		R 563.00
15.5	Estate Agent Boards				
	non refundable application fee (annually)		0%		R 750.00
	+ per board/sign (annually)		0%		R 62.00
15.6	Portable Boards / Collapsible Structures / Signs				
	non refundable application fee per board/sign (annually)		0%		R 313.00
15.7	Aerial Advertisement				
	non refundable application fee per board/sign (annually)		0%		R 625.00
15.8	Advertising Vehicles				
	non refundable application fee per board/sign (annually)		0%		R 1 500.00
15.9	Temporary Signs (Posters, Flags & Others)				
	non refundable application fee per board/sign		0%		R 62.00
	+ non commercial fee per signs, posters, flags & others		0%		R 4.00
	+ commercial fee per signs, posters, flags & others		0%		R 6.00
15.10	Banners				
	non refundable application fee per board/sign		0%		R 188.00

Table 1MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
CALL ACC STD		DAILY	CALL							118 985			6 500	125 485
CALL ACC STD		DAILY	CALL							11 794	53			11 847
CALL ACC FNB		DAILY	MONEY MARKET							6 805				6 805
NEDBANK 32 DAY CALL		32 DAY	32 DAY							6 886	43			6 928
NEDBANK		DAILY	DAILY CALL							27 194	166	(23 000)		4 360
NEDBANK MIG		DAILY	DAILY CALL							21 498	119		(1 785)	19 832
NEDBANK DOE		DAILY	DAILY CALL							15 946	93	(1 529)	11 458	25 968
NEDBANK SMARTGRID		DAILY	DAILY CALL							58	0			58
NEDBANK RETENTION		DAILY	DAILY CALL							28 475	158			28 633
NEDBANK ELECTRIFICATION		DAILY	DAILY CALL							290	2			292
FNB ESTABLISHMENT PLAN		DAILY	MONEY MARKET							203	1			204
FNB HOUSING		DAILY	MONEY MARKET							2 070	9			2 079
FNB TOURISM		DAILY	MONEY MARKET							630	3			633
FNB BANK ACC		DAILY	CURRENT							-	5			-
DISASTER RELIEF FUND		DAILY	DAILY CALL							819	1			824
COV-19V SOLIDALITY FUND		DAILY	DAILY CALL							99	1			100
TERMINATION GUARANTEE		DAILY	DAILY CALL							145				145
ACCOUNT GUARENTEE		DAILY	DAILY CALL							6 202				6 202
STANDARD BANK		DAILY	CALL							25 860				25 860
STANDARD BANK		DAILY	CALL							20 036	127	-		20 164
STANDARD BANK		YEARLY	CALL											-
Municipality sub-total										293 595		(24 529)	16 173	286 018
Entities														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									293 595		(24 529)	16 173	286 018

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

Sources of capital revenue for the 2023/24 financial year

FUNDING OF CAPITAL BUDGET	2023/24
INEP	R 39,900,000
Municipal Infrastructure Grant (MIG)	R 55,580,000
Capital Replacement Reserve (CRR)	R 86,236,076
TOTAL	R 181,716,552

The above table is graphically represented as follows for the 2023/24 financial year.

The Municipality's capital funding is dependant highly on the external grants as allocated on the DORA.

The following table is of the Municipality's borrowing liability, which is not applicable for the 2023/24 as we have no long term debt

Table 2MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorized by type R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality										
Annuit and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Annuit and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-
Unspent Borrowing - Categorized by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Table 41 MBRR Table SA 18 - transfers and grants receipts

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	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		(0)	(0)	83 508	6 460	6 460	59 183	8 599	4 769	5 082
Expanded Public Works Programme Integrated Grant		(0)	0	4 887	4 810	4 810	4 810	3 974	–	–
Local Government Financial Management Grant		(0)	–	1 650	1 650	1 650	1 650	1 700	1 700	1 838
Municipal Infrastructure Grant		(0)	(0)	76 971	–	–	52 723	2 925	3 069	3 244
Provincial Government:		–	2 224	–	650	650	–	5 941	6 232	6 587
Specify (Add grant description)		–	–	–	650	650	–	2 250	2 360	2 495
Specify (Add grant description)		–	2 224	–	–	–	–	3 691	3 872	4 093
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	(0)	2 224	83 508	7 110	7 110	59 183	14 540	11 001	11 669
Capital Transfers and Grants										
National Government:		(1 964)	(0)	97 778	102 356	108 353	46 288	95 481	90 533	90 561
Municipal Infrastructure Grant		–	–	–	56 068	62 065	–	55 581	58 033	60 561
Integrated National Electrification Programme Grant		(1 964)	(0)	97 778	46 288	46 288	46 288	39 900	32 500	30 000
Provincial Government:		–	–	650	–	1 808	–	–	–	–
Specify (Add grant description)		–	–	650	–	1 808	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	(1 964)	(0)	98 428	102 356	110 161	46 288	95 481	90 533	90 561
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	(1 964)	2 224	181 936	109 466	117 271	105 471	110 021	101 533	102 230

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
 - Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
 - Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 42 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		
		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
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		9	17 483	36 620	43 271	43 271	43 271	43 271	43 488	45 619	48 216
Service charges		57 798	54 759	62 021	69 553	64 253	64 253	64 253	76 730	80 490	85 078
Other revenue		44 102	33 631	15 705	7 598	31 464	31 464	31 464	51 959	46 685	47 054
Transfers and Subsidies - Operational	1	259 411	309 461	266 202	293 418	295 226	295 226	295 226	318 510	333 878	324 100
Transfers and Subsidies - Capital	1	108 432	92 926	174 749	102 356	108 353	108 353	108 353	95 481	90 533	90 561
Interest		174	—	4 385	14 650	15 060	15 060	15 060	17 200	18 043	19 071
Dividends		—	—	—	—	—	—	—	—	—	—
Payments											
Suppliers and employees		175 962	(16 912)	(218 683)	(420 662)	(428 386)	(428 386)	(428 386)	(455 451)	(473 515)	(500 547)
Interest		—	—	—	—	—	—	—	—	—	—
Transfers and Subsidies	1	—	—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		645 889	491 348	340 998	110 185	129 241	129 241	129 241	147 918	141 731	113 534
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—	—
Payments											
Capital assets		(165 782)	(161 457)	(188 241)	(171 309)	(177 306)	(177 306)	(177 306)	(181 717)	(130 723)	(120 563)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(165 782)	(161 457)	(188 241)	(171 309)	(177 306)	(177 306)	(177 306)	(181 717)	(130 723)	(120 563)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—	—
Payments											
Repayment of borrowing		—	—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—	—	—	—
NET INCREASE/ (DECREASE) IN CASH HELD		480 107	329 891	152 757	(61 125)	(48 065)	(48 065)	(48 065)	(33 799)	11 009	(7 030)
Cash/cash equivalents at the year begin:	2	123 957	—	224 422	294 088	294 088	294 088	294 088	360 723	326 924	337 933
Cash/cash equivalents at the year end:	2	604 064	329 891	377 179	232 963	246 023	246 023	246 023	326 924	337 933	330 903

2.6.4 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 43 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		
		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
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	604 064	329 891	377 179	232 963	246 023	246 023	246 023	326 924	337 933	330 903
Other current investments > 90 days		(450 868)	(105 469)	(140 447)	(25)	(25)	(25)	(25)	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		153 196	224 422	236 732	232 938	245 998	245 998	245 998	326 924	337 933	330 903
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		1 753	4 461	12 340	0	0	0	0	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	20 604	57 702	77 824	-	1 091	1 091	1 091	(4 281)	(7 598)	(10 760)
Other working capital requirements	3	(34 058)	(39 341)	(57 937)	39 950	72 782	72 782	72 782	(4 150)	18 364	38 264
Other provisions		15 117	15 318	14 310	35 752	35 752	35 752	35 752	90 868	90 868	90 868
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	364 732	364 732	364 732	379 337	71 579	71 579	71 579	86 236	86 236	86 236
Total Application of cash and investments:		368 148	402 871	411 269	455 040	181 204	181 204	181 204	168 673	187 870	204 608
Surplus(shortfall)		(214 952)	(178 449)	(174 537)	(222 101)	64 794	64 794	64 794	158 251	150 063	126 295

2.6.5 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.

2.6.5.1 *Cash/cash equivalent position*

The 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.

2.6.5.2 *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 43, on page 84. 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.

2.6.5.3 *Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. It is especially important to consider the position should the municipality be faced with an expected disaster that threatens revenue collection such as rate boycotts. As part of the 2022/23 MTREF the municipalities improving cash position causes the ratio to move upwards to 7.3 and then increase slightly to 9 for outer years. As indicated above the Municipality aims to archive at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 *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.

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

2.6.5.5 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.

2.6.5.6 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. Given that the assumed collection rate was based on a 80 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. 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.

2.6.5.7 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. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into 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. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 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 excluded.

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 Municipality has budgeted for all transfers.

2.6.5.10 Consumer debtors change (Current and Non-current)

The purpose of these measures is 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. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

2.6.5.11 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.

2.6.5.12 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.

Table 45 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		
		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
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		-	-	(6 537)	-	-	(4 747)	(2 925)	(3 069)	(3 244)
Provincial Government:		481	484	(2 113)	-	-	(13)	(3 691)	(3 872)	(4 093)
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		481	484	(8 650)	-	-	(4 760)	(6 616)	(6 941)	(7 336)
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	-	(165 407)	(109 466)	(117 271)	(80 757)	(103 405)	(94 593)	(94 894)
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	-	(165 407)	(109 466)	(117 271)	(80 757)	(103 405)	(94 593)	(94 894)
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		481	484	(174 057)	(109 466)	(117 271)	(85 517)	(110 021)	(101 533)	(102 230)

2.8 Table 3MBRR SA23 - Summary of councillor and staff benefits

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	–	516 168	134 568	239 040	–	–	889 776
Chief Whip		–	500 148	112 308	227 088	–	–	839 544
Executive Mayor		–	498 396	534 384	47 868	–	–	1 080 648
Deputy Executive Mayor		–	–	–	–	–	–	–
Executive Committee		–	–	–	–	–	–	–
Total for all other councillors		–	12 650 244	2 726 337	7 133 641	–	–	22 510 222
Total Councillors	8	–	14 164 956	3 507 597	7 647 637			25 320 190
Senior Managers of the Municipality	5							
Municipal Manager (MM)		–	375 492	149 024	644 909	76 795	–	1 246 220
Chief Finance Officer		–	533 275	62 876	620 700	124 319	–	1 341 170
GM Community Services			759 799	71 845	489 480	–		1 321 124
GM Corporate Services			670 330	13 422	508 954	148 962		1 341 669
GM Planning			375 492	13 226	933 125	–		1 321 843
GM Infrastructure			475 295	63 759	401 630	117 550		1 058 235
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	17 354 640	3 881 750	11 246 435	467 626		32 950 451

Table 49 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)			56	–	56	57	–	56	54	54	54
Board Members of municipal entities	4		–	–	–	–	–	–	–	–	–
Municipal employees	5		–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3		6	–	6	6	–	4	6	6	6
Other Managers	7		19	–	19	19	–	19	21	21	21
Professionals			–	–	–	–	–	–	39	39	39
Finance			–	–	–	–	–	–	25	25	25
Spatial/town planning			–	–	–	–	–	–	4	4	4
Information Technology			–	–	–	–	–	–	3	3	3
Roads			–	–	–	–	–	–	7	7	7
Electricity			–	–	–	–	–	–	–	–	–
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			–	–	–	–	–	–	–	–	–
Technicians			–	–	–	–	–	–	103	103	103
Finance			–	–	–	–	–	–	28	28	28
Spatial/town planning			–	–	–	–	–	–	4	4	4
Information Technology			–	–	–	–	–	–	5	5	5
Roads			–	–	–	–	–	–	5	5	5
Electricity			–	–	–	–	–	–	18	18	18
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	13	13	13
Other			–	–	–	–	–	–	30	30	30
Clerks (Clerical and administrative)			–	–	–	–	–	–	54	54	54
Service and sales workers			–	–	–	–	–	–	50	50	50
Skilled agricultural and fishery workers			–	–	–	–	–	–	2	2	2
Craft and related trades			–	–	–	–	–	–	–	–	–
Plant and Machine Operators			–	–	–	–	–	–	3	3	3
Elementary Occupations			–	–	–	–	–	–	78	78	78
TOTAL PERSONNEL NUMBERS	9		81	–	81	82	–	79	410	410	410
% Increase						1.2%	–	(2.5%)	400.0%	–	419.0%
Total municipal employees headcount	6, 10		–	–	–	–	–	–	–	–	–
Finance personnel headcount	8, 10		–	–	–	–	–	–	40	40	40
Human Resources personnel headcount	8, 10		–	–	–	–	–	–	13	13	13

2.9 Monthly targets for revenue, expenditure and cash flow

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		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		6 243	6 243	6 243	6 243	6 243	6 243	6 243	6 243	6 243	6 243	6 243	2 744	71 416	74 915	79 185
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	1 357	596	15 526	16 287	17 215
Sale of Goods and Rendering of Services		344	344	344	344	344	344	344	344	344	344	344	151	3 930	4 122	4 357
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		568	568	568	568	568	568	568	568	568	568	568	250	6 500	6 818	7 207
Interest earned from Current and Non Current Assets		1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	1 504	661	17 200	18 043	19 071
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		177	177	177	177	177	177	177	177	177	177	177	78	2 028	2 127	2 248
Licence and permits		358	358	358	358	358	358	358	358	358	358	358	157	4 094	4 294	4 539
Operational Revenue		84	84	84	84	84	84	84	84	84	84	84	37	965	1 012	1 070
Non-Exchange Revenue																
Property rates		4 752	4 752	4 752	4 752	4 752	4 752	4 752	4 752	4 752	4 752	4 752	2 088	54 360	57 024	60 274
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		155	155	155	155	155	155	155	155	155	155	155	68	1 769	1 856	1 961
Licences or permits		2	2	2	2	2	2	2	2	2	2	2	1	25	26	28
Transfer and subsidies - Operational		27 823	27 823	27 823	27 823	27 823	27 823	27 823	27 823	27 823	27 823	27 823	12 456	318 510	333 878	324 100
Interest		1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	1 611	708	18 431	19 334	20 436
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		44 978	44 978	44 978	44 978	44 978	44 978	44 978	44 978	44 978	44 978	44 978	19 995	514 753	539 736	541 692
Expenditure																
Employee related costs		13 789	13 789	13 789	13 789	13 789	13 789	13 789	13 789	13 789	13 789	13 789	10 034	161 717	165 472	174 904
Remuneration of councillors		2 213	2 213	2 213	2 213	2 213	2 213	2 213	2 213	2 213	2 213	2 213	973	25 320	26 561	28 075
Bulk purchases - electricity		6 213	6 213	6 213	6 213	6 213	6 213	6 213	6 213	6 213	6 213	6 213	2 730	71 075	74 558	78 808
Inventory consumed		667	667	667	667	667	667	667	667	667	667	667	293	7 629	8 003	8 459
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		4 659	4 659	4 659	4 659	4 659	4 659	4 659	4 659	4 659	4 659	4 659	2 048	53 300	55 912	59 099
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		9 907	9 907	9 907	9 907	9 907	9 907	9 907	9 907	9 907	9 907	9 907	4 410	113 385	118 882	125 699
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		525	525	525	525	525	525	525	525	525	525	525	231	6 000	6 294	6 653
Operational costs		6 670	6 670	6 670	6 670	6 670	6 670	6 670	6 670	6 670	6 670	6 670	2 955	76 325	80 040	84 602
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		44 643	44 643	44 643	44 643	44 643	44 643	44 643	44 643	44 643	44 643	44 643	23 673	514 751	535 721	566 299
Surplus/(Deficit)		335	335	335	335	335	335	335	335	335	335	335	(3 678)	2	4 015	(24 606)
Transfers and subsidies - capital (monetary allocations)		7 544	7 544	7 544	7 544	7 544	7 544	7 544	7 544	7 544	7 544	7 544	12 492	95 481	90 533	90 561
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	8 814	95 483	94 548	65 955
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	8 814	95 483	94 548	65 955
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	8 814	95 483	94 548	65 955
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	8 814	95 483	94 548	65 955

Table 4MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		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 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		33 545	33 545	33 545	33 545	33 545	33 545	33 545	33 545	33 545	33 545	33 545	33 545	402 544	426 198	421 683
Vote 3 - Corporate		40	40	40	40	40	40	40	40	40	40	40	40	475	498	527
Vote 4 - Development and Planning		292	292	292	292	292	292	292	292	292	292	292	292	3 504	3 676	3 885
Vote 5 - Community		2 623	2 623	2 623	2 623	2 623	2 623	2 623	2 623	2 623	2 623	2 623	2 623	31 479	28 852	30 497
Vote 6 - Infrastructure		14 353	14 353	14 353	14 353	14 353	14 353	14 353	14 353	14 353	14 353	14 353	14 353	172 232	171 045	175 663
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		50 853	50 853	50 853	50 853	50 853	50 853	50 853	50 853	50 853	50 853	50 853	50 853	610 234	630 269	632 254
Expenditure by Vote to be appropriated																
Vote 1 - Executive Council		2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	2 831	33 967	35 632	37 663
Vote 2 - Finance and Admin		9 321	9 321	9 321	9 321	9 321	9 321	9 321	9 321	9 321	9 321	9 321	9 321	111 852	117 250	123 974
Vote 3 - Corporate		6 908	6 908	6 908	6 908	6 908	6 908	6 908	6 908	6 908	6 908	6 908	6 908	82 892	86 954	91 910
Vote 4 - Development and Planning		3 230	3 230	3 230	3 230	3 230	3 230	3 230	3 230	3 230	3 230	3 230	3 230	38 759	40 658	42 976
Vote 5 - Community		6 095	6 095	6 095	6 095	6 095	6 095	6 095	6 095	6 095	6 095	6 095	6 095	73 146	72 561	76 697
Vote 6 - Infrastructure		14 113	14 113	14 113	14 113	14 113	14 113	14 113	14 113	14 113	14 113	14 113	14 113	169 359	177 658	187 784
Vote 7 - Internal Audit		398	398	398	398	398	398	398	398	398	398	398	398	4 775	5 009	5 295
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		42 896	42 896	42 896	42 896	42 896	42 896	42 896	42 896	42 896	42 896	42 896	42 896	514 751	535 721	566 299
Surplus/(Deficit) before assoc.		7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	95 483	94 548	65 955
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	95 483	94 548	65 955

Table 5MBRR SA27 - Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		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
R thousand																
Revenue - Functional																
Governance and administration		35 558	35 558	35 558	35 558	35 558	35 558	35 558	35 558	35 558	35 558	35 558	11 881	403 019	426 696	422 209
Executive and council		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance and administration		35 558	35 558	35 558	35 558	35 558	35 558	35 558	35 558	35 558	35 558	35 558	11 881	403 019	426 696	422 209
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		718	718	718	718	718	718	718	718	718	718	718	4 290	12 190	8 618	9 110
Community and social services		264	264	264	264	264	264	264	264	264	264	264	4 090	6 989	3 163	3 343
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		455	455	455	455	455	455	455	455	455	455	455	200	5 201	5 456	5 767
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		5 399	5 399	5 399	5 399	5 399	5 399	5 399	5 399	5 399	5 399	5 399	2 632	62 020	64 787	67 701
Planning and development		306	306	306	306	306	306	306	306	306	306	306	135	3 504	3 676	3 885
Road transport		5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 093	5 093	2 497	58 516	61 112	63 816
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		10 847	10 847	10 847	10 847	10 847	10 847	10 847	10 847	10 847	10 847	10 847	13 685	133 005	130 167	133 234
Energy sources		9 161	9 161	9 161	9 161	9 161	9 161	9 161	9 161	9 161	9 161	9 161	12 944	113 716	109 933	111 847
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	741	19 289	20 234	21 387
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional		52 522	52 522	52 522	52 522	52 522	52 522	52 522	52 522	52 522	52 522	52 522	32 487	610 234	630 269	632 254
Expenditure - Functional																
Governance and administration		20 404	20 404	20 404	20 404	20 404	20 404	20 404	20 404	20 404	20 404	20 404	9 046	233 487	244 844	258 842
Executive and council		2 969	2 969	2 969	2 969	2 969	2 969	2 969	2 969	2 969	2 969	2 969	1 305	33 967	35 632	37 663
Finance and administration		17 017	17 017	17 017	17 017	17 017	17 017	17 017	17 017	17 017	17 017	17 017	7 558	194 744	204 203	215 884
Internal audit		417	417	417	417	417	417	417	417	417	417	417	183	4 775	5 009	5 295
Community and public safety		4 181	4 181	4 181	4 181	4 181	4 181	4 181	4 181	4 181	4 181	4 181	5 811	51 797	50 167	53 026
Community and social services		2 054	2 054	2 054	2 054	2 054	2 054	2 054	2 054	2 054	2 054	2 054	4 877	27 466	24 643	26 048
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	935	24 331	25 523	26 978
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		9 246	9 246	9 246	9 246	9 246	9 246	9 246	9 246	9 246	9 246	9 246	4 064	105 773	110 956	117 280
Planning and development		3 388	3 388	3 388	3 388	3 388	3 388	3 388	3 388	3 388	3 388	3 388	1 489	38 759	40 658	42 976
Road transport		5 858	5 858	5 858	5 858	5 858	5 858	5 858	5 858	5 858	5 858	5 858	2 574	67 014	70 297	74 304
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		10 813	10 813	10 813	10 813	10 813	10 813	10 813	10 813	10 813	10 813	10 813	4 752	123 693	129 754	137 150
Energy sources		8 947	8 947	8 947	8 947	8 947	8 947	8 947	8 947	8 947	8 947	8 947	3 932	102 345	107 360	113 480
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		1 866	1 866	1 866	1 866	1 866	1 866	1 866	1 866	1 866	1 866	1 866	820	21 348	22 394	23 671
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional		44 643	44 643	44 643	44 643	44 643	44 643	44 643	44 643	44 643	44 643	44 643	23 673	514 751	535 721	566 299
Surplus/(Deficit) before assoc.		7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	8 814	95 483	94 548	65 955
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	7 879	8 814	95 483	94 548	65 955

Table 6MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		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
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive Council		6	6	6	6	6	6	6	6	6	6	6	6	70	80	190
Vote 2 - Finance and Admin		325	325	325	325	325	325	325	325	325	325	325	325	3 900	600	5 270
Vote 3 - Corporate		218	218	218	218	218	218	218	218	218	218	218	218	2 610	4 250	3 022
Vote 4 - Development and Planning		11	11	11	11	11	11	11	11	11	11	11	11	130	250	300
Vote 5 - Community		761	761	761	761	761	761	761	761	761	761	761	761	9 130	8 560	2 210
Vote 6 - Infrastructure		13 668	13 668	13 668	13 668	13 668	13 668	13 668	13 668	13 668	13 668	13 668	13 668	164 017	116 833	109 511
Vote 7 - Internal Audit		155	155	155	155	155	155	155	155	155	155	155	155	1 860	150	60
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	181 717	130 723	120 563
Total Capital Expenditure	2	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	181 717	130 723	120 563

Table 7MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	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
R thousand															
Cash Receipts By Source													1		
Property rates	3 624	3 624	3 624	3 624	3 624	3 624	3 624	3 624	3 624	3 624	3 624	3 624	43 488	45 619	48 216
Service charges - electricity revenue	5 359	5 359	5 359	5 359	5 359	5 359	5 359	5 359	5 359	5 359	5 359	5 359	64 309	67 460	71 306
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	12 421	13 029	13 772
Rental of facilities and equipment	169	169	169	169	169	169	169	169	169	169	169	169	2 028	2 127	2 248
Interest earned - external investments	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	1 433	17 200	18 043	19 071
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	147	147	147	147	147	147	147	147	147	147	147	147	1 769	1 856	1 961
Licences and permits	343	343	343	343	343	343	343	343	343	343	343	343	4 119	4 321	4 567
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	26 543	26 543	26 543	26 543	26 543	26 543	26 543	26 543	26 543	26 543	26 543	26 543	318 510	333 878	324 100
Other revenue	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	3 670	44 044	38 381	38 277
Cash Receipts by Source	42 324	42 324	42 324	42 324	42 324	42 324	42 324	42 324	42 324	42 324	42 324	42 324	507 887	524 714	523 519
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	7 957	95 481	90 533	90 561
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	50 281	50 281	50 281	50 281	50 281	50 281	50 281	50 281	50 281	50 281	50 281	50 281	603 368	615 247	614 081
Cash Payments by Type															
Employee related costs	13 476	13 476	13 476	13 476	13 476	13 476	13 476	13 476	13 476	13 476	13 476	13 476	161 717	165 472	174 904
Remuneration of councillors	2 110	2 110	2 110	2 110	2 110	2 110	2 110	2 110	2 110	2 110	2 110	2 110	25 320	26 561	28 075
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	5 923	5 923	5 923	5 923	5 923	5 923	5 923	5 923	5 923	5 923	5 923	5 923	71 075	74 558	78 808
Acquisitions - water & other inventory	636	636	636	636	636	636	636	636	636	636	636	636	7 629	8 003	8 459
Contracted services	9 449	9 449	9 449	9 449	9 449	9 449	9 449	9 449	9 449	9 449	9 449	9 449	113 385	118 882	125 699
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	6 360	6 360	6 360	6 360	6 360	6 360	6 360	6 360	6 360	6 360	6 360	6 360	76 325	80 040	84 602
Cash Payments by Type	37 954	37 954	37 954	37 954	37 954	37 954	37 954	37 954	37 954	37 954	37 954	37 954	455 451	473 515	500 547
Other Cash Flows/Payments by Type															
Capital assets	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	15 143	181 717	130 723	120 563
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	53 097	53 097	53 097	53 097	53 097	53 097	53 097	53 097	53 097	53 097	53 097	53 097	637 167	604 238	621 110
NET INCREASE/(DECREASE) IN CASH HELD	(2 817)	(2 817)	(2 817)	(2 817)	(2 817)	(2 817)	(2 817)	(2 817)	(2 817)	(2 817)	(2 817)	(2 817)	(33 799)	11 009	(7 030)
Cash/cash equivalents at the month/year begin:	360 723	357 906	355 090	352 273	349 457	346 640	343 823	341 007	338 190	335 374	332 557	329 741	360 723	326 924	337 933
Cash/cash equivalents at the month/year end:	357 906	355 090	352 273	349 457	346 640	343 823	341 007	338 190	335 374	332 557	329 741	326 924	326 924	337 933	330 903

10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, there were no contracts awarded beyond the medium-term revenue and expenditure framework:-

Description	Ref	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Total Contract Value
		Total	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.13 Legislation compliance status

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

1. In year reporting

Reporting to National Treasury uploading financial and non-financial information on the portal was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 4 interns undergoing training in various divisions of the Financial Services Department recruitment processes are still underway for the additional 1 interns to be placed under budget and treasury.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and was tabled with the draft budget 2023/24 MTREF directly aligned and informed by the 2023/24 MTREF.

6. Annual Report

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

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **LIZO MATIWANE**, Municipal Manager of **Matatiele Local Municipality**, hereby certify that the Annual Budget for the 2023/2024 MTREF 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 Lizo Matiwane

Municipal Manager of Matatiele Local Municipality (EC441)

Signature _____

Date _____