



SCHEDULE A: AN ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF THE HARRY GWALA DISTRICT MUNICIPALITY

BUDGET & TREASURY

2324 MTREF

DRAFT BUDGET

ANNUAL BUDGET OF
HARRY GWALA
DISTRICT
MUNICIPALITY

2023/2024 TO 2025/2026
MEDIUM-TERM REVENUE AND EXPENDITURE
FRAMEWORK BUDGET

Copies of this document can be viewed:

In the foyers of all municipal buildings

All public libraries within the municipality

At www.harrygwaladm.gov.za

Table of Contents

1	PART 1 – ANNUAL BUDGET	8
1.1	MAYOR’S REPORT	8
1.2	COUNCIL RESOLUTIONS	12
1.3	EXECUTIVE SUMMARY	13
1.4	OPERATING REVENUE FRAMEWORK	16
1.5	OPERATING EXPENDITURE FRAMEWORK	31
1.6	CAPITAL EXPENDITURE.....	36
1.7	ANNUAL BUDGET TABLES - PARENT MUNICIPALITY	38
1.8	CONSOLIDATED SCHEDULES	ERROR! BOOKMARK NOT DEFINED.
2	PART 2 – SUPPORTING DOCUMENTATION	57
2.1	OVERVIEW OF THE ANNUAL BUDGET PROCESS	69
2.2	OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	73
2.3	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	80
2.4	OVERVIEW OF BUDGET RELATED-POLICIES	87
2.5	OVERVIEW OF BUDGET ASSUMPTIONS	90
2.6	OVERVIEW OF BUDGET FUNDING	92
2.7	EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	108
2.8	MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	ERROR! BOOKMARK NOT DEFINED.
2.9	ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS	119
2.10	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	121
2.11	CAPITAL EXPENDITURE DETAILS	ERROR! BOOKMARK NOT DEFINED.
2.12	LEGISLATION COMPLIANCE STATUS	134
2.13	OTHER SUPPORTING DOCUMENTS	135
2.14	MUNICIPAL MANAGER’S QUALITY CERTIFICATE	141

List of Tables

Table 1 Overview of the 2023/24 MTREF	Error! Bookmark not defined.
Table 2 Consolidated Overview of the 2023/24 MTREF	15
Table 3 Summary of revenue classified by main revenue source	17
Table 4 Percentage growth in revenue by main revenue source	17
Table 5 Operating Transfers and Grant Receipts	18
Table 6 Proposed Water Tariffs	21
Table 7 Comparison between current water charges and increases (Domestic)	25
Table 8 Comparison between current sanitation charges and increases	26
Table 9 Comparison between current sanitation charges and increases, single dwelling- houses.....	27
Table 10 MBRR Table SA14 – Household bills.....	30
Table 11 Summary of operating expenditure by standard classification item	31
Table 12 Operational repairs and maintenance.....	34
Table 13 Repairs and maintenance per asset class.....	35
Table 14 2023/24 Medium-term capital budget per vote.....	36
Table 15 MBRR Table A1 - Budget Summary.....	38
Table 16 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)	41
Table 17 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	42
Table 18 Surplus/ (Deficit) calculations for the trading services.....	43
Table 19 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)	44
Table 20 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source	47
Table 21 MBRR Table A6 - Budgeted Financial Position	49
Table 22 MBRR Table A7 - Budgeted Cash Flow Statement	51
Table 23 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation.....	52
Table 24 MBRR Table A9 - Asset Management.....	52
Table 25 MBRR Table A10 - Basic Service Delivery Measurement	56
Table 26 IDP Strategic Objectives.....	75
Table 27 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue	78
Table 28 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	78
Table 29 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.....	79
Table 30 MBRR Table SA7 - Measurable performance objectives.....	Error! Bookmark not defined.
Table 31 MBRR Table SA8 - Performance indicators and benchmarks	Error! Bookmark not defined.
Table 32 Breakdown of the operating revenue over the medium-term.....	92
Table 32 Proposed tariff increases over the medium-term	94
Table 34 MBRR SA15 – Detail Investment Information	95
Table 35 MBRR SA16 – Investment particulars by maturity.....	95

Table 36 Sources of capital revenue over the MTREF	95
Table 37 MBRR Table SA 17 - Detail of borrowings	96
Table 38 MBRR Table SA 18 - Capital transfers and grant receipts.....	97
Table 39 MBRR Table A7 - Budget cash flow statement	99
Table 40 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation.....	100
Table 41 MBRR SA10 – Funding compliance measurement.....	102
Table 42 MBRR SA19 - Expenditure on transfers and grant programmes	108
Table 43 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds	109
Table 44 MBRR SA22 - Summary of councilor and staff benefits	Error! Bookmark not defined.
Table 45 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councilors/ senior managers).....	Error! Bookmark not defined.
Table 46 MBRR SA24 – Summary of personnel numbers.....	Error! Bookmark not defined.
Table 47 MBRR SA25 - Budgeted monthly revenue and expenditure.....	Error! Bookmark not defined.
Table 48 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote) ..	Error! Bookmark not defined.
Table 49 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification).....	Error! Bookmark not defined.
Table 50 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote).....	Error! Bookmark not defined.
Table 51 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)	Error! Bookmark not defined.
Table 52 MBRR SA30 - Budgeted monthly cash flow.....	Error! Bookmark not defined.
Table 53 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure.....	119
Table 54 Water Services Department – Performance objectives and indicators	120
Table 55 MBRR SA 34a - Capital expenditure on new assets by asset class	Error! Bookmark not defined.
Table 56 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class	Error! Bookmark not defined.
Table 57 MBRR SA34c - Repairs and maintenance expenditure by asset class	Error! Bookmark not defined.
Table 58 MBRR SA35 - Future financial implications of the capital budget	Error! Bookmark not defined.
Table 59 MBRR SA36 - Detailed capital budget per municipal vote.....	Error! Bookmark not defined.
Table 60 MBRR 36: Detailed capital budget per municipal vote (continued).....	Error! Bookmark not defined.
Table 61 MBRR SA37 - Projects delayed from previous financial year.....	Error! Bookmark not defined.
Table 62 MBRR Table SA1 - Supporting detail to budgeted financial performance	135
Table 63 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued).....	135
Table 64 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)	Error! Bookmark not defined.
Table 65 MBRR Table SA3 – Supporting detail to Statement of Financial Position.....	138
Table 66 MBRR Table SA9 – Social, economic and demographic statistics and assumptions.....	139
Table 67 MBRR SA32 – List of external mechanisms.....	Error! Bookmark not defined.

List of Figures

Figure 1 Main operational expenditure categories for the 2023/24 financial year	33
Figure 2 Expenditure by major type	45
Figure 3 Depreciation in relation to repairs and maintenance over the MTREF	55
Figure 4 Planning, budgeting and reporting cycle	81
Figure 5 Definition of performance information concepts	82
Figure 6 Breakdown of operating revenue over 2023/24 MTREF	93
Figure 7 Sources of capital revenue for the 2023/24 financial year.....	Error! Bookmark not defined.
Figure 8 Growth in outstanding borrowing (long-term liabilities)	97
Figure 9 Cash and cash equivalents / Cash backed reserves and accumulated funds	102

ANNEXURES:

Annexure A: 2023/24 MTREF Budget Schedules

Annexure B: Budget Related Resolutions

Annexure C: Amendments to Budget Related Policies

Annexure B: SDBIP Summary

Abbreviations and Acronyms

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

1 Part 1 – Annual Budget

1.1 MAYOR’S REPORT

PURPOSE

To table to Council the 2023/24 Medium Term Revenue and Expenditure Framework Draft budget for noting.

BACKGROUND

In terms of section 16 (1) of the Municipal Finance Management Act the Council of a Municipality must for each financial year approve an annual budget for the Municipality before the start of that financial year.

DISCUSSION:

In order for a Municipality to comply with section (i) section 16 (2) prescribes that the Mayor of the Municipality must table the annual Budget at a Council meeting at least 90 days before the start of the budget year.

In terms of section 17 of the MFMA;

An annual budget of a Municipality must set out realistically anticipated revenue for the budget year and appropriate expenditure for the budget year under the different votes of the Municipality.

BUDGET SUMMARY:

The 2023/2024 **Parent** Total Revenue is R 906, 8m, broken down as follows:

- | | |
|---|-----------|
| • Government Grants and Subsidies – Capital | R 335, 7m |
| • Government Grants and Subsidies – Operational | R 479, 4m |
| • Own Revenue | R 91, 6m |

Allocated as follows;

- | | |
|----------------------|-----------|
| • Operational budget | R 645, 3m |
| • Capital budget | R 299, 2m |

The 2023/2024 **Consolidated** Total Revenue is R 924, 2m broken down as follows;

- Government Grants and Subsidies – Capital R 335, 7m
- Government Grants and Subsidies – Operational R 496, 4m
- Own Revenue R 92m

Allocated as follows;

- Operational budget R 662, 9m
- Capital budget R 299, 7m

The actual revenue is R907, 2million, however due to R17million for transfers and subsidies paid over to Harry Gwala Development Agency as revenue on their side this result on overstating the revenue by R17million on the consolidated budget. The revenue amount is supposed to be eliminated against the expenditure on parent books on consolidated however this is not happening due to system challenges.

The staff salaries budget for the consolidated has been budgeted at R263, 2m, representing 40% of the operational budget. Councilor’s allowances have been budgeted at R8, 1m. Board members have been budgeted at R 200 000.

Local government equitable share

The equitable share for 2023/2024 financial year as gazetted from the Division of Revenue Bill is as follows:

- ✓ Equitable share R 463 631 000

For 2023/24 Final Budget capital projects amounting to R 299 729 622 (Exclusive of VAT) have been planned under the following categories;

PROJECT TYPE	AMOUNT	
Water	R	207 403 876
Sanitation	R	70 180 153
Other Assets	R	22 145 593
TOTAL	R	299 729 622

The municipality has prepared its infrastructure budget with the guidance of MIG formula for allocating this funding to local municipalities

Budget or breakdown allocation per local Municipality is as follows:

Umzimkhulu	R	123 523 285	41%	Has a huge Backlogs and high population
NDZ	R	47 291 698	16%	Huge Backlogs
Ubuhlebezwe	R	48 306 240	16%	Huge Backlogs
Kokstad	R	58 462 789	20%	Few Backlogs & Kempsdale Dam
Internal	R	21 643 626	7%	No Backlogs

Local Economic Development and Tourism

The Harry Gwala District Municipality has developed a number of local development related strategies and plans that seek to enhance its economic growth. These plans and strategies were circulated to all councilors. The Harry Gwala District Municipality has allocated R 17m towards LED projects in 2023/24 and a total of R37, 1million in the MTREF in line with this National priority. We are hopeful that our partners, the first and second sphere of Government, in economic development will support in this Endeavour. We also intend to attract private sector investment to our district through the strengthening of our Harry Gwala Development Agency (HGDA). The Board of directors is now in place. To further strengthen the administrative capacity of the Agency, the HGDM LED unit was seconded to be part of the HGDA.

Promoting efficient revenue and expenditure management in local government

The minister said municipalities, just like national and provincial governments, needed to closely examine their budgets to ensure they are using their available resources to maximize service delivery and this was centered on both; Cost-effective spending, and Revenue collection.

Looking at this budget it will be noticed that we were very conservative on the expenditure but we will also explore all possible means to recover as much potential revenue as we could collect.

While we have to focus on our mandate and uplifting skills related to our mandate but we cannot overlook the development of youth towards scarce skills in our area as they have a negative impact on the quality of life for our people. Without supporting and building of these skills like health and education, we cannot fully claim to have contributed to sustainable communities.

Harry Gwala Municipality is committed in developing community and youth residing within the District in the above mentioned skills. A number of projects have been budgeted for in the special programmes unit to ensure that the special groups existing in the Harry Gwala community are sufficiently catered for.

In relation to the above stated points, the Local Government Budgets and Expenditure Review, published by the National Treasury in September 2011, highlights 5 important considerations:

Revenue management – To ensure the collection of revenues, the municipality should maintain accurate billing systems; timeously send out accounts to residents and strive to collect as much revenues owed as we can.

Collecting outstanding debts – This requires political commitment, sufficient administrative capacity, and pricing policies that ensure that bills are accurate and affordable, especially for poor households. In this regard, Harry Gwala Municipality has recently completed a data cleansing exercise and is reviewing its Indigent Policy.

Pricing services correctly – The full cost of services should be reflected in the price charged to residents who can afford to pay. Many municipalities offer overly generous subsidies and rebates that result in services being run at a loss, resulting in funds being diverted away from other priorities. This is a major area in which should pull our socks. Running services at a loss affects the extension of services to other areas and impact negatively on operations and maintenance.

Under spending on repairs and maintenance – Often seen as a way to reduce spending in the short-term, under spending on maintenance can shorten the life of assets, increase long-term maintenance and refurbishment costs, and cause a deterioration in the reliability of services. This lack of Operations and maintenance also causes uprising by communities due to inadequate supply of services and the questing of democracy.

Spending on non-priorities – Many municipalities spend significant amounts on non-priority items including unnecessary travel, luxury furnishings, excessive catering and unwarranted public relations projects. Consultants are often used to perform routine tasks. Major attempts would be made to reduce use of consultants. A number of capacity building programmes have been undertaken to improve the capacity which has to result to improved quality of work

Funding local government -The functions performed by local government rely largely on self-financing. The minister noted that Substantial progress has been made in overcoming the service disparities of the past through transfers from the national fiscus, but large backlogs remain. The major need is to provide municipal infrastructure to poor households and, increasingly, to pay for the institutional and governance needs of poor municipalities. This situation requires us to put more emphasis on job creation and economic development in order to create more opportunities for self-income.

Other strategies documents to be linked with the budget are:

- Integrated Development Plan (IDP)
- Budget
- Strategic Development Budget Implementation Plan (SDBIP)
- Performance Management System (PMS)
- Policies and By-Laws

1.2 COUNCIL RESOLUTIONS

On 29 March 2023 the Council of Harry Gwala District Municipality met in the Harry Gwala District Municipality council chamber to consider the draft budget of the municipality for the financial year 2023/24. The Council notes the following resolutions:

1. The Council, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) notes:

1.1. The Final budget of the municipality for the financial year 2023/24 and the multi-year capital appropriations as set out in the following tables:

1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18;

1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19;

1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21; and

1.1.4. Multi-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.

1.1.5. Consolidated budget schedules A1 to A10.

1.1.6 Noting the budget of the Harry Gwala Development Agency (Municipal Entity) as presented in Supporting in Table 31.

1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

1.2.1. Budgeted Financial Position as contained in Table A6;

1.2.2. Budgeted Cash Flows as contained in Table A7;

1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;

1.2.4. Asset management as contained in Table A9; and

1.2.5. Basic service delivery measurement as contained in Table A10.

2. The Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) notes:

2.1. The tariffs for the supply of water – Refer to the tariffs policy in Annexure B

2.2. The tariffs for sanitation services – refer to the tariffs policy in Annexure B

3. The Council, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) notes 6 percent increase in tariffs and for other services, as set out in tariffs policy.

4. The council, acting in terms of section 24 of the Municipal Finance Management Act, notes the draft budget related policies as discussed above.

5. To give proper effect to the municipality's annual budget, the Council notes:

5.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from water and sanitation to ensure that all capital reserves and provisions, and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

5.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the budget.

1.3 EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Harry Gwala District Municipality financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

District business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items and stern control measures expenditures such as telephone, internet usage, printing, workshops, accommodation, and catering.

The district has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the District has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead the government.

National Treasury's MFMA Circular No. 51, 54, 58, 59, 66, 70, 72, 74, 75, 79, 80, 85, 86, 93, 94, 98, 99, 112, 115 and 122 were used to guide the compilation of the 2023/24 MTREF.

The main challenges experienced during the compilation of the 2023/24 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy.
- Aging and poorly maintained water and sanitation infrastructure.
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality.

- The increased cost of bulk water (due to tariff increases from Umngeni and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no longer be affordable.
- Wage increases for municipal staff and the need to fill critical vacancies, and

The following budget principles and guidelines directly informed the compilation of the 2023/24 MTREF:

- The 2022/23 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2023/24 annual budget.
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals.
- Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and the operational cost of District expense for the water pumps. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/24 Medium-term Revenue and Expenditure Framework:

Table 2 below presents a consolidated overview of the 2023/24 budget.

Table 1 Consolidated Overview of the 2023/24 MTREF

R thousand	Adjustments Budget 2022/23	Budget Year 2023/24	Budget Year + 1 2024/25	Budget Year +2 2025/26
Total Operating Revenue	R 566 794 005	R 588 497 635	R 618 189 271	R 651 568 576
Total Operating Expenditure	R 638 186 702	R 662 940 413	R 744 159 105	R 781 700 060
(Surplus)/ Deficit for the year	R - 81 392 697	R -74 442 778	R -125 969 834	R - 130 131 484
Total Capital Expenditure	R 295 353 602	R 299 729 622	R 291 367 498	R 293 180 755

Total operating revenue for the consolidated municipality has increased by 6% per cent or R31, 7million for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, operational revenue increased by 5 % respectively, equating to a total revenue growth of R29, 6million and R33, 3million respectively over the MTREF when compared to the 2023/24 financial year.

Total operating expenditure for the 2023/24 financial year has been appropriated at R662, 9million. When compared to the 2022/23 Adjustments Budget, operational expenditure has increased by 4% per cent in the 2023/24 budget. The operating deficit for the 2023/24 decreased from R81, 3million in 2022/23 financial year to R 74, 4million in 2023/24 and increased for the outer years respectively by R125, 9 million and R130, 1million. The non- cash item in 2023/24 financial year is at R 127, 9m. The amount for depreciation in 2023/24 financial year is at R97, 5m and provision for bad debts is at R30, 4million.

The capital budget of R299, 7million (Excl VAT) for 2023/24 is 1% per cent less when compared to the 2022/23 Adjustment Budget. The increase is due to increase of grants gazetted for the 2023/24 financial year and this is going to have a positive impact on the service delivery and water and sanitation backlogs will decline in the district. The capital budget is largely funded from the Government Grants and Subsidies in the MTREF.

Table 3 Parent Overview of the 2023/24 MTREF

R thousand	Adjustments Budget 2022/23	Budget Year 2023/24	Budget Year + 1 2024/25	Budget Year +2 2025/26
Total Operating Revenue	R 556 784 000	R 571 053 635	R 599 699 831	R 631 970 969
Total Operating Expenditure	R 619 681 541	R 645 322 171	R 726 343 294	R 763 143 177
(Surplus)/ Deficit for the year	R - 62 887 541	R -74 268 536	R -126 643 463	R - 131 172 208
Total Capital Expenditure	R 295 353 602	R 299 227 662	R 290 933 820	R 292 721 056

Total operating revenue for the parent municipality has increased by 3% per cent or R14, 2million for the 2023/24 financial year when compared to the 2022/23 Adjustments Budget. For the two outer years, operational revenue increased by 5 % and 5 % per cent respectively, equating to a total revenue growth of R28, 6million and R32, 2million respectively over the MTREF when compared to the 2023/24 financial year.

Total operating expenditure for the 2023/24 financial year has been appropriated at R645, 3million. When compared to the 2022/23 Adjustments Budget, operational expenditure has increased by 4% per cent in the 2023/24 budget. The operating deficit for the 2023/24 increased from R62, 8million in 2022/23 financial year to R 74, 2million in 2023/24 and increased for the outer years respectively by R126, 6 million and R131, 1million. The non- cash item in 2023/24 financial year is at R 127, 2m. The amount for depreciation in 2023/24 financial year is at R96, 8m and provision for bad debts is at R30, 4million.

The capital budget of R299, 2million (Excl VAT) for 2023/24 is 1% per cent more when compared to the 2022/23 Adjustment Budget. The increase is due to increase on grants that is gazzetted for the 2023/24 financial year and this is going to have a positive impact on the service delivery and water and sanitation backlogs will decline in the district. The capital budget is largely funded from the Government Grants and Subsidies in the MTREF.

1.4 OPERATING REVENUE FRAMEWORK

For Harry Gwala District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. 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 District and continued economic development;
- Efficient revenue management, which aims to ensure an 75 per cent annual collection rate for water and sanitation service charges in the MTREF;
- Achievement in the long term 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;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the district.

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

Table 2 Summary of revenue classified by main revenue source

DC43 Harry Gwala - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	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
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	54 157	54 003	49 353	51 777	57 276	57 276	44 662	58 796	61 500	64 329
Service charges - Waste Water Management	16 305	13 762	12 207	13 213	14 311	14 311	8 648	14 636	15 309	16 013
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	752	517	417	582	919	919	623	653	683	713
Interest earned from Receivables	12 632	10 100	11 221	11 358	11 358	11 358	8 764	12 180	12 740	13 326
Interest earned from Current and Non Current Assets	6 196	3 011	5 104	4 859	7 320	7 320	5 609	5 519	5 779	6 051
Operational Revenue	1 018	261	402	-	260	260	296	279	-	-
Non-Exchange Revenue										
Fines, penalties and forfeits	-	-	2 453	-	-	-	-	-	-	-
Transfer and subsidies - Operational	380 256	430 342	453 939	463 738	465 350	465 350	331 966	496 435	522 178	551 136
Gains on disposal of Assets	1 062	-	-	-	-	-	-	-	-	-
Other Gains	-	-	688	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)	472 379	511 997	535 784	545 528	556 794	556 794	400 569	588 498	618 189	651 569

Table 3 Percentage growth in revenue by main revenue source

DC43 Harry Gwala - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description			2023/24 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Revenue								
Exchange Revenue								
Service charges - Electricity	-		-		-		-	
Service charges - Water	57 276	10%	58 796	10%	61 500	10%	64 329	10%
Service charges - Waste Water Management	14 311	3%	14 636	2%	15 309	2%	16 013	2%
Service charges - Waste Management	-		-		-		-	
Sale of Goods and Rendering of Services	919	0%	653	0%	683	0%	713	0%
Interest earned from Receivables	11 358	2%	12 180	2%	12 740	2%	13 326	2%
Interest earned from Current and Non Current Assets	7 320	1%	5 519	1%	5 779	1%	6 051	1%
Operational Revenue	260	0%	279	0%	-		-	
Non-Exchange Revenue								
Fines, penalties and forfeits	-		-		-		-	
Transfer and subsidies - Operational	465 350	84%	496 435	84%	522 178	84%	551 136	85%
Discontinued Operations								
Total Revenue (excluding capital transfers and contributions)	556 794	100%	588 498	100%	618 189	100%	651 569	100%

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

Revenue generated from services charges forms a small percentage of the revenue basket for the District. Service charges revenue comprises a mere 10% of the total revenue mix. In the 2023/24 financial year, revenue from service charges totaled R 73, 4m or 12% per cent. This increases to R76, 8m, and then R80, 3m in the respective financial years of the MTREF. A notable trend is the constant pattern in the total percentage revenue generated from services charges which averaging 12% in the MTREF. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Operating grants and transfers total R465, 3m in the 2023/24 financial year and increases to R496, 4m 2024/25 and R522, 1m in 2025/26. Note that the year-on-year growth on the operational grants for the 2023/24 financial year is 71% percent and then increased to 5 % and 6 % percent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term: The actual operating grants and transfers total R 463, 6m in the 2023/24 financial year and increases to R 494, 1m, and increases to R 521, 4m however due to R17million transfer to Harry Gwala Development Agency this results on overstating the operating grants and transfers by R 17 million in 2023/24 financial year and in the outer years.

Table 4 Operating Transfers and Grant Receipts

DC43 Harry Gwala - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	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									
Operating transfers and grants:									
National Government:	(15 000)	-	-	-	-	-	-	-	-
Balance unspent at beginning of the year	(334)	-	-	-	17 490	17 490	-	-	-
Current year receipts	(13 912)	(6 195)	(8 071)	(14 577)	(14 577)	(14 577)	(14 577)	(15 292)	(16 010)
Conditions met - transferred to revenue	14 148	6 195	25 561	14 577	14 577	14 577	14 577	15 292	16 010
Conditions still to be met - transferred to liabilities	(196)	-	17 490	-	17 490	17 490	-	-	-
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	0	0	0	-	(314)	(314)	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	0	0	0	-	(314)	(314)	-	-	-
Total operating transfers and grants revenue	14 148	6 195	25 561	14 577	14 577	14 577	14 577	15 292	16 010
Total operating transfers and grants - CTBM	(196)	0	17 490	-	17 175	17 175	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	(23 238)	-	-	-	(17 490)	(17 490)	-	-	-
Current year receipts	(283 218)	(293 626)	(336 580)	(320 236)	(320 236)	(320 236)	(320 236)	(335 927)	(351 716)
Conditions met - transferred to revenue	283 218	293 626	319 090	320 236	320 236	320 236	320 236	335 927	351 716
Conditions still to be met - transferred to liabilities	(46 476)	-	(17 490)	-	(17 490)	(17 490)	-	-	-
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	(20 242)	-	-	-	(2 473)	(2 473)	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	1 304	1 304	-	-	-
Conditions still to be met - transferred to liabilities	(40 485)	-	-	-	(1 169)	(1 169)	-	-	-
Total capital transfers and grants revenue	283 218	293 626	319 090	320 236	321 540	321 540	320 236	335 927	351 716
Total capital transfers and grants - CTBM	(86 961)	-	(17 490)	-	(18 659)	(18 659)	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	297 366	299 821	344 651	334 813	336 117	336 117	334 813	351 219	367 726
TOTAL TRANSFERS AND GRANTS - CTBM	(87 157)	0	0	-	(1 483)	(1 483)	-	-	-

TARIFFS: 2023/2024 FINANCIAL YEAR

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. However, excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Umngeni Water bulk tariffs proposed 32% for 2023/24 financial year which was rejected and it is more than the mentioned inflation target of 5, 3%. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's rates and in these tariffs are largely outside the control of the District. Discounting the impact of these price increases in lower consumer tariffs will erode the District future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of water, petrol, diesel, chemicals etc. The current challenge facing the District is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the District has undertaken the tariff setting process relating to service charges as follows.

Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with District, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

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

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

Better maintenance of infrastructure, new construction of Bulwer dam and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Umngeni Water has increased its bulk tariffs by a higher than the CPIX increase from 1 July 2023, which increases the District's water input cost tremendously.

A tariff increases of 6 per cent from 1 July 2023 for water is proposed. This is based on input cost of 6% increase in the cost of bulk water (Umngeni Water), the cost of other inputs increasing by 6 per cent and a surplus generated on the water service of a minimum 15 per cent. In addition, 6 kℓ water per 30-day period will again be granted free of charge to indigent households.

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

- Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with District, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

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

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2017.

Better maintenance of infrastructure, new construction of Bulwer dam and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Umngeni Water has increased its bulk tariffs by a higher than the CPIX increase from 1 July 2023, which increases the District’s water input cost tremendously.

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

Table 5 Proposed Water Tariffs

Residential

Consumption in KL	2022/23	2023/24	Increase
0-6	R 10.24	R 10.85	R 0.61
07- 20	R 10.84	R 11.49	R 0.65
21-40	R 19.86	R 21.05	R 1.19
41-100	R 32.94	R 34.92	R 1.98
101-200	R 37.49	R 39.74	R 2.25
201+	R 40.45	R 42.88	R 2.43
Unmetered flat rate per month	R Interim	R Interim	R -

Commercial & Industrial

Commercial & Industrial				
Consumption Increments in R per KL		2022/23	2023/24	Increase
0-100	R	14.78	R 15.67	R 0.89
101- 200	R	19.86	R 21.05	R 1.19
201-300	R	32.96	R 34.94	R 1.98
301-400	R	35.22	R 37.33	R 2.11
401-500	R	37.49	R 39.74	R 2.25
500+	R	39.77	R 42.16	R 2.39

Consumption Increments in R per KL	Public Service & Government Institutions			Education institution			Agricultural			Geriatric Institutions, Religious organisations, NPO & recreational facilities.		
	2022/23	2023/24	Increase	2022/23	2023/24	Increase	2022/23	2023/24	Increase	2022/23	2023/24	Increase
0-100	R 14.78	R 15.67	R 0.89	R 14.78	R 15.67	R 0.89	R 14.78	R 15.67	R 0.89	R 14.78	R 15.67	R 0.89
101- 200	R 19.86	R 21.05	R 1.19	R 19.86	R 21.05	R 1.19	R 19.86	R 21.05	R 1.19	R 19.86	R 21.05	R 1.19
201-300	R 32.96	R 34.94	R 1.98	R 32.96	R 34.94	R 1.98	R 32.96	R 34.94	R 1.98	R 32.96	R 34.94	R 1.98
301-400	R 35.22	R 37.33	R 2.11	R 35.22	R 37.33	R 2.11	R 35.22	R 37.33	R 2.11	R 35.22	R 37.33	R 2.11
401-500	R 37.49	R 39.74	R 2.25	R 37.49	R 39.74	R 2.25	R 37.49	R 39.74	R 2.25	R 37.49	R 39.74	R 2.25
500+	R 39.77	R 42.16	R 2.39	R 39.77	R 42.16	R 2.39	R 39.77	R 42.16	R 2.39	R 39.77	R 42.16	R 2.39

Road tanker Delivery			Static tank hire per day			
Road Tanker Delivery of Water	2022/23	2023/24	Increase	2023/24	2023/24	Increase
2500 l	R 2 500.28	R 2 650.30	R 150.02	R 227.30	R 240.94	R13.64
5000 l	R 3 409.48	R 3 614.05	R 204.57	R568.24	R 602.33	R34.09
7500 l	R 3 977.71	R 4 215.62	R 237.91	R795.54	R 843.27	R53.73
10 000 l	R 4 773.25	R 5 059.65	R 286.40	R1136.49	R 1 204.68	R68.19
Del. Charge	R 454.58	R 481.85	R 27.27	R454.58	R 481.85	R27.27

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Deposit per meter				New water meter			Disconnection and Reconnection		
Misc. water related tariffs given in pipe diameter	2022/23	2023/24	Increase	2022/23	2023/24	Increase	2022/23	2023/24	Increase
15 mm	R 1 363.80	R 1 445.63	R 81.83	R 1 363.80	R 1 445.63	R 81.83	R 681.89	R 722.80	R 40.91
20 mm	R 1 704.72	R 1 807.00	R 102.28	R 1 932.03	R 2 047.95	R 115.92	R 909.18	R 963.73	R 54.55
50 mm	R 2 272.98	R 2 409.36	R 136.38	R 2 386.61	R 2 529.81	R 143.20	R 1 704.72	R 1 807.00	R 102.28
100 mm	R 3 409.48	R 3 614.05	R 204.57	R 3 977.71	R 4 216.37	R 238.66	R 2 272.98	R 2 409.36	R 136.38
110 mm +	R 4 545.95	R 4 818.71	R 272.76	R 5 682.45	R 6 023.40	R 340.95	R 2 841.22	R 3 011.69	R 170.47

Table 6 Comparison between current water charges and increases (Domestic)

Domestic (Metered)			
Consumption Increments in R per Kl	2022/23	2023/24	Increase
INDIGENT 0-6	R0.00	R 0.0	R 0.00
0-6	R 10.24	R 10.85	R 0.61
7-20	R 10.84	R 11.49	R 0.65
21-40	R 19.86	R 21.05	R 1.19
41-100	R 32.94	R 34.92	R 1.98
101-200	R 37.49	R 39.74	R 2.25
201 +	R 40.45	R 42.88	R 2.43

The tariff structure of the 2023/24 financial year has been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R42.88 per kiloliter for consumption in excess of 201kl per 30 day period. In 2023/24 financial year not all domestic consumers will benefit the free 6kl, only the indigent domestic consumers will receive free basic services. Demand notice fee to consumers, borehole flat rate of R200.73 and raw water flat rate of R4.83 have been added on the tariff structure.

Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation from 1 July 2023 is proposed. This is based on the input cost assumptions related to water. It should be noted that District costs contributes approximately 20 per cent of waste water treatment input costs, therefore the CPI increase of 6 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;

The total revenue expected to be generated from rendering this service amounts to R73, 4million for the 2023/24 financial year.

The following table compares the current and proposed tariffs:

Table 7 Comparison between current sanitation charges and increases

Conservancy tank clearance on site				Sceptic tank clearance on site			Disposal into municipal reticulation system		
Static sanitation system given per load	2022/23	2023/24	Increase	2022/23	2022/23	Increase	2019/20	2022/23	Increase
Per load	R477.34	R505.98	R28.64	R1 477.45	R1 566.10	R 88.65	R477.34	R505.98	R28.64
Transport per km	R 14.78	R 15.67	R 0.89	R 14.78	R 15.67	R 0.89			

New connections

Disconnect/Reconnection IRO credit control

Misc. sanitation related tariffs given in service pipe diameter	2022/23	2023/24	Increase	2022/23	2023/24	Increase
Up to 600 mm	R 4 545.95	R4 818.71	R 272.76	R 1 136.49	R1 204.68	R 68.19
600 mm -1200 mm	R 5 682.45	R6 023.40	R 340.95	R 1 704.72	R1 807.00	R 102.28
1200 mm +	R 7 955.41	R8 432.73	R 477.32	R 2 272.98	R2 409.36	R 136.38

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 8 Comparison between current sanitation charges and increases, single dwelling- houses

Misc. sanitation related tariffs given in service pipe diameter	2022/23	2023/24	Increase	New connection sanitation	2022/23	2023/24	Increase
Disconnection/re connection Up to 600 mm	R 1 136.49		R 64.33	New Connections Up to 600 mm	R 4 545.95		R 257.32
Up to 1 200 mm	R 1 704.72		R 96.49	Up to 1 200 mm	R 5 682.45		R 321.65
1 200 mm +	R 2 272.98		R 128.66	1 200 mm +	R 7 955.41		R 450.31

Sanitation costs given in terms of water consumption	2022/23	2023/24	Increase
Water borne systems. 0-200 Kl	R7.95	R8.43	R0.48
201 Kl +	R10.25	R10.87	R0.62
Shayamoya, Bhongweni and Fairview 0-200 Kl			
200 Kl +			
Unmetered / flat rate per month	INTERIM	INTERIM	INTERIM

Overall impact of tariff increases on households

Property development costs, I.R.O water and sanitation delivery reticulation given in number of sub-divisions Per Sub-Division Clearance Certificate	2022/23	2023/24	Increase
1 Site	R 13 183.28	R13 974.28	R 791.00
2-5 Sites	R 7 955.42	R 8 432.75	R 477.33
6-10 Sites	R 4 545.95	R 4 818.71	R 272.76
11-20 + Sites	R 2 727.57	R 2 891.22	R 163.65
Clearance certificate	R 210.45	R 223.08	R 12.63

Demand Notice to Customers	R113.62	R120.44	R6.82
Borehole Flat Rate	R189.37	R200.73	R11.36
Raw water Flat Rate	R4.56	R 4.83	R0.27
<u>Prepaid meter pad replacement</u>	R681.01	R721.87	R40.86
Purchase, installation and connection of a <u>prepaid meter for businesses</u>	R6 428.73	R6 814.45	R385.72
Purchase, installation and connection of a prepaid meter for domestic	R 5 812.25	R6 160.99	R348.74

Application and renewal of conducting a business within the municipality

					2022/23	2023/24	Increase
Application for COA for food premise and COC for funeral parlour / Government mortuary					R 758.43	R 803.94	R 45.51
Vending Food					R 134.83	R 142.92	R 8.09
Escort agencies, night clubs, massage parlours and adult clubs					R 3,775.30	R4 001.82	R 226.52
Issuing of a duplicate Certificate					R 134.83	R 142.92	R 8.09
Amendment of COA and COC.					R 134.83	R 142.92	R 8.09
Amendment of a condition on the endorsement to an					R 174.16	R 184.61	R 10.45

issued COC and COA.							
Re-inspection of a food premises for the removal of a prohibition					R 1,207.87	R1 280.34	R 72.47
Issuing of an export certificate for foodstuffs.					R1,207.87	R1 280.34	R 72.47
Sampling and analysis boreholes intended for human consumption.					R1,207.87	R1 280.34	R 72.47
Sampling and analysis of a communal swimming pool					R 477.53	R 506.18	R 28.65
Issuing of a permit for a service to remove human excrement.					R 730.34	R 774.16	R 43.82
Issuing of destruction of food certificates.					R 730.34	R 774.16	R 43.82
Issuing of destruction of food certificates.					R 730.34	R 774.16	R43.82
Issuing of a COA to introduce milk and/or milk products into the Municipal area for human consumption.					R 730.34	R 774.16	R 43.82
Penalty for late payments shall be calculated at 10% of the application					%	%	%

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.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at an average of 6 per cent, with the same increase for indigent households.

Table 9 MBRR Table SA14 – Household bills

DC43 Harry Gwala - Supporting Table SA14 Household bills

Description	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 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption	4,58	4,88	5,23	5,58	5,58	5,58	-	5,94	6,32	6,73
Sanitation	366,69	390,35	418,25	446,70	446,70	446,70	-	446,74	475,56	506,24
Refuse removal	164,74	175,37	187,90	200,68	200,68	200,68	-	213,72	227,51	242,19
Other										
sub-total	536,01	570,59	611,38	652,96	652,96	652,96	2,1%	666,40	709,39	755,16
VAT on Services										
Total large household bill:	536,01	570,59	611,38	652,96	652,96	652,96	2,1%	666,40	709,39	755,16
% increase/-decrease		6,5%	7,1%	6,8%	-	-		2,1%	6,5%	6,5%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption	4,59	4,89	5,23	5,59	5,59	5,59	-	5,95	6,33	6,74
Sanitation	305,58	325,29	348,55	372,25	372,25	372,25	-	396,45	422,03	449,25
Refuse removal	137,27	146,13	156,57	167,22	167,22	167,22	-	178,09	189,58	201,81
Other										
sub-total	447,44	476,31	510,35	545,06	545,06	545,06	6,5%	580,49	617,94	657,81
VAT on Services										
Total small household bill:	447,44	476,31	510,35	545,06	545,06	545,06	6,5%	580,49	617,94	657,81
% increase/-decrease		6,5%	7,1%	6,8%	-	-		6,5%	6,5%	6,5%
			0,11	- 0,05	- 1,00	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal										
Other										
sub-total	-	-	-	-	-	-	-	-	-	-
VAT on Services										
Total small household bill:	-	-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-		-	-	-

1.5 OPERATING EXPENDITURE FRAMEWORK

Harry Gwala District Municipality's expenditure framework for the 2023/24 budget and MTREF is informed by the following:

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

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

Table 10 Summary of operating expenditure by standard classification item

DC43 Harry Gwala - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	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
Revenue										
Expenditure										
Employee related costs	190 401	217 969	238 376	250 011	244 803	244 803	159 137	263 217	275 539	288 453
Remuneration of councillors	7 702	7 813	7 239	8 879	7 710	7 710	4 740	8 183	8 576	8 987
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	29 207	26 897	26 897	-	26 897	28 215	29 542
Debt impairment	22 058	30 921	7 533	-	-	-	-	-	-	-
Depreciation and amortisation	71 944	79 359	81 505	91 951	92 120	92 120	54 474	97 533	102 223	107 038
Interest	2 396	995	307	516	500	500	-	90	95	101
Contracted services	144 400	129 575	173 013	117 271	139 994	139 994	100 785	144 803	200 325	211 710
Transfers and subsidies	14 000	17 000	15 100	17 000	21 594	21 594	6 000	17 000	18 020	19 101
Irrecoverable debts written off	21 307	812	7 614	28 750	28 750	28 750	-	30 418	31 878	33 376
Operational costs	55 607	56 900	63 462	64 548	74 218	74 218	46 903	74 799	79 287	83 392
Losses on disposal of Assets	2 714	6 496	1 940	-	-	-	2 875	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	532 530	547 842	596 088	608 134	636 587	636 587	374 915	662 940	744 159	781 700

The consolidated budgeted allocation for employee-related costs for the 2023/24 financial year totals R263, 2m, which equals 40% per cent of the total operating expenditure. Harry Gwala District Municipality have factored an increase of 5, 4 per cent for the 2023/2024 financial year as per the collective agreement. An annual increase of 4, 8 per cent has been included in the next 2024/2025

MTREF. As part of the district's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards and cost containment measures have been put in place and the cost containment policy is reviewed and will be approved together with the budget. The municipality has the strategy on improving collection as per MFMA circular 99 wage bill

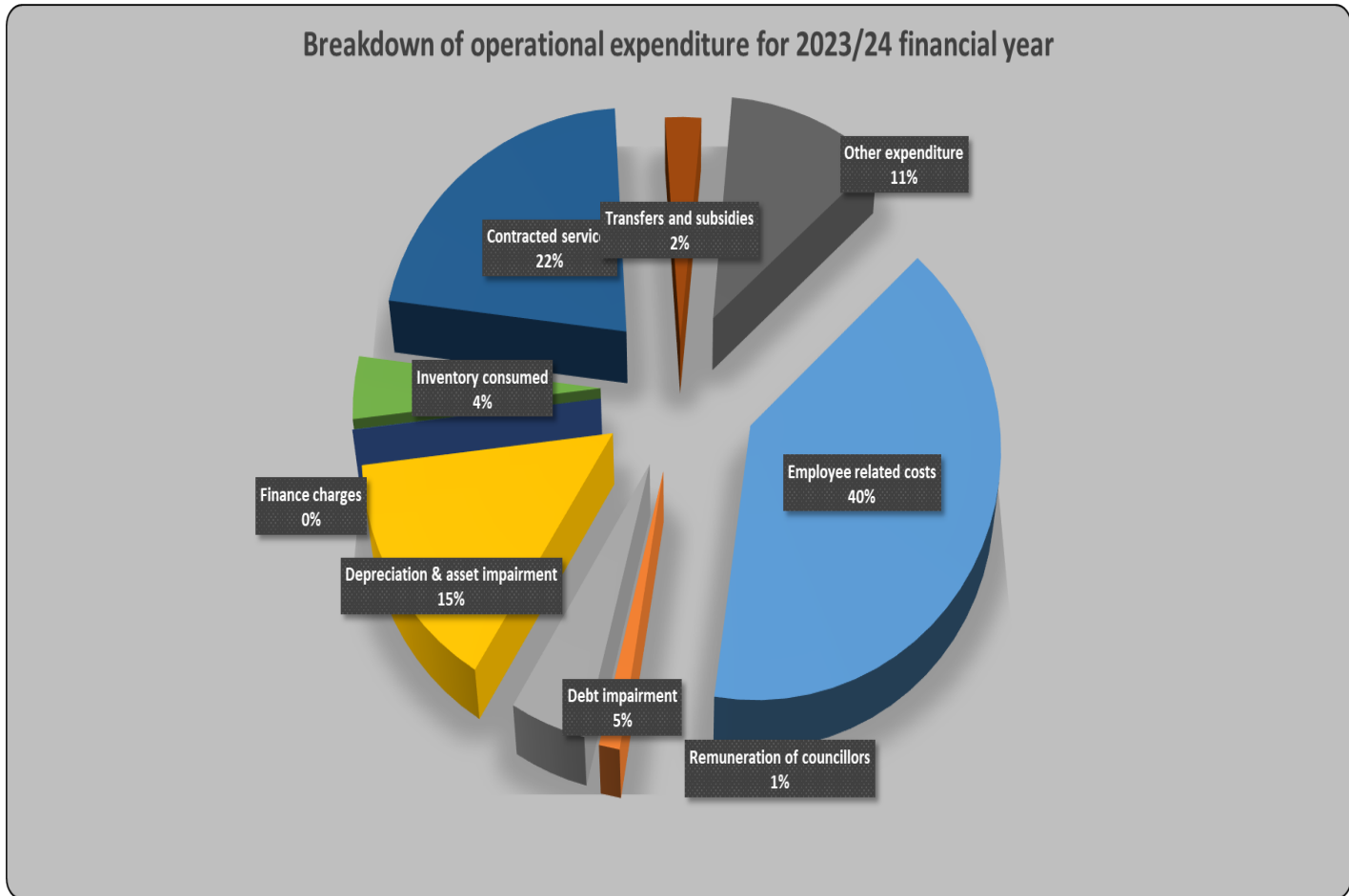
As part of the planning assumptions and interventions all vacancies were originally removed from the budget and a reporting and was compiled by the Corporate Services Department relating to the prioritization of critical vacancies within the Municipality. The outcome of this exercise was the inclusion of the critical and strategically important vacancies. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

1. **The cost associated with the remuneration of councilors** 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.
2. **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. The previous financial year collection rate was 75 per cent. For the 2023/24 financial year this amount equates to R30, 4m and for outer years R31, 8m, and R33, 3million respectively. 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.
3. **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 R97, 4m for the 2023/24 financial and equates to 15% per cent of the total operating expenditure. Depreciation for the budget year represents an increase from the 2022/23 original budgets due to a number of projects or assets that are still on work in progress.
4. **Bulk purchases** are directly informed by the purchase of water from Umngeni Water in the Ubuhlebezwe area. The annual price increases of 6% has been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.
5. **Contracted services** have been identified as a cost saving area for the Municipality. As part of the compilation of the 2023/24 MTREF this group of expenditure was critically evaluated, and operational efficiencies were enforced. In the 2023/24 financial year, this group of expenditure totals R144, 8million showing an increase of 2% from 2022/23, clearly demonstrating that the municipality is committed to comply with cost containment measures. For the 2024/25 and

2025/26 financial year growth has been limited to 6% per cent. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2023/24 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. Further details relating to contracted services can be seen in Table 64 MBRR SA1.

6. **Other expenditure** comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The expenditure increased by 1% per cent from the adjusted budget for 2023/24 and increased in the 2024/25 by 6 per cent and 2025/26 financial years by 5 per cent, indicating that significant cost savings. Further details relating to contracted services and other expenditure can be seen in Table MBRR SA1.

Figure 1 Main operational expenditure categories for the 2023/24 financial year



Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the district'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 district. 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. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 11 Operational repairs and maintenance

DC43 Harry Gwala - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	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
R thousand										
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Inventory Consumed (Project Maintenance)	196	319	15 329	-	-	-	1 404	-	-	-
Contracted Services	20 284	34 926	29 960	37 538	56 142	56 142	38 386	53 791	56 373	59 023
Other Expenditure										
Total Repairs and Maintenance Expenditure	20 479	35 246	45 289	37 538	56 142	56 142	39 790	53 791	56 373	59 023

During the compilation of the 2023/24 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the district infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially decreased in the 2022/23 financial year, from R56, 1 million to R53, 7 million for the 2023/24 financial year. Notwithstanding this increase as part of the 2023/24 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2023/24 equates to R53, 7 million showing a decrease of 4 per cent in relation to the Adjustment Budget and grows at 5% in the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 8 per cent for the respective financial years of the MTREF.

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

Table 12 Repairs and maintenance per asset class

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	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									
CAPITAL EXPENDITURE									
EXPENDITURE OTHER ITEMS	92 424	114 605	126 793	129 489	148 262	148 262	151 325	158 597	166 061
Repairs and Maintenance by Asset Class	20 479	35 246	45 289	37 538	56 142	56 142	53 791	56 373	59 023
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	18 521	32 973	28 248	33 000	50 308	50 308	48 093	50 401	52 770
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	18 521	32 973	28 248	33 000	50 308	50 308	48 093	50 401	52 770
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	85	86	78	90	70	70	73	77	80
Community Assets	85	86	78	90	70	70	73	77	80
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 497	1 287	1 548	3 500	5 423	5 423	5 259	5 511	5 770
Housing	-	-	-	-	-	-	-	-	-
Other Assets	1 497	1 287	1 548	3 500	5 423	5 423	5 259	5 511	5 770
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	165	497	9	620	111	111	125	131	137
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	196	319	15 329	-	-	-	-	-	-
Transport Assets	15	83	78	328	230	230	241	252	264
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	92 424	114 605	126 793	129 489	148 262	148 262	151 325	158 597	166 061

For the 2023/24 financial year R53, 7million of total repairs and maintenance will be spent on infrastructure assets. This signifies the implementation of the municipality's plans of maintaining its infrastructure levels high to ensure uninterrupted service delivery.

Table A9 reveals a decreasing trend in the percentage of Repairs & Maintenance as a percentage of Property, Plant & Equipment. This is due to a higher rate of monetary increase in the PPE balances as compared to the monetary increases in the Repairs & Maintenance budget.

The challenge noted above of a higher increase in the capital budget than the repairs & maintenance budget is mainly attributable to a higher grant funded infrastructural spending than the increase in own revenue sources that fund the repairs and maintenance budget.

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the district Indigent Policy. The target is to register 2 000 or more indigent households during the 2023/24 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

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

1.6 CAPITAL EXPENDITURE

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

Table 13 2023/24 Medium-term capital budget per vote

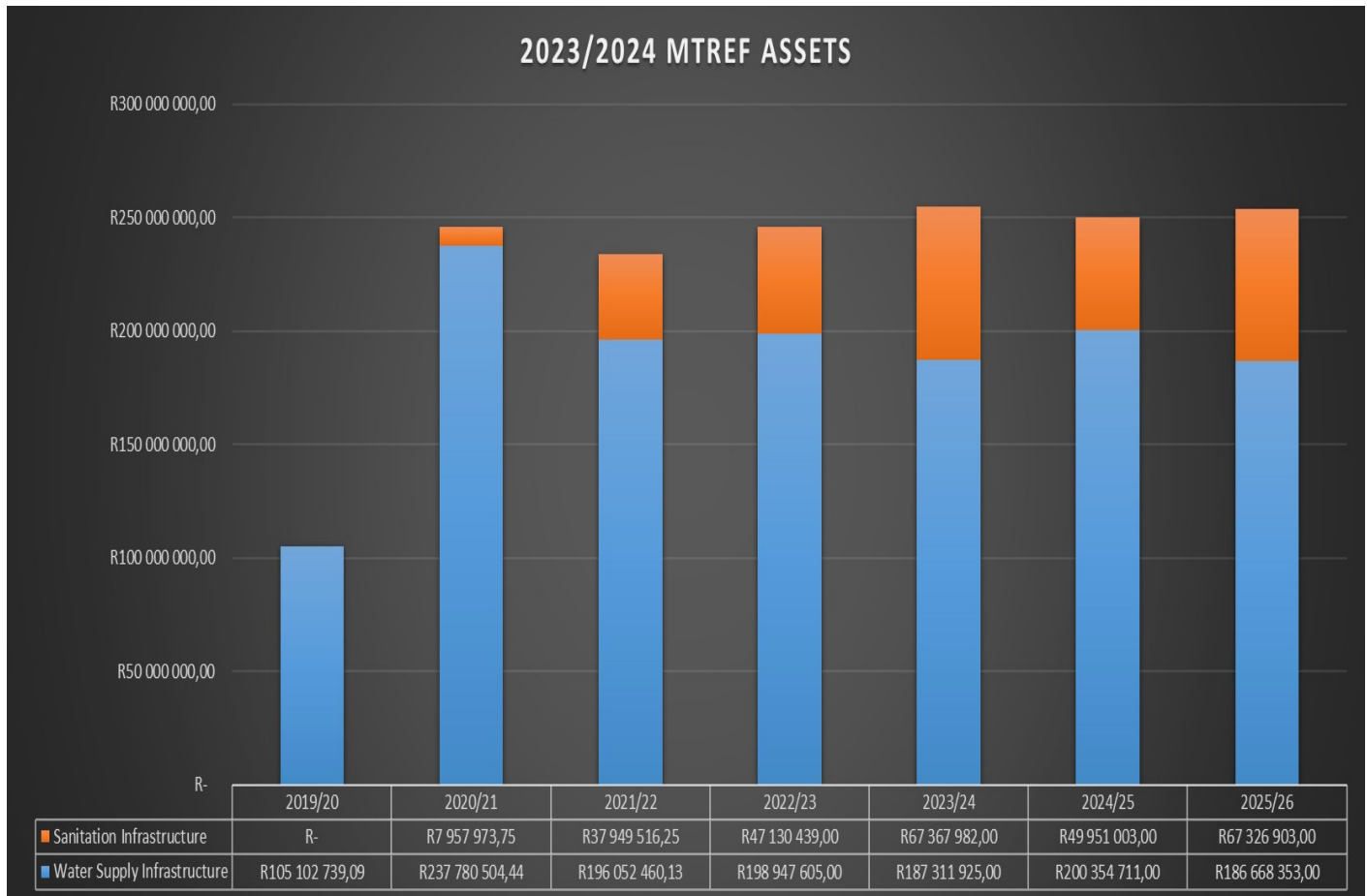
DC43 Harry Gwala - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	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
R thousand										
Capital expenditure - Vote										
<i>Multi-year expenditure, to be appropriated</i>										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	281	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	3 814	7 226	8 310	9 902	8 605	8 605	666	7 514	11 496	15 835
Vote 05 - Summary Social Services & Development Planning	-	7 355	47	4 064	2 709	2 709	-	1 893	1 890	1 985
Vote 06 - Summary Infrastructure Services	224 244	46 050	30 970	52 522	38 676	38 676	6 784	59 118	59 491	48 783
Vote 07 - Summary Water Services	11 855	235 826	251 578	231 692	245 364	245 364	128 618	231 204	218 491	226 578
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	240 195	296 457	290 905	298 180	295 354	295 354	136 068	299 730	291 367	293 181
Total Capital Expenditure - Vote	240 195	296 457	290 905	298 180	295 354	295 354	136 068	299 730	291 367	293 181

For 2023/24 an amount of R299, 7million has been appropriated for the development of infrastructure which represents 93% of the total capital budget. In the outer years this amount totals R291, 3million, 93% and R293, 1million, 92% respectively for each of the financial years. These expenditures are exclusive of VAT.

Total new assets represent R269, 1million of the total capital budget while asset renewal equates to R18, 7million. Further detail relating to asset classes and proposed capital expenditure is contained in Table MBRR A9 (Asset Management). In addition to the MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Refer to table MBRR SA36 for the detailed listing of the capital projects.

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



Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table MBRR SA35. This table shows that future operational costs associated with the capital programme totals R73, 4 million in 2023/24 and to R76, 8million by 2024/25. This associated to the operational expenditure and is expected to escalate to R80, 3 million by 2025/26 It needs to be noted that as part of the 2023/24 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 ANNUAL BUDGET TABLES – CONSOLIDATED BUDGET

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.

Table 14 MBRR Table A1 - Budget Summary

DC43 Harry Gwala - Table A1 Consolidated Budget Summary

Description	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
R thousands										
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	70 463	67 765	61 560	64 990	71 586	71 586	53 310	73 431	76 809	80 342
Investment revenue	6 196	3 011	5 104	4 859	7 320	7 320	5 609	5 519	5 779	6 051
Transfer and subsidies - Operational	380 256	430 342	453 939	463 738	465 350	465 350	331 966	496 435	522 178	551 136
Other own revenue	15 464	10 879	15 181	11 941	12 537	12 537	9 684	13 112	13 423	14 039
Total Revenue (excluding capital transfers and contributions)	472 379	511 997	535 784	545 528	556 794	556 794	400 569	588 498	618 189	651 569
Employee costs	190 401	217 969	238 376	250 011	244 803	244 803	159 137	263 217	275 539	288 453
Remuneration of councillors	7 702	7 813	7 239	8 879	7 710	7 710	4 740	8 183	8 576	8 987
Depreciation and amortisation	71 944	79 359	81 505	91 951	92 120	92 120	54 474	97 533	102 223	107 038
Finance charges	2 396	995	307	516	500	500	–	90	95	101
Inventory consumed and bulk purchases	–	–	–	29 207	26 897	26 897	–	28 432	29 798	31 200
Transfers and subsidies	14 000	17 000	15 100	17 000	21 594	21 594	6 000	17 000	18 020	19 101
Other expenditure	246 086	224 706	253 562	210 569	242 962	242 962	150 563	250 019	311 490	328 478
Total Expenditure	532 530	547 842	596 088	608 134	636 587	636 587	374 915	664 475	745 742	783 359
Surplus/(Deficit)	(60 151)	(35 845)	(60 304)	(62 606)	(79 793)	(79 793)	25 654	(75 978)	(127 553)	(131 790)
Transfers and subsidies - capital (monetary allocations)	262 515	302 857	311 860	320 236	318 218	318 218	151 971	335 757	372 938	373 552
Transfers and subsidies - capital (in-kind)	5 863	4 693	12 781	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	208 227	271 706	264 337	257 630	238 425	238 425	177 626	259 779	245 385	241 761
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	208 227	271 706	264 337	257 630	238 425	238 425	177 626	259 779	245 385	241 761
Capital expenditure & funds sources										
Capital expenditure	240 195	296 457	290 905	298 180	295 354	295 354	136 068	299 730	291 367	293 181
Transfers recognised - capital	234 687	268 028	273 848	278 426	279 176	279 176	135 402	277 774	272 363	269 480
Borrowing	1 296	–	–	–	–	–	–	–	–	–
Internally generated funds	4 211	28 430	17 056	19 754	16 178	16 178	666	21 956	19 004	23 701
Total sources of capital funds	240 195	296 457	290 905	298 180	295 354	295 354	136 068	299 730	291 367	293 181
Financial position										
Total current assets	101 536	104 165	112 965	106 191	131 223	131 223	267 219	136 733	141 125	145 714
Total non current assets	2 341 369	2 551 972	2 759 748	2 677 309	2 963 657	2 963 657	2 838 467	2 954 139	2 941 972	2 939 278
Total current liabilities	136 865	101 084	114 375	125 478	108 569	108 569	191 069	111 522	109 271	107 020
Total non current liabilities	–	–	–	–	–	–	–	–	–	–
Community wealth/Equity	2 288 838	2 540 141	2 774 454	2 641 669	2 959 042	2 959 042	2 907 419	2 950 481	2 943 224	2 945 535
Cash flows										
Net cash from (used) operating	–	(99 192)	175 924	321 758	297 886	297 886	1 049 691	320 176	296 447	298 493
Net cash from (used) investing	–	(251 425)	(290 905)	(298 180)	(295 354)	(295 354)	(130 429)	(299 730)	(291 367)	(293 181)
Net cash from (used) financing	–	–	–	–	–	–	–	(149)	–	–
Cash/cash equivalents at the year end	58 363	(309 947)	(63 119)	51 147	67 124	67 124	919 261	73 163	78 242	83 555
Cash backing/surplus reconciliation										
Cash and investments available	2 411 889	2 630 112	2 837 258	2 757 018	3 057 656	3 057 656	3 069 874	3 054 898	3 047 581	3 049 483
Application of cash and investments	85 963	63 503	52 412	79 760	67 794	67 794	443	71 101	71 382	71 424
Balance - surplus (shortfall)	2 325 926	2 566 609	2 784 846	2 677 258	2 989 862	2 989 862	3 069 432	2 983 797	2 976 200	2 978 060
Asset management										
Asset register summary (WDV)	1 674 186	1 820 137	1 949 818	1 945 475	2 153 726	2 153 726	2 144 209	2 132 041	2 129 348	–
Depreciation	71 944	79 359	81 505	91 951	92 120	92 120	97 533	102 223	107 038	–
Renewal and Upgrading of Existing Assets	124 468	29 321	44 348	44 930	15 763	15 763	30 555	29 983	23 782	–
Repairs and Maintenance	20 479	35 246	45 289	37 538	56 142	56 142	53 791	56 373	59 023	–
Free services										
Cost of Free Basic Services provided	699	303	642	(642)	(642)	(642)	(680)	(719)	(752)	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	30	–	–	33	33	33	35	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

Table A1 is a budget summary and provides a concise overview of the Harry Gwala district municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

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.

A financial management reform emphasizes 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:

1. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF Capital expenditure is balanced by capital funding sources, of which transfers recognised is reflected on the Financial Performance Budget;
2. Internally generated funds are financed from a combination of the current operating surplus and VAT refunds on Conditional Grants. The amount is incorporated in the Net cash from operating 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.

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. This place 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 financial year.

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. It is anticipated that by 2023/24 the water backlog will have been very nearly eliminated.

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC43 Harry Gwala - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	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
Revenue - Functional									
Governance and administration	368 076	422 901	397 365	438 744	441 566	441 566	470 966	501 453	529 200
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	368 076	422 901	397 365	438 744	441 566	441 566	470 966	501 453	529 200
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	33	-	15	15	-	-	-
Community and social services	-	-	33	-	15	15	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	7 928	8 568	24 384	17 180	16 994	16 994	17 444	18 489	19 598
Planning and development	7 928	8 568	24 384	17 180	16 994	16 994	17 444	18 489	19 598
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	364 753	388 078	438 642	409 840	416 437	416 437	435 845	471 184	476 322
Energy sources	-	-	-	-	-	-	-	-	-
Water management	348 448	358 853	392 285	396 689	402 523	402 523	421 544	456 225	460 675
Waste water management	16 305	29 226	46 357	13 151	13 914	13 914	14 301	14 959	15 647
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	740 757	819 547	860 424	865 764	875 012	875 012	924 255	991 127	1 025 120
Expenditure - Functional									
Governance and administration	229 394	233 276	236 450	266 502	281 683	281 683	281 888	295 361	309 440
Executive and council	20 706	27 920	37 102	33 112	31 303	31 303	31 701	33 223	34 801
Finance and administration	198 889	195 853	189 248	223 635	238 942	238 942	240 775	252 275	264 303
Internal audit	9 799	9 503	10 100	9 755	11 437	11 437	9 411	9 863	10 336
Community and public safety	16 687	17 672	19 479	20 881	19 193	19 193	22 796	23 890	25 033
Community and social services	16 687	17 672	19 479	20 881	19 193	19 193	22 796	23 890	25 033
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	139 476	123 312	148 523	156 969	160 667	160 667	185 779	244 126	257 853
Planning and development	139 476	123 312	148 523	156 969	160 667	160 667	185 779	244 126	257 853
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	175 205	201 451	236 297	163 481	176 644	176 644	174 012	182 365	191 034
Energy sources	-	-	-	-	-	-	-	-	-
Water management	172 630	200 589	216 091	162 342	175 796	175 796	172 795	181 089	189 697
Waste water management	2 574	862	20 206	1 139	849	849	1 217	1 276	1 337
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	560 762	575 710	640 749	607 834	638 187	638 187	664 475	745 742	783 359
Surplus/(Deficit) for the year	179 995	243 837	219 676	257 930	236 825	236 825	259 779	245 385	241 761

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. The table highlights that this is the case for District, Water and Wastewater functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

Other functions show a deficit between revenue and expenditure are being financed from equitable share and other revenue sources reflected under the Budget and Treasury vote.

Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC43 Harry Gwala - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	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									
Revenue by Vote									
Vote 01 - Summary Council	–	–	–	–	–	–	–	–	–
Vote 02 - Summary Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 03 - Summary Budget And Treasury Office	366 522	422 192	396 921	438 660	441 238	441 238	470 599	501 361	529 104
Vote 04 - Summary Corporate Services	1 447	665	359	–	245	245	279	–	–
Vote 05 - Summary Social Services & Development Planning	928	3 875	11 636	17 180	17 009	17 009	17 444	18 489	19 598
Vote 06 - Summary Infrastructure Services	287 979	305 438	318 640	337 554	335 869	335 869	354 731	386 339	387 574
Vote 07 - Summary Water Services	83 881	87 377	132 868	72 370	80 651	80 651	81 203	84 938	88 845
Vote 15 - Other	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	740 757	819 547	860 424	865 764	875 012	875 012	924 255	991 127	1 025 120
Expenditure by Vote to be appropriated									
Vote 01 - Summary Council	10 296	14 956	20 155	18 963	19 787	19 787	18 649	19 544	20 472
Vote 02 - Summary Municipal Manager	20 209	22 466	27 048	23 904	22 953	22 953	22 463	23 541	24 665
Vote 03 - Summary Budget And Treasury Office	74 417	59 812	64 433	83 148	86 578	86 578	88 459	92 647	97 120
Vote 04 - Summary Corporate Services	86 493	89 586	80 060	91 438	89 852	89 852	88 344	92 585	96 965
Vote 05 - Summary Social Services & Development Planning	49 942	48 105	51 289	72 345	69 988	69 988	77 790	81 081	85 067
Vote 06 - Summary Infrastructure Services	114 515	97 107	125 480	109 944	111 077	111 077	135 490	191 865	202 986
Vote 07 - Summary Water Services	204 889	243 677	272 284	208 092	237 951	237 951	233 280	244 477	256 085
Vote 15 - Other	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	560 762	575 710	640 749	607 834	638 187	638 187	664 475	745 742	783 359
Surplus/(Deficit) for the year	179 995	243 837	219 676	257 930	236 825	236 825	259 779	245 385	241 761

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 organizational structure of Harry Gwala Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for water trading services.

Table 17 Surplus/ (Deficit) calculations for the trading services

DC43 Harry Gwala - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	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
Revenue by Vote									
Vote 06 - Summary Infrastructure Services	287 979	305 438	318 640	337 554	335 869	335 869	354 731	386 339	387 574
Vote 07 - Summary Water Services	83 881	87 377	132 868	72 370	80 651	80 651	81 203	84 938	88 845
Total Revenue by Vote	371 860	371 860	371 860	371 860	371 860	371 860	371 860	371 860	371 860
Expenditure by Vote to be appropriated									
Vote 06 - Summary Infrastructure Services	114 515	97 107	125 480	109 944	111 077	111 077	135 490	191 865	202 986
Vote 07 - Summary Water Services	204 889	243 677	272 284	208 092	237 951	237 951	233 280	244 477	256 085
Total Expenditure by Vote	319 404	319 404	319 404	319 404	319 404	319 404	319 404	319 404	319 404
Surplus/(Deficit) for the year	179 995	243 837	219 676	257 930	236 825	236 825	259 779	245 385	241 761

The municipality currently operates on a surplus in its trading services. This is largely attributable to higher percentage increase in the input cost as compared to the increase in tariffs. The municipality is currently reviewing the costing of the tariff structure with a view to recovering the cost of providing these services and also ensuring financial sustainability.

Table 18 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC43 Harry Gwala - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	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
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	54 157	54 003	49 353	51 777	57 276	57 276	44 662	58 796	61 500	64 329
Service charges - Waste Water Management	16 305	13 762	12 207	13 213	14 311	14 311	8 648	14 636	15 309	16 013
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	752	517	417	582	919	919	623	653	683	713
Interest earned from Receivables	12 632	10 100	11 221	11 358	11 358	11 358	8 764	12 180	12 740	13 326
Interest earned from Current and Non Current Assets	6 196	3 011	5 104	4 859	7 320	7 320	5 609	5 519	5 779	6 051
Rental from Fixed Assets	-	-	-	-	-	-	-	-	-	-
Licence and permits	-	-	-	-	-	-	-	-	-	-
Operational Revenue	1 018	261	402	-	260	260	296	279	-	-
Non-Exchange Revenue										
Property rates	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	2 453	-	-	-	-	-	-	-
Licences or permits	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	380 256	430 342	453 939	463 738	465 350	465 350	331 966	496 435	522 178	551 136
Interest	-	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	1 062	-	-	-	-	-	-	-	-	-
Other Gains	-	-	688	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribu	472 379	511 997	535 784	545 528	556 794	556 794	400 569	588 498	618 189	651 569
Expenditure										
Employee related costs	190 401	217 969	238 376	250 011	244 803	244 803	159 137	263 217	275 539	288 453
Remuneration of councillors	7 702	7 813	7 239	8 879	7 710	7 710	4 740	8 183	8 576	8 987
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	29 207	26 897	26 897	-	28 897	28 215	29 542
Debt impairment	22 058	30 921	7 533	-	-	-	-	-	-	-
Depreciation and amortisation	71 944	79 359	81 505	91 951	92 120	92 120	54 474	97 533	102 223	107 038
Interest	2 396	995	307	516	500	500	-	90	95	101
Contracted services	144 400	129 575	173 013	117 271	139 994	139 994	100 785	144 803	200 325	211 710
Transfers and subsidies	14 000	17 000	15 100	17 000	21 594	21 594	6 000	17 000	18 020	19 101
Irrecoverable debts written off	21 307	812	7 614	28 750	28 750	28 750	-	30 418	31 878	33 376
Operational costs	55 607	56 900	63 462	64 548	74 218	74 218	46 903	74 799	79 287	83 392
Losses on disposal of Assets	2 714	6 496	1 940	-	-	-	2 875	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	532 530	547 842	596 088	608 134	636 587	636 587	374 915	662 940	744 159	781 700
Surplus/(Deficit)	(60 151)	(35 845)	(60 304)	(62 606)	(79 793)	(79 793)	25 654	(74 443)	(125 970)	(130 131)
Transfers and subsidies - capital (monetary allocations)										
262 515	302 857	311 860	320 236	318 218	318 218	151 971	335 757	372 938	373 552	
Transfers and subsidies - capital (in-kind)	5 863	4 693	12 781	-	-	-	-	-	-	
208 227	271 706	264 337	257 630	238 425	238 425	177 626	261 314	246 968	243 420	
Surplus/(Deficit) after capital transfers & contributions										
Income Tax										
Surplus/(Deficit) after income tax	208 227	271 706	264 337	257 630	238 425	238 425	177 626	261 314	246 968	243 420
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality	208 227	271 706	264 337	257 630	238 425	238 425	177 626	261 314	246 968	243 420
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/(Deficit) for the year	208 227	271 706	264 337	257 630	238 425	238 425	177 626	261 314	246 968	243 420

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

Total operating revenue is R588, 4million in 2023/24 and escalates to R618, 1million by 2024/25. This represents an increase of 6 per cent for the 2023/24 financial year and an increase of 5 per cent for the 2024/25 and 5 % again in 2025/26 financial year.

The revenue on the system generated A Schedule is R924, 2million which is R17million higher than the actual Draft budget. The R17 million relates to the transfers to Harry Gwala Development Agency from the parent municipality as shown on the entity's D schedule. This amount should be eliminated on consolidation; however, the system is not eliminating the revenue against the transfers from the parent side resulting in the overstatement of both the consolidated revenue and expenditure by the same amount.

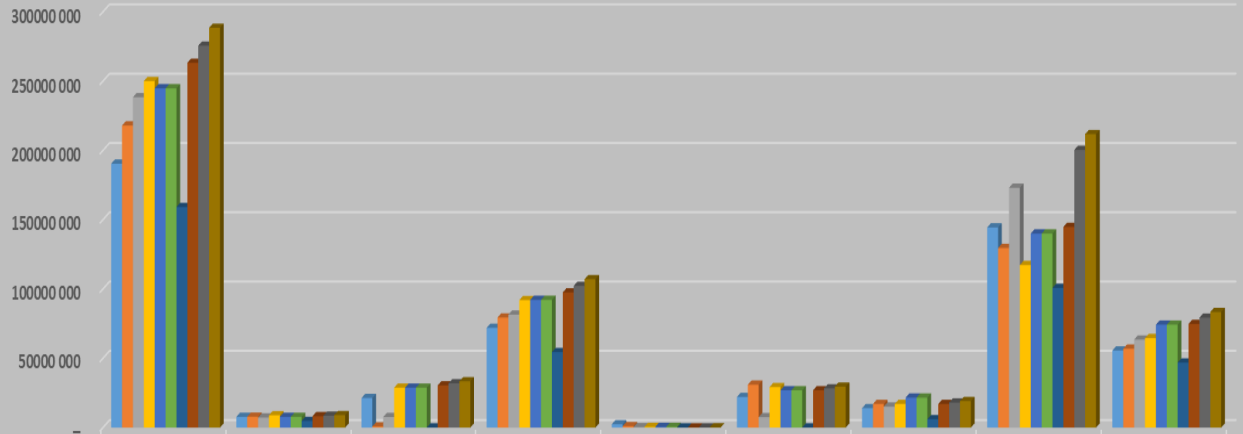
Services charges relating to water and sanitation constitutes the biggest component of the own revenue basket of the district totaling R73, 4million for the 2023/24 financial year and increasing to R76, 8million by 2024/25. For the 2023/24 financial year services charges amount to 12% of the total revenue and 12 per cent again in the MTREF.

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government increased by R 31m or 6% in 2023/2024 and grow rapidly by 5 per cent in 2024/2025 and 5 per cent in the 2025/2026 financial year. There is a R 17m operating transfers and grants transferred to Development agency that appears under district municipality which overstate grants by R17m.

The following graph illustrates the major expenditure items per type.

Figure 2 Expenditure by major type

EXPENDITURE BY TYPE



	Employee related costs	Remuneration of councillors	Irrecoverable debts written off	Depreciation & asset impairment	Interest	Inventory consumed	Transfers and subsidies	Contracted services	Operational costs
2019/20	190401 348	7701 854	21306 501	71944 480	2395 627	22058 340	14000 000	144400 012	55607 139
2020/21	217969 203	7812 670	812 464	79358 826	995 437	30921 423	17000 000	129575 463	56899 856
2021/22	238375 670	7238 604	7613 554	81504 774	306 520	7533 316	15100 000	173012 594	63462 381
2022/23 Original Budget	250011 173	8879 355	28750 431	91951 263	515 600	29206 886	17000 000	117270 987	64547 928
2022/23 Adjusted Budget	244802 566	7710 190	28750 431	92119 945	500 000	26897 473	21594 244	139993 706	74218 147
Full Year Forecast	244802 566	7710 190	28750 431	92119 945	500 000	26897 473	21594 244	139993 706	74218 147
Pre-audit outcome	159137 357	4740 085	-	54473 739	-	-	6000 000	100784 985	46903 093
Budget Year 2023/24	263217 384	8182 931	30417 956	97533 307	90 000	26897 473	17000 000	144802 532	74798 830
Budget Year +1 2024/25	275539 346	8575 714	31878 018	102223 491	95 280	28215 450	18020 000	200324 588	79287 218
Budget Year +2 2025/26	288452 854	8987 345	33376 285	107037 852	100 861	29541 577	19101 200	211709 892	83392 194

Employee related costs, Contracted services and operational costs 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 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

DC43 Harry Gwala - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	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
R thousand										
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	281	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	3 814	7 226	8 310	9 902	8 605	8 605	666	7 514	11 496	15 835
Vote 05 - Summary Social Services & Development Planning	-	7 355	47	4 064	2 709	2 709	-	1 893	1 890	1 985
Vote 06 - Summary Infrastructure Services	224 244	46 050	30 970	52 522	38 676	38 676	6 784	59 118	59 491	48 783
Vote 07 - Summary Water Services	11 855	235 826	251 578	231 692	245 364	245 364	128 618	231 204	218 491	226 578
Capital multi-year expenditure sub-total	240 195	296 457	290 905	298 180	295 354	295 354	136 068	299 730	291 367	293 181
Total Capital Expenditure - Vote	240 195	296 457	290 905	298 180	295 354	295 354	136 068	299 730	291 367	293 181
Capital Expenditure - Functional										
Governance and administration	4 095	7 226	8 310	10 471	9 242	9 242	666	7 826	11 845	16 205
Executive and council										
Finance and administration	4 095	7 226	8 310	10 471	9 242	9 242	666	7 826	11 845	16 205
Internal audit										
Community and public safety	-	7 355	47	3 304	1 130	1 130	-	1 391	1 457	1 525
Community and social services	-	7 355	47	3 304	1 130	1 130	-	1 391	1 457	1 525
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services	1 693	18 541	21 376	19 061	30 943	30 943	5 715	27 286	27 478	24 397
Planning and development	1 693	18 541	21 376	19 061	30 943	30 943	5 715	27 286	27 478	24 397
Road transport										
Environmental protection										
Trading services	234 406	263 335	261 172	265 344	254 038	254 038	129 687	263 226	250 589	251 054
Energy sources										
Water management	198 896	248 698	223 223	218 214	195 925	195 925	111 284	193 046	199 393	182 364
Waste water management	35 511	14 637	37 950	47 130	58 113	58 113	18 403	70 180	51 196	68 690
Waste management										
Other										
Total Capital Expenditure - Functional	240 195	296 457	290 905	298 180	295 354	295 354	136 068	299 730	291 367	293 181
Funded by:										
National Government	222 832	249 289	232 612	278 426	278 426	278 426	135 402	277 584	272 279	269 390
Provincial Government	11 855	18 739	41 236	-	-	-	-	-	-	-
District Municipality	-	-	-	-	750	750	-	190	85	90
Transfers and subsidies - capital (in-kind)										
Transfers recognised - capital	234 687	268 028	273 848	278 426	279 176	279 176	135 402	277 774	272 363	269 480
Borrowing	1 296	-	-	-	-	-	-	-	-	-
Internally generated funds	4 211	28 430	17 056	19 754	16 178	16 178	666	21 956	19 004	23 701
Total Capital Funding	240 195	296 457	290 905	298 180	295 354	295 354	136 068	299 730	291 367	293 181

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

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year appropriation); 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.

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2023/24 R299, 7million (Excl VAT) has been allocated of the total R290, 3million infrastructural budget, which totals 97 per cent. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the District. 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 mainly from national and provincial grants and subsidies. For 2023/24 capital transfers totals R335, 7million and R372, 9million by 2024/25 and then in 2025/26 increase to R373, 5million. No borrowing applications are expected to result in the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 20 MBRR Table A6 - Budgeted Financial Position

DC43 Harry Gwala - Table A6 Consolidated Budgeted Financial Position

Description	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
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents	40 671	51 862	50 226	51 147	67 003	67 003	174 939	73 163	78 242	83 555
Trade and other receivables from exchange transactions	30 724	26 856	27 668	30 264	29 149	29 149	56 723	28 499	27 811	27 088
Receivables from non-exchange transactions	2 336	2 336	2 336	2 336	2 336	2 336	2 336	2 336	2 336	2 336
Current portion of non-current receivables	-	-	-	-	-	-	-	-	-	-
Inventory	267	408	513	513	513	513	513	513	513	513
VAT	27 167	22 538	32 160	21 876	32 160	32 160	32 680	32 160	32 160	32 160
Other current assets	372	166	62	55	62	62	27	62	62	62
Total current assets	101 536	104 165	112 965	106 191	131 223	131 223	267 219	136 733	141 125	145 714
Non current assets										
Investments										
Investment property	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	2 340 494	2 551 394	2 759 364	2 675 607	2 961 505	2 961 505	2 838 212	2 953 236	2 941 528	2 938 840
Biological assets										
Living and non-living resources										
Heritage assets										
Intangible assets	875	578	384	1 702	2 152	2 152	255	903	444	438
Trade and other receivables from exchange transactions	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions										
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total non current assets	2 341 369	2 551 972	2 759 748	2 677 309	2 963 657	2 963 657	2 838 467	2 954 139	2 941 972	2 939 278
TOTAL ASSETS	2 442 906	2 656 137	2 872 714	2 783 500	3 094 880	3 094 880	3 105 686	3 090 872	3 083 096	3 084 993
LIABILITIES										
Current liabilities										
Bank overdraft										
Financial liabilities	-	-	12 794	8 394	10 394	10 394	12 794	10 394	7 994	5 594
Consumer deposits	1 863	2 034	2 175	2 331	2 324	2 324	2 329	2 324	2 473	2 622
Trade and other payables from exchange transactions	85 963	78 030	77 612	84 816	72 573	72 573	69 466	75 527	75 527	75 527
Trade and other payables from non-exchange transactions	15 000	(0)	(0)	-	1 483	1 483	80 745	1 483	1 483	1 483
Provision	13 294	15 088	15 194	15 088	15 194	15 194	15 194	15 194	15 194	15 194
VAT	20 744	5 933	6 600	14 850	6 600	6 600	10 542	6 600	6 600	6 600
Other current liabilities	-	-	-	-	-	-	-	-	-	-
Total current liabilities	136 865	101 084	114 375	125 478	108 569	108 569	191 069	111 522	109 271	107 020
Non current liabilities										
Financial liabilities	14 808	4 904	1 299	-	(0)	(0)	(533)	-	-	-
Provision	18 479	24 548	27 246	15 947	28 869	28 869	27 246	28 869	30 601	32 437
Long term portion of trade payables										
Other non-current liabilities										
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	136 865	101 084	114 375	125 478	108 569	108 569	191 069	111 522	109 271	107 020
NET ASSETS	2 306 041	2 555 053	2 758 338	2 658 022	2 986 311	2 986 311	2 914 617	2 979 350	2 973 825	2 977 973
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	2 288 838	2 540 141	2 774 454	2 641 669	2 959 042	2 959 042	2 907 419	2 950 481	2 943 224	2 945 535
Reserves and funds	-	-	-	-	-	-	-	-	-	-
Other										
TOTAL COMMUNITY WEALTH/EQUITY	2 288 838	2 540 141	2 774 454	2 641 669	2 959 042	2 959 042	2 907 419	2 950 481	2 943 224	2 945 535

Explanatory notes to Table A6 - Budgeted Financial Position

Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

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.

Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:

1. Call investments deposits;
2. Consumer debtors;
3. Property, plant and equipment;
4. Trade and other payables;
5. Provisions non-current;
6. Changes in net assets; and
7. Reserves

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.

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 21 MBRR Table A7 - Budgeted Cash Flow Statement

DC43 Harry Gwala - Table A7 Consolidated Budgeted Cash Flows

Description	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
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates										
Service charges	-	130 189	70 345	59 930	64 575	64 575	30 530	61 137	63 950	66 891
Other revenue	-	231 405	608 032	56 447	57 044	57 044	1 276 112	53 950	48 799	49 835
Transfers and Subsidies - Operational	-	3 896	8 071	446 738	446 738	446 738	8 087	479 435	504 158	532 034
Transfers and Subsidies - Capital	-	215 028	369 601	320 236	320 236	320 236	244 000	335 757	372 938	373 552
Interest	-	3 011	5 104	4 859	7 320	7 320	5 609	5 519	5 779	6 051
Dividends								-	-	-
Payments										
Suppliers and employees	-	(682 369)	(885 094)	(566 453)	(598 027)	(598 027)	(514 646)	(615 622)	(699 177)	(729 870)
Finance charges	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	-	(352)	(135)	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	(99 192)	175 924	321 758	297 886	297 886	1 049 691	320 176	296 447	298 493
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	-	(251 425)	(290 905)	(298 180)	(295 354)	(295 354)	(130 429)	(299 730)	(291 367)	(293 181)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(251 425)	(290 905)	(298 180)	(295 354)	(295 354)	(130 429)	(299 730)	(291 367)	(293 181)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing								-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	(149)	-	-
Payments										
Repayment of borrowing								-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	(149)	-	-
NET INCREASE/(DECREASE) IN CASH HELD	-	(350 618)	(114 981)	23 578	2 532	2 532	919 261	20 298	5 079	5 313
Cash/cash equivalents at the year begin:	58 363	40 671	51 862	27 569	64 592	64 592	-	52 866	73 163	78 242
Cash/cash equivalents at the year end:	58 363	(309 947)	(63 119)	51 147	67 124	67 124	919 261	73 163	78 242	83 555

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

As part of the 2022/23 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations, rationalisation of spending priorities and cost containment policy.

The 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. Cash and cash equivalents totals R101,9 million as at the end of the 2023/24 financial year and escalates to R113million by 2024/25 and R113, 3m at the end of 2025/2026 financial year.

Table 22 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

DC43 Harry Gwala - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	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
Cash and investments available										
Cash/cash equivalents at the year end	58 363	(309 947)	(63 119)	51 147	67 124	67 124	919 261	73 163	78 242	83 555
Other current investments > 90 days	13 032	388 665	141 013	30 264	29 027	29 027	(687 599)	28 499	27 811	27 088
Investments - Property, plant and equipment	2 340 494	2 551 394	2 759 364	2 675 607	2 961 505	2 961 505	2 838 212	2 953 236	2 941 528	2 938 840
Cash and investments available:	2 411 889	2 630 112	2 837 258	2 757 018	3 057 656	3 057 656	3 069 874	3 054 898	3 047 581	3 049 483
Application of cash and investments										
Trade payables from Non-exchange transactions: Other	-	-	-	-	-	-	-	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements										
Other working capital requirements	85 963	63 503	52 412	79 760	67 794	67 794	443	71 101	71 382	71 424
Other provisions										
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	85 963	63 503	52 412	79 760	67 794	67 794	443	71 101	71 382	71 424
Surplus(shortfall)	2 325 926	2 566 609	2 784 846	2 677 258	2 989 862	2 989 862	3 069 432	2 983 797	2 976 200	2 978 060

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

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

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”.

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded. From the table it can be seen that for the period 2024/25 the budget is sitting on a surplus of R2, 9million then R 3, 1 million in 2024/25 then a surplus of R3, 2million and in 2025/26. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2023/24 Draft Budget MTREF is funded.

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.

Table 23 MBRR Table A9 - Asset Management

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	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									
CAPITAL EXPENDITURE									
Total New Assets	115 726	267 136	246 557	253 250	279 590	279 590	269 174	261 384	269 399
Roads Infrastructure	-	-	1 242	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	105 103	237 781	196 052	198 948	220 107	220 107	187 312	200 355	186 668
Sanitation Infrastructure	-	7 958	37 950	47 130	54 258	54 258	67 368	49 951	67 327
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	105 103	245 738	235 244	246 078	274 365	274 365	254 680	250 306	253 995
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	1 610	1 138	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	1 610	1 138	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	1 534	1 962	1 962	736	299	317
Intangible Assets	-	-	-	1 534	1 962	1 962	736	299	317
Computer Equipment	4 084	1 566	1 412	1 365	988	988	623	671	703
Furniture and Office Equipment	684	1 768	1 387	1 908	1 384	1 384	8 121	8 583	12 786
Machinery and Equipment	-	9 099	7 376	191	891	891	3 623	69	73
Transport Assets	5 855	7 355	-	2 174	-	-	1 391	1 457	1 525
Land	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	76 976	15 142	42 411	35 583	7 089	7 089	18 745	19 311	12 092
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	38 675	982	9 560	28 217	-	-	14 802	17 003	9 676
Sanitation Infrastructure	38 302	7 128	28 455	-	-	-	1 739	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	76 976	8 110	38 015	28 217	-	-	16 541	17 003	9 676
Community Facilities	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	130	121	121	117	123	128
Transport Assets	-	7 032	4 396	7 235	6 968	6 968	2 087	2 185	2 288
Land	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	47 492	14 179	1 936	9 348	8 674	8 674	11 810	10 672	11 690
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	45 766	8 814	1 936	9 348	4 820	4 820	8 129	9 428	10 327
Sanitation Infrastructure	1 725	5 365	-	-	3 855	3 855	3 682	1 245	1 363
Infrastructure	47 492	14 179	1 936	9 348	8 674	8 674	11 810	10 672	11 690
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	240 195	296 457	290 905	298 180	295 354	295 354	299 730	291 367	293 181
Roads Infrastructure	-	-	1 242	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	189 544	247 576	207 548	236 513	224 927	224 927	210 242	226 786	206 671
Sanitation Infrastructure	40 027	20 452	66 405	47 130	58 113	58 113	72 789	51 196	68 690
Infrastructure	229 571	268 028	275 195	283 643	283 040	283 040	283 031	277 981	275 361
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	1 610	1 138	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	1 610	1 138	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	1 534	1 962	1 962	736	299	317
Intangible Assets	-	-	-	1 534	1 962	1 962	736	299	317
Computer Equipment	4 084	1 566	1 412	1 365	988	988	623	671	703
Furniture and Office Equipment	684	1 768	1 387	1 908	1 384	1 384	8 121	8 583	12 786
Machinery and Equipment	-	9 099	7 376	322	1 012	1 012	3 740	192	201
Transport Assets	5 855	14 387	4 396	9 409	6 968	6 968	3 478	3 642	3 813
Land	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	240 195	296 457	290 905	298 180	295 354	295 354	299 730	291 367	293 181

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	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									
CAPITAL EXPENDITURE									
ASSET REGISTER SUMMARY - PPE (WDV)	1 674 186	1 820 137	1 949 818	1 945 475	2 153 726	2 153 726	2 147 466	2 229 643	2 322 555
<i>Roads Infrastructure</i>	1 725	197	193	-	188	188	188	198	207
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>	12 096	10 480	9 250	7 342	7 691	7 691	7 691	8 068	8 447
<i>Water Supply Infrastructure</i>	1 441 200	1 588 157	1 672 212	1 686 301	1 829 450	1 829 450	1 811 026	1 906 008	1 964 816
<i>Sanitation Infrastructure</i>	156 749	149 945	197 959	186 805	249 234	249 234	262 515	250 218	277 067
<i>Solid Waste Infrastructure</i>									
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>	247	136	101	67	65	65	65	68	72
Infrastructure	1 612 017	1 748 914	1 879 714	1 880 516	2 086 629	2 086 629	2 081 485	2 164 560	2 250 608
Community Assets	2 846	2 617	2 998	2 162	2 847	2 847	2 883	3 025	3 167
Heritage Assets									
Investment properties	-	-	-	-	-	-	-	-	-
Other Assets	37 105	37 594	37 577	36 075	36 422	36 422	37 031	38 845	40 671
Biological or Cultivated Assets									
Intangible Assets	875	578	384	1 702	2 152	2 152	927	499	526
Computer Equipment	5 785	5 025	6 322	3 738	4 830	4 830	4 465	4 701	4 923
Furniture and Office Equipment	1 413	2 636	1 603	3 654	2 456	2 456	9 125	9 637	13 889
Machinery and Equipment	359	2 220	2 238	2 335	2 710	2 710	3 658	106	111
Transport Assets	13 785	20 554	18 981	15 293	15 680	15 680	7 891	8 271	8 660
Land									
Zoo's, Marine and Non-biological Animals									
Living Resources									
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 674 186	1 820 137	1 949 818	1 945 475	2 153 726	2 153 726	2 147 466	2 229 643	2 322 555
EXPENDITURE OTHER ITEMS	92 424	114 605	126 793	129 489	148 262	148 262	151 325	158 597	166 061
Depreciation	71 944	79 359	81 505	91 951	92 120	92 120	97 533	102 223	107 038
Repairs and Maintenance by Asset Class	20 479	35 246	45 289	37 538	56 142	56 142	53 791	56 373	59 023
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	18 521	32 973	28 248	33 000	50 308	50 308	48 093	50 401	52 770
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	18 521	32 973	28 248	33 000	50 308	50 308	48 093	50 401	52 770
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	85	86	78	90	70	70	73	77	80
Community Assets	85	86	78	90	70	70	73	77	80
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 497	1 287	1 548	3 500	5 423	5 423	5 259	5 511	5 770
Housing	-	-	-	-	-	-	-	-	-
Other Assets	1 497	1 287	1 548	3 500	5 423	5 423	5 259	5 511	5 770
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	165	497	9	620	111	111	125	131	137
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	196	319	15 329	-	-	-	-	-	-
Transport Assets	15	83	78	328	230	230	241	252	264
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	92 424	114 605	126 793	129 489	148 262	148 262	151 325	158 597	166 061
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	51,8%	9,9%	15,2%	15,1%	5,3%	5,3%	10,2%	10,3%	8,1%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	173,0%	36,9%	54,4%	48,9%	17,1%	17,1%	31,3%	29,3%	22,2%
<i>R&M as a % of PPE</i>	0,9%	1,4%	1,6%	1,4%	1,9%	1,9%	1,9%	1,9%	1,9%
<i>Renewal and upgrading and R&M as a % of PPE</i>	9,0%	4,0%	5,0%	4,0%	3,0%	3,0%	4,0%	4,0%	4,0%

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 8 per cent of PPE. Due to the extremely high infrastructure backlogs that exists in our district a huge allocation of the conditional funding arising from prior years multi- year capital budget appropriations has been committed towards new water and sanitation infrastructure. However, the revised infrastructure plan will see a shift of more funds being allocated towards the refurbishment of assets as advised by National Treasury.

The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the district strategy to address the maintenance backlog.

Figure 3 Depreciation in relation to repairs and maintenance over the MTREF.

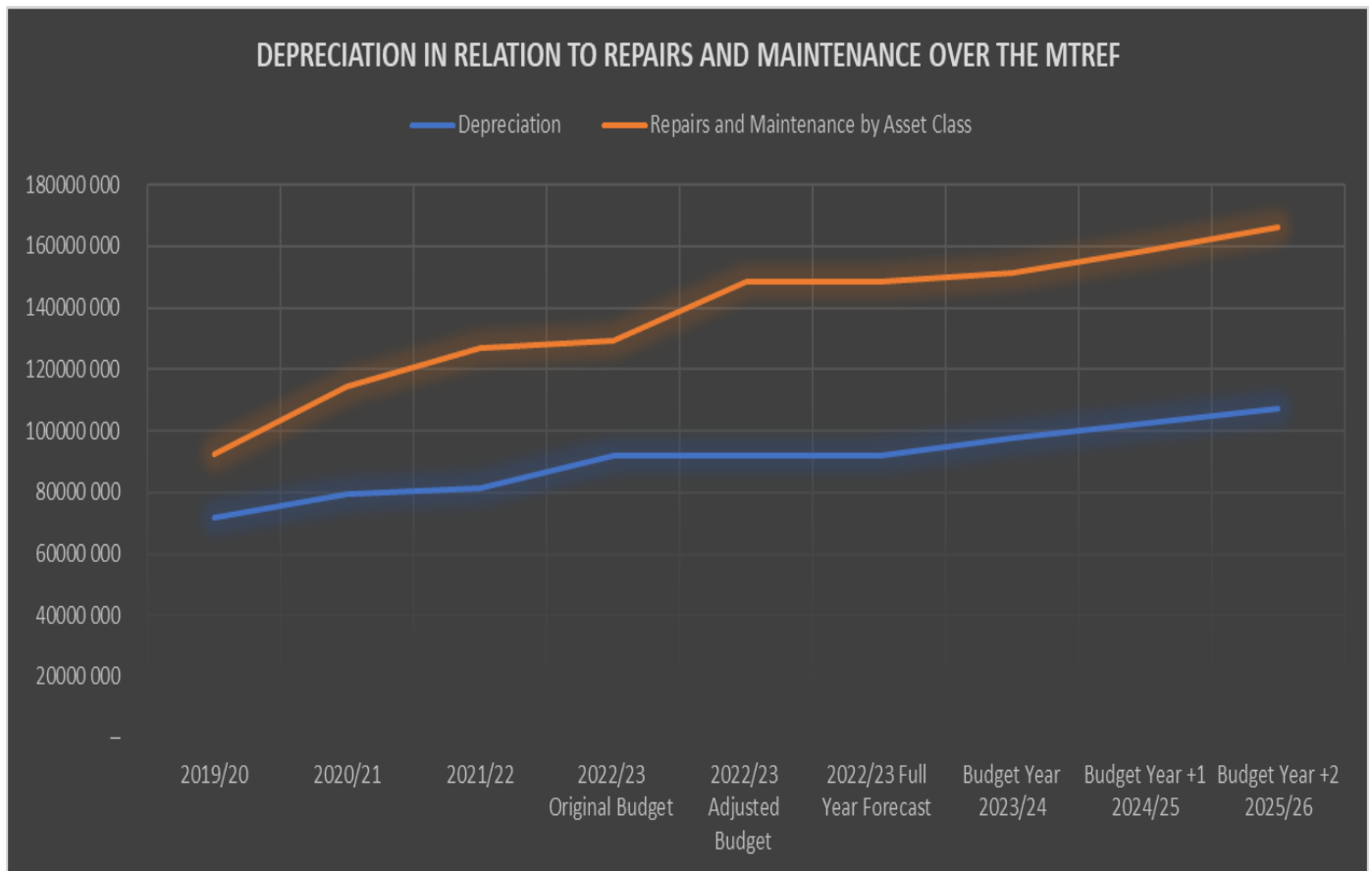


Table 24 MBRR Table A10 - Basic Service Delivery Measurement

DC43 Harry Gwala - Table A10 Consolidated basic service delivery measurement

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets									
Water:									
Piped water inside dwelling	48 641	51 803	52 292	55 691	55 691	55 691	59 311	63 166	67 272
Piped water inside yard (but not in dwelling)	19 885	21 178	21 261	22 643	22 643	22 643	24 115	25 682	27 352
Using public tap (at least min.service level)	30 026	31 978	37 292	39 716	39 716	39 716	42 298	45 047	47 975
Other water supply (at least min.service level)	30 152	32 112	30 936	32 947	32 947	32 947	35 089	37 369	39 798
<i>Minimum Service Level and Above sub-total</i>	128 704	-	-	150 997	150 997	150 997	160 812	171 266	182 398
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	30 152	32 112	30 936	32 947	32 947	32 947	35 088	37 369	39 798
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	30 152	32 112	30 936	32 947	32 947	32 947	35 088	37 369	39 798
Total number of households	158 856	32 112	30 936	183 944	183 944	183 944	195 900	-	-
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	70 615	75 205	81 649	86 956	86 956	86 956	92 608	98 628	105 039
Flush toilet (with septic tank)	12 312	13 112	13 164	14 020	14 020	14 020	14 931	15 901	16 935
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	45 779	48 755	46 969	50 022	50 022	50 022	53 273	56 736	60 424
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	128 706	137 072	141 782	150 998	150 998	150 998	160 813	171 266	182 398
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	128 706	137 072	141 782	150 998	150 998	150 998	160 813	171 266	182 398
Total number of households	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-	-	-
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 (6 kilolitres per indigent household per month)	693	303	642	(649)	(649)	(649)	(688)	(719)	(752)
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)	5	-	-	7	7	7	7	-	-
Total cost of FBS provided	699	303	642	(642)	(642)	(642)	(680)	(719)	(752)

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

The district continues to make good progress with the eradication of backlogs:

Water services – The table shows an increase in the number of households accessing water in the MTREF. These households are largely found in ‘reception areas’ and will need to be moved to formal areas so that they can receive services.

Sanitation services – backlog will be reduced greatly in the MTREF. The budget provides for 12800 households to be registered as indigent in 2023/24, and therefore entitled to receiving Free Basic Services. It is anticipated that these Free Basic Services will cost the municipality R6, 1million in the MTREF. This is covered by the municipality’s equitable share allocation from national government.

1.8 ANNUAL BUDGET TABLES- PARENT MUNICIPALITY

Table 25 MBRR Table A1 - Budget Summary

DC43 Harry Gwala - Table A1 Budget Summary

Description	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
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	70 463	67 765	61 560	64 990	71 586	71 586	53 310	73 431	76 809	80 342
Investment revenue	6 196	3 011	5 104	4 679	6 920	6 920	5 609	5 095	5 330	5 575
Transfer and subsidies - Operational	380 256	430 342	453 939	446 738	448 756	448 756	331 966	479 435	504 158	532 034
Other own revenue	15 464	10 879	15 181	11 941	12 537	12 537	9 684	13 092	13 403	14 019
Total Revenue (excluding capital transfers and contributions)	472 379	511 997	535 784	528 348	539 800	539 800	400 569	571 054	599 700	631 971
Employee costs	190 401	217 969	238 376	237 545	239 656	239 656	159 137	256 580	268 867	281 744
Remuneration of councillors	7 702	7 813	7 239	8 879	7 710	7 710	4 740	8 183	8 576	8 987
Depreciation and amortisation	71 944	79 359	81 505	91 405	91 445	91 445	54 474	96 818	101 465	106 234
Finance charges	2 396	995	307	500	500	500	-	10	10	11
Inventory consumed and bulk purchases	-	-	-	29 207	26 897	26 897	-	28 432	29 798	31 200
Transfers and subsidies	14 000	17 000	15 100	17 000	15 290	15 290	6 000	17 000	18 020	19 101
Other expenditure	246 086	224 706	253 562	207 521	236 683	236 683	150 563	239 833	301 189	317 524
Total Expenditure	532 530	547 842	596 088	592 057	618 182	618 182	374 915	646 857	727 926	764 802
Surplus/(Deficit)	(60 151)	(35 845)	(60 304)	(63 709)	(78 382)	(78 382)	25 654	(75 803)	(128 226)	(132 831)
Transfers and subsidies - capital (monetary allocations)	262 515	302 857	311 860	320 236	318 218	318 218	151 971	335 757	372 938	373 552
Transfers and subsidies - capital (in-kind)	5 863	4 693	12 781	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	208 227	271 706	264 337	256 527	239 836	239 836	177 626	259 954	244 712	240 721
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	208 227	271 706	264 337	256 527	239 836	239 836	177 626	259 954	244 712	240 721
Capital expenditure & funds sources										
Capital expenditure	240 195	296 457	290 905	297 612	293 967	293 967	136 068	299 228	290 934	292 721
Transfers recognised - capital	234 687	268 028	273 848	278 426	278 426	278 426	135 402	277 584	272 279	269 390
Borrowing	1 296	-	-	-	-	-	-	-	-	-
Internally generated funds	4 211	28 430	17 056	19 186	15 541	15 541	666	21 644	18 655	23 331
Total sources of capital funds	240 195	296 457	290 905	297 612	293 967	293 967	136 068	299 228	290 934	292 721
Financial position										
Total current assets	101 536	104 165	112 965	106 191	116 857	116 857	267 219	122 367	126 759	131 349
Total non current assets	2 341 369	2 551 972	2 759 748	2 676 741	2 962 270	2 962 270	2 838 467	2 952 845	2 939 861	2 936 834
Total current liabilities	136 865	101 084	114 375	109 196	87 222	87 222	191 069	91 082	88 675	85 727
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	2 288 838	2 540 141	2 774 454	2 640 006	2 947 610	2 947 610	2 907 419	2 937 813	2 929 708	2 931 652
Cash flows										
Net cash from (used) operating	-	(99 192)	175 924	321 758	297 886	297 886	1 049 691	320 176	296 447	298 493
Net cash from (used) investing	-	(251 425)	(290 905)	(298 180)	(295 354)	(295 354)	(130 429)	(299 730)	(291 367)	(293 181)
Net cash from (used) financing	-	-	-	-	-	-	-	(149)	-	-
Cash/cash equivalents at the year end	58 363	(309 947)	(63 119)	51 147	52 759	52 759	919 261	71 966	77 045	82 358
Cash backing/surplus reconciliation										
Cash and investments available	2 411 889	2 630 112	2 837 258	2 756 853	3 042 170	3 042 170	3 069 874	3 039 519	3 031 404	3 032 990
Application of cash and investments	85 963	63 503	52 412	63 478	47 931	47 931	443	52 143	52 268	51 613
Balance - surplus (shortfall)	2 325 926	2 566 609	2 784 846	2 693 375	2 994 239	2 994 239	3 069 432	2 987 377	2 979 136	2 981 377
Asset management										
Asset register summary (WDV)	1 674 186	1 820 137	1 949 818	1 944 906	2 152 339	2 152 339	2 142 914	2 129 930	2 126 903	-
Depreciation	71 944	79 359	81 505	91 405	91 445	91 445	96 818	101 465	106 234	-
Renewal and Upgrading of Existing Assets	124 468	29 321	44 348	44 930	15 763	15 763	30 555	29 983	23 782	-
Repairs and Maintenance	20 479	35 246	45 289	37 538	55 742	55 742	53 791	56 373	59 023	-
Free services										
Cost of Free Basic Services provided	699	303	642	(642)	(642)	(642)	(680)	(719)	(752)	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	30	-	-	33	33	33	35	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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

DC43 Harry Gwala - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	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									
Revenue - Functional									
Governance and administration	368 076	422 901	397 365	438 744	441 566	441 566	470 966	501 453	529 200
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	368 076	422 901	397 365	438 744	441 566	441 566	470 966	501 453	529 200
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	33	-	15	15	-	-	-
Community and social services	-	-	33	-	15	15	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	7 928	8 568	24 384	-	-	-	-	-	-
Planning and development	7 928	8 568	24 384	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	364 753	388 078	438 642	409 840	416 437	416 437	435 845	471 184	476 322
Energy sources	-	-	-	-	-	-	-	-	-
Water management	348 448	358 853	392 285	396 689	402 523	402 523	421 544	456 225	460 675
Waste water management	16 305	29 226	46 357	13 151	13 914	13 914	14 301	14 959	15 647
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	740 757	819 547	860 424	848 584	858 018	858 018	906 811	972 638	1 005 523
Expenditure - Functional									
Governance and administration	229 394	233 276	236 450	266 502	280 817	280 817	281 888	295 361	309 440
Executive and council	20 706	27 920	37 102	33 112	31 303	31 303	31 701	33 223	34 801
Finance and administration	198 889	195 853	189 248	223 635	238 076	238 076	240 775	252 275	264 303
Internal audit	9 799	9 503	10 100	9 755	11 437	11 437	9 411	9 863	10 336
Community and public safety	16 687	17 672	19 479	20 881	19 193	19 193	22 796	23 890	25 033
Community and social services	16 687	17 672	19 479	20 881	19 193	19 193	22 796	23 890	25 033
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	139 476	123 312	148 523	140 623	143 028	143 028	168 060	226 203	239 182
Planning and development	139 476	123 312	148 523	140 623	143 028	143 028	168 060	226 203	239 182
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	175 205	201 451	236 297	163 481	176 644	176 644	174 012	182 365	191 034
Energy sources	-	-	-	-	-	-	-	-	-
Water management	172 630	200 589	216 091	162 342	175 796	175 796	172 795	181 089	189 697
Waste water management	2 574	862	20 206	1 139	849	849	1 217	1 276	1 337
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	560 762	575 710	640 749	591 487	619 682	619 682	646 756	727 819	764 688
Surplus/(Deficit) for the year	179 995	243 837	219 676	257 096	238 336	238 336	260 055	244 819	240 834

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

DC43 Harry Gwala - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	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									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	366 522	422 192	396 921	438 660	441 238	441 238	470 599	501 361	529 104
Vote 04 - Summary Corporate Services	1 447	665	359	-	245	245	279	-	-
Vote 05 - Summary Social Services & Development Planning	928	3 875	11 636	-	15	15	-	-	-
Vote 06 - Summary Infrastructure Services	287 979	305 438	318 640	337 554	335 869	335 869	354 731	386 339	387 574
Vote 07 - Summary Water Services	83 881	87 377	132 868	72 370	80 651	80 651	81 203	84 938	88 845
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	740 757	819 547	860 424	848 584	858 018	858 018	906 811	972 638	1 005 523
Expenditure by Vote to be appropriated									
Vote 01 - Summary Council	10 296	14 956	20 155	18 963	19 787	19 787	18 649	19 544	20 472
Vote 02 - Summary Municipal Manager	20 209	22 466	27 048	23 904	22 953	22 953	22 463	23 541	24 665
Vote 03 - Summary Budget And Treasury Office	74 417	59 812	64 433	83 148	86 578	86 578	88 459	92 647	97 120
Vote 04 - Summary Corporate Services	86 493	89 586	80 060	91 438	89 852	89 852	88 344	92 585	96 965
Vote 05 - Summary Social Services & Development Planning	49 942	48 105	51 289	55 999	51 483	51 483	60 071	63 159	66 396
Vote 06 - Summary Infrastructure Services	114 515	97 107	125 480	109 944	111 077	111 077	135 490	191 865	202 986
Vote 07 - Summary Water Services	204 889	243 677	272 284	208 092	237 951	237 951	233 280	244 477	256 085
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	560 762	575 710	640 749	591 487	619 682	619 682	646 756	727 819	764 688
Surplus/(Deficit) for the year	179 995	243 837	219 676	257 096	238 336	238 336	260 055	244 819	240 834

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

DC43 Harry Gwala - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	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
R thousand										
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	54 157	54 003	49 353	51 777	57 276	57 276	44 662	58 796	61 500	64 329
Service charges - Waste Water Management	16 305	13 762	12 207	13 213	14 311	14 311	8 648	14 636	15 309	16 013
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	752	517	417	582	919	919	623	633	663	693
Agency services										
Interest										
Interest earned from Receivables	12 632	10 100	11 221	11 358	11 358	11 358	8 764	12 180	12 740	13 326
Interest earned from Current and Non Current Assets	6 196	3 011	5 104	4 679	6 920	6 920	5 609	5 095	5 330	5 575
Licence and permits										
Operational Revenue	1 018	261	402	-	260	260	296	279	-	-
Non-Exchange Revenue										
Property rates	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes										
Fines, penalties and forfeits	-	-	2 453	-	-	-	-	-	-	-
Licences or permits										
Transfer and subsidies - Operational	380 256	430 342	453 939	446 738	448 756	448 756	331 966	479 435	504 158	532 034
Operational Revenue										
Gains on disposal of Assets	1 062	-	-	-	-	-	-	-	-	-
Other Gains	-	-	688	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and cont	472 379	511 997	535 784	528 348	539 800	539 800	400 569	571 054	599 700	631 971
Expenditure										
Employee related costs	190 401	217 969	238 376	237 545	239 656	239 656	159 137	256 580	268 867	281 744
Remuneration of councillors	7 702	7 813	7 239	8 879	7 710	7 710	4 740	8 183	8 576	8 987
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	29 207	26 897	26 897	-	26 897	28 215	29 542
Debt impairment	22 058	30 921	7 533	-	-	-	-	-	-	-
Depreciation and amortisation	71 944	79 359	81 505	91 405	91 445	91 445	54 474	96 818	101 465	106 234
Interest	2 396	995	307	500	500	500	-	10	10	11
Contracted services	144 400	129 575	173 013	116 290	137 155	137 155	100 785	137 092	193 548	204 718
Transfers and subsidies	14 000	17 000	15 100	17 000	15 290	15 290	6 000	17 000	18 020	19 101
Irrecoverable debts written off	21 307	812	7 614	28 750	28 750	28 750	-	30 418	31 878	33 376
Operational costs	55 607	56 900	63 462	62 481	70 777	70 777	46 903	72 324	75 763	79 430
Losses on disposal of Assets	2 714	6 496	1 940	-	-	-	2 875	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	532 530	547 842	596 088	592 057	618 182	618 182	374 915	645 322	726 343	763 143
Surplus/(Deficit)	(60 151)	(35 845)	(60 304)	(63 709)	(78 382)	(78 382)	25 654	(74 269)	(126 643)	(131 172)
Transfers and subsidies - capital (monetary allocations)	262 515	302 857	311 860	320 236	318 218	318 218	151 971	335 757	372 938	373 552
Transfers and subsidies - capital (in-kind)	5 863	4 693	12 781	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	208 227	271 706	264 337	256 527	239 836	239 836	177 626	261 488	246 294	242 379
Income Tax										
Surplus/(Deficit) after income tax	208 227	271 706	264 337	256 527	239 836	239 836	177 626	261 488	246 294	242 379
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality	208 227	271 706	264 337	256 527	239 836	239 836	177 626	261 488	246 294	242 379
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/(Deficit) for the year	208 227	271 706	264 337	256 527	239 836	239 836	177 626	261 488	246 294	242 379

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

DC43 Harry Gwala - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	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
R thousand										
Capital expenditure - Vote										
Multi-year expenditure, to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	281	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	3 814	7 226	8 310	9 902	8 605	8 605	666	7 514	11 496	15 835
Vote 05 - Summary Social Services & Development Planning	-	7 355	47	3 496	1 322	1 322	-	1 391	1 457	1 525
Vote 06 - Summary Infrastructure Services	224 244	46 050	30 970	52 522	38 676	38 676	6 784	59 118	59 491	48 783
Vote 07 - Summary Water Services	11 855	235 826	251 578	231 692	245 364	245 364	128 618	231 204	218 491	226 578
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	240 195	296 457	290 905	297 612	293 967	293 967	136 068	299 228	290 934	292 721
Total Capital Expenditure - Vote	240 195	296 457	290 905	297 612	293 967	293 967	136 068	299 228	290 934	292 721
Capital Expenditure - Functional										
Governance and administration	4 095	7 226	8 310	9 902	8 605	8 605	666	7 514	11 496	15 835
Executive and council										
Finance and administration	4 095	7 226	8 310	9 902	8 605	8 605	666	7 514	11 496	15 835
Internal audit										
Community and public safety	-	7 355	47	3 304	1 130	1 130	-	1 391	1 457	1 525
Community and social services	-	7 355	47	3 304	1 130	1 130	-	1 391	1 457	1 525
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services	1 693	18 541	21 376	19 061	30 193	30 193	5 715	27 096	27 393	24 307
Planning and development	1 693	18 541	21 376	19 061	30 193	30 193	5 715	27 096	27 393	24 307
Road transport										
Environmental protection										
Trading services	234 406	263 335	261 172	265 344	254 038	254 038	129 687	263 226	250 589	251 054
Energy sources										
Water management	198 896	248 698	223 223	218 214	195 925	195 925	111 284	193 046	199 393	182 364
Waste water management	35 511	14 637	37 950	47 130	58 113	58 113	18 403	70 180	51 196	68 690
Waste management										
Other										
Total Capital Expenditure - Functional	240 195	296 457	290 905	297 612	293 967	293 967	136 068	299 228	290 934	292 721
Funded by:										
National Government	222 832	249 289	232 612	278 426	278 426	278 426	135 402	277 584	272 279	269 390
Provincial Government	11 855	18 739	41 236	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)										
Transfers recognised - capital	234 687	268 028	273 848	278 426	278 426	278 426	135 402	277 584	272 279	269 390
Borrowing	1 296	-	-	-	-	-	-	-	-	-
Internally generated funds	4 211	28 430	17 056	19 186	15 541	15 541	666	21 644	18 655	23 331
Total Capital Funding	240 195	296 457	290 905	297 612	293 967	293 967	136 068	299 228	290 934	292 721

MBRR Table A6 - Budgeted Financial Position

DC43 Harry Gwala - Table A6 Budgeted Financial Position

Description	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
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents	40 671	51 862	50 226	51 147	52 637	52 637	174 939	58 798	63 877	69 189
Trade and other receivables from exchange transactions	30 724	26 856	27 668	30 264	29 149	29 149	56 723	28 499	27 811	27 088
Receivables from non-exchange transactions	2 336	2 336	2 336	2 336	2 336	2 336	2 336	2 336	2 336	2 336
Current portion of non-current receivables	-	-	-	-	-	-	-	-	-	-
Inventory	267	408	513	513	513	513	513	513	513	513
VAT	27 167	22 538	32 160	21 876	32 160	32 160	32 680	32 160	32 160	32 160
Other current assets	372	166	62	55	62	62	27	62	62	62
Total current assets	101 536	104 165	112 965	106 191	116 857	116 857	267 219	122 367	126 759	131 349
Non current assets										
Investments										
Investment property	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	2 340 494	2 551 394	2 759 364	2 675 442	2 960 384	2 960 384	2 838 212	2 952 223	2 939 716	2 936 712
Biological assets										
Living and non-living resources										
Heritage assets										
Intangible assets	875	578	384	1 298	1 886	1 886	255	621	145	121
Trade and other receivables from exchange transactions										
Non-current receivables from non-exchange transactions										
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total non current assets	2 341 369	2 551 972	2 759 748	2 676 741	2 962 270	2 962 270	2 838 467	2 952 845	2 939 861	2 936 834
TOTAL ASSETS	2 442 906	2 656 137	2 872 714	2 782 931	3 079 127	3 079 127	3 105 686	3 075 212	3 066 620	3 068 182
LIABILITIES										
Current liabilities										
Bank overdraft										
Financial liabilities	-	-	12 794	8 394	10 394	10 394	12 794	10 394	7 994	5 594
Consumer deposits	1 863	2 034	2 175	2 331	2 324	2 324	2 329	2 324	2 473	2 622
Trade and other payables from exchange transactions	85 963	78 030	77 612	68 534	52 710	52 710	69 466	56 570	56 414	55 717
Trade and other payables from non-exchange transactions	15 000	(0)	(0)	-	(0)	(0)	80 745	-	-	-
Provision	13 294	15 088	15 194	15 088	15 194	15 194	15 194	15 194	15 194	15 194
VAT	20 744	5 933	6 600	14 850	6 600	6 600	10 542	6 600	6 600	6 600
Other current liabilities	-	-	-	-	-	-	-	-	-	-
Total current liabilities	136 865	101 084	114 375	109 196	87 222	87 222	191 069	91 082	88 675	85 727
Non current liabilities										
Financial liabilities	14 808	4 904	1 299	-	(0)	(0)	(533)	-	-	-
Provision	18 479	24 548	27 246	15 947	28 869	28 869	27 246	28 869	30 601	32 437
Long term portion of trade payables										
Other non-current liabilities										
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	136 865	101 084	114 375	109 196	87 222	87 222	191 069	91 082	88 675	85 727
NET ASSETS	2 306 041	2 555 053	2 758 338	2 673 735	2 991 905	2 991 905	2 914 617	2 984 130	2 977 945	2 982 456
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	2 288 838	2 540 141	2 774 454	2 640 006	2 947 610	2 947 610	2 907 419	2 937 813	2 929 708	2 931 652
Reserves and funds	-	-	-	-	-	-	-	-	-	-
Other										
TOTAL COMMUNITY WEALTH/EQUITY	2 288 838	2 540 141	2 774 454	2 640 006	2 947 610	2 947 610	2 907 419	2 937 813	2 929 708	2 931 652

MBRR Table A7 - Budgeted Cash Flow Statement

DC43 Harry Gwala - Table A7 Budgeted Cash Flows

Description	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
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-	-	-
Service charges	-	130 189	70 345	59 930	64 575	64 575	30 530	61 137	63 950	66 891
Other revenue	-	231 405	608 032	56 447	57 044	57 044	1 276 112	53 950	48 799	49 835
Transfers and Subsidies - Operational	-	3 896	8 071	446 738	446 738	446 738	8 087	479 435	504 158	532 034
Transfers and Subsidies - Capital	-	215 028	369 601	320 236	320 236	320 236	244 000	335 757	372 938	373 552
Interest	-	3 011	5 104	4 859	7 320	7 320	5 609	5 519	5 779	6 051
Dividends								-	-	-
Payments										
Suppliers and employees	-	(682 369)	(885 094)	(566 453)	(598 027)	(598 027)	(514 646)	(615 622)	(699 177)	(729 870)
Finance charges	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	-	(352)	(135)	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	(99 192)	175 924	321 758	297 886	297 886	1 049 691	320 176	296 447	298 493
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	-	(251 425)	(290 905)	(298 180)	(295 354)	(295 354)	(130 429)	(299 730)	(291 367)	(293 181)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(251 425)	(290 905)	(298 180)	(295 354)	(295 354)	(130 429)	(299 730)	(291 367)	(293 181)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing								-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	(149)	-	-
Payments										
Repayment of borrowing								-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	(149)	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	-	(350 618)	(114 981)	23 578	2 532	2 532	919 261	20 298	5 079	5 313
Cash/cash equivalents at the year begin:	58 363	40 671	51 862	27 569	50 226	50 226	-	51 668	71 966	77 045
Cash/cash equivalents at the year end:	58 363	(309 947)	(63 119)	51 147	52 759	52 759	919 261	71 966	77 045	82 358

MBRR Table A8 – Cash Backed reserves

DC43 Harry Gwala - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	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
Cash and investments available										
Cash/cash equivalents at the year end	58 363	(309 947)	(63 119)	51 147	52 759	52 759	919 261	71 966	77 045	82 358
Other current investments > 90 days	13 032	388 665	141 013	30 264	29 027	29 027	(687 599)	15 330	14 643	13 920
Investments - Property, plant and equipment	2 340 494	2 551 394	2 759 364	2 675 442	2 960 384	2 960 384	2 838 212	2 952 223	2 939 716	2 936 712
Cash and investments available:	2 411 889	2 630 112	2 837 258	2 756 853	3 042 170	3 042 170	3 069 874	3 039 519	3 031 404	3 032 990
Application of cash and investments										
Trade payables from Non-exchange transactions: Other	-	-	-	-	-	-	-	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	85 963	63 503	52 412	63 478	47 931	47 931	443	52 143	52 268	51 613
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	85 963	63 503	52 412	63 478	47 931	47 931	443	52 143	52 268	51 613
Surplus(shortfall)	2 325 926	2 566 609	2 784 846	2 693 375	2 994 239	2 994 239	3 069 432	2 987 377	2 979 136	2 981 377

MBRR Table A9 - Asset Management

DC43 Harry Gwala - Table A9 Asset Management

Description	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									
CAPITAL EXPENDITURE									
<u>Total New Assets</u>	115 726	267 136	246 557	253 250	279 590	279 590	269 174	261 384	269 399
<i>Roads Infrastructure</i>	-	-	1 242	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	105 103	237 781	196 052	198 948	220 107	220 107	187 312	200 355	186 668
<i>Sanitation Infrastructure</i>	-	7 958	37 950	47 130	54 258	54 258	67 368	49 951	67 327
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	105 103	245 738	235 244	246 078	274 365	274 365	254 680	250 306	253 995
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	-	-	-	-	-	-	-	-	-
Investment properties									
<i>Operational Buildings</i>	-	1 610	1 138	-	-	-	-	-	-
<i>Housing</i>	-	-	-	-	-	-	-	-	-
Other Assets	-	1 610	1 138	-	-	-	-	-	-
<i>Licences and Rights</i>	-	-	-	1 534	1 962	1 962	736	299	317
Intangible Assets	-	-	-	1 534	1 962	1 962	736	299	317
Computer Equipment	4 084	1 566	1 412	1 365	988	988	623	671	703
Furniture and Office Equipment	684	1 768	1 387	1 908	1 384	1 384	8 121	8 583	12 786
Machinery and Equipment	-	9 099	7 376	191	891	891	3 623	69	73
Transport Assets	5 855	7 355	-	2 174	-	-	1 391	1 457	1 525
Land	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	76 976	15 142	42 411	35 583	7 089	7 089	18 745	19 311	12 092
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	38 675	982	9 560	28 217	-	-	14 802	17 003	9 676
<i>Sanitation Infrastructure</i>	38 302	7 128	28 455	-	-	-	1 739	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	76 976	8 110	38 015	28 217	-	-	16 541	17 003	9 676
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
<i>Community Facilities</i>	-	-	-	130	121	121	117	123	128
Machinery and Equipment									
<i>Community Facilities</i>	-	7 032	4 396	7 235	6 968	6 968	2 087	2 185	2 288
Transport Assets									
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
Land									
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<u>Total Upgrading of Existing Assets</u>	47 492	14 179	1 936	9 348	8 674	8 674	11 810	10 672	11 690
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	45 766	8 814	1 936	9 348	4 820	4 820	8 129	9 428	10 327
<i>Sanitation Infrastructure</i>	1 725	5 365	-	-	3 855	3 855	3 682	1 245	1 363
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	47 492	14 179	1 936	9 348	8 674	8 674	11 810	10 672	11 690
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	240 195	296 457	290 905	298 180	295 354	295 354	299 730	291 367	293 181
<i>Roads Infrastructure</i>	-	-	1 242	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	189 544	247 576	207 548	236 513	224 927	224 927	210 242	226 786	206 671
<i>Sanitation Infrastructure</i>	40 027	20 452	66 405	47 130	58 113	58 113	72 789	51 196	68 690
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	229 571	268 028	275 195	283 643	283 040	283 040	283 031	277 981	275 361
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	-	-	-	-	-	-	-	-	-
Investment properties									
<i>Operational Buildings</i>	-	1 610	1 138	-	-	-	-	-	-
<i>Housing</i>	-	-	-	-	-	-	-	-	-
Other Assets	-	1 610	1 138	-	-	-	-	-	-
Biological or Cultivated Assets									
<i>Servitudes</i>	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>	-	-	-	1 534	1 962	1 962	736	299	317
Intangible Assets	-	-	-	1 534	1 962	1 962	736	299	317
Computer Equipment	4 084	1 566	1 412	1 365	988	988	623	671	703
Furniture and Office Equipment	684	1 768	1 387	1 908	1 384	1 384	8 121	8 583	12 786
Machinery and Equipment	-	9 099	7 376	322	1 012	1 012	3 740	192	201
Transport Assets	5 855	14 387	4 396	9 409	6 968	6 968	3 478	3 642	3 813
Land	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	240 195	296 457	290 905	298 180	295 354	295 354	299 730	291 367	293 181

DC43 Harry Gwala - Table A9 Asset Management

Description	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									
CAPITAL EXPENDITURE									
ASSET REGISTER SUMMARY - PPE (WDV)	1 674 186	1 820 137	1 949 818	1 945 475	2 153 726	2 153 726	2 147 466	2 229 643	2 322 555
<i>Roads Infrastructure</i>	1 725	197	193	-	188	188	188	198	207
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>	12 096	10 480	9 250	7 342	7 691	7 691	7 691	8 068	8 447
<i>Water Supply Infrastructure</i>	1 441 200	1 588 157	1 672 212	1 686 301	1 829 450	1 829 450	1 811 026	1 906 008	1 964 816
<i>Sanitation Infrastructure</i>	156 749	149 945	197 959	186 805	249 234	249 234	262 515	250 218	277 067
<i>Solid Waste Infrastructure</i>									
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>	247	136	101	67	65	65	65	68	72
Infrastructure	1 612 017	1 748 914	1 879 714	1 880 516	2 086 629	2 086 629	2 081 485	2 164 560	2 250 608
Community Assets	2 846	2 617	2 998	2 162	2 847	2 847	2 883	3 025	3 167
Heritage Assets									
Investment properties	-	-	-	-	-	-	-	-	-
Other Assets	37 105	37 594	37 577	36 075	36 422	36 422	37 031	38 845	40 671
Biological or Cultivated Assets									
Intangible Assets	875	578	384	1 702	2 152	2 152	927	499	526
Computer Equipment	5 785	5 025	6 322	3 738	4 830	4 830	4 465	4 701	4 923
Furniture and Office Equipment	1 413	2 636	1 603	3 654	2 456	2 456	9 125	9 637	13 889
Machinery and Equipment	359	2 220	2 238	2 335	2 710	2 710	3 658	106	111
Transport Assets	13 785	20 554	18 981	15 293	15 680	15 680	7 891	8 271	8 660
Land									
Zoo's, Marine and Non-biological Animals									
Living Resources									
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 674 186	1 820 137	1 949 818	1 945 475	2 153 726	2 153 726	2 147 466	2 229 643	2 322 555
EXPENDITURE OTHER ITEMS	92 424	114 605	126 793	129 489	148 262	148 262	151 325	158 597	166 061
Depreciation	71 944	79 359	81 505	91 951	92 120	92 120	97 533	102 223	107 038
Repairs and Maintenance by Asset Class	20 479	35 246	45 289	37 538	56 142	56 142	53 791	56 373	59 023
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	18 521	32 973	28 248	33 000	50 308	50 308	48 093	50 401	52 770
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	18 521	32 973	28 248	33 000	50 308	50 308	48 093	50 401	52 770
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	85	86	78	90	70	70	73	77	80
Community Assets	85	86	78	90	70	70	73	77	80
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 497	1 287	1 548	3 500	5 423	5 423	5 259	5 511	5 770
Housing	-	-	-	-	-	-	-	-	-
Other Assets	1 497	1 287	1 548	3 500	5 423	5 423	5 259	5 511	5 770
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	165	497	9	620	111	111	125	131	137
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	196	319	15 329	-	-	-	-	-	-
Transport Assets	15	83	78	328	230	230	241	252	264
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	92 424	114 605	126 793	129 489	148 262	148 262	151 325	158 597	166 061
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	51,8%	9,9%	15,2%	15,1%	5,3%	5,3%	10,2%	10,3%	8,1%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	173,0%	36,9%	54,4%	48,9%	17,1%	17,1%	31,3%	29,3%	22,2%
<i>R&M as a % of PPE</i>	0,9%	1,4%	1,6%	1,4%	1,9%	1,9%	1,9%	1,9%	1,9%
<i>Renewal and upgrading and R&M as a % of PPE</i>	9,0%	4,0%	5,0%	4,0%	3,0%	3,0%	4,0%	4,0%	4,0%

MBRR Table A10 – Basic Service Delivery Measurement

DC43 Harry Gwala - Table A10 Basic service delivery measurement

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets									
Water:									
Piped water inside dwelling	48 641	51 803	52 292	55 691	55 691	55 691	59 311	63 166	67 272
Piped water inside yard (but not in dwelling)	19 885	21 178	21 261	22 643	22 643	22 643	24 115	25 682	27 352
Using public tap (at least min.service level)	30 026	31 978	37 292	39 716	39 716	39 716	42 298	45 047	47 975
Other water supply (at least min.service level)	30 152	32 112	30 936	32 947	32 947	32 947	35 089	37 369	39 798
<i>Minimum Service Level and Above sub-total</i>	128 704	-	-	150 997	150 997	150 997	160 812	171 265	182 397
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	30 152	32 112	30 936	32 947	32 947	32 947	35 088	37 369	39 798
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	30 152	32 112	30 936	32 947	32 947	32 947	35 088	37 369	39 798
Total number of households	158 856	32 112	30 936	183 944	183 944	183 944	195 900	-	-
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	70 615	75 205	81 649	86 956	86 956	86 956	92 608	98 628	105 039
Flush toilet (with septic tank)	12 312	13 112	13 164	14 020	14 020	14 020	14 931	15 901	16 935
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	45 779	48 755	46 969	50 022	50 022	50 022	53 273	56 736	60 424
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	128 706	137 072	141 782	150 998	150 998	150 998	160 813	171 266	182 398
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	128 706	137 072	141 782	150 998	150 998	150 998	160 813	171 266	182 398
Total number of households	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-	-	-
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 (6 kilolitres per indigent household per month)	693	303	642	(649)	(649)	(649)	(688)	(719)	(752)
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)	5	-	-	7	7	7	7	-	-
Total cost of FBS provided	699	303	642	(642)	(642)	(642)	(680)	(719)	(752)

Part 2 – Supporting Documentation

1.9 OVERVIEW OF THE ANNUAL BUDGET PROCESS

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are to ensure:

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

Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2022. Key dates applicable to the process were:

- a) **August 2022** – Joint strategic planning session of the Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2023/24 MTREF;
- b) **November 2022** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;

- c) **January 2023** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- d) **January 2023** – Multi-year budget proposals are submitted to the Executive Committee for endorsement;
- e) **January 2023** - Council considers the 2022/23 Mid-year Review and Adjustments Budget;
- f) **February 2023** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2023/24 MTREF is revised accordingly;
- g) **March 2023** - Tabling in Council of the draft 2023/24 IDP and 2023/24 MTREF for public consultation;
- h) **April 2023** – Public consultation;
- i) **May 2023** - Closing date for written comments;
- j) **May 2023** – Draftisation of the 2023/24 IDP and 2022/23 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- k) **May 2023** - Tabling of the 2023/24 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council IDP and Service Delivery and Budget Implementation Plan.

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

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

The IDP has been taken into a business and financial planning process leading up to the 2023/24 MTREF, based on the approved 2022/23 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2023/24 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2022/23 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modeling and Key Planning Drivers

Part of the compilation of the 2023/24 MTREF, extensive financial modelling was undertaken to ensure the affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2023/24 MTREF:

1. District growth
2. Policy priorities and strategic objectives
3. Asset maintenance
4. Economic climate and trends (i.e. inflation, household debt, migration patterns)
5. Performance trends
6. The approved 2022/23 adjustments budget and performance against the SDBIP
7. Cash Flow Management Strategy
8. Debtor payment levels
9. Loan and investment possibilities
10. The need for tariff increases versus the ability of the community to pay for services;
11. Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The draft 2023/24 MTREF as tabled before Council on 29 March 2023 for community consultation was published on the municipality's website, and hard copies were made available at satellite offices, municipal notice boards and various libraries. In addition E-mail notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business. The opportunity to give electronic feedback was also communicated on the Harry Gwala district municipality's website, and the district call centre was engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 03 to 30 April 2022, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and local municipalities a notice board on average attendance of 300 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and izimbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the Draftisation of the 2023/24 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

- a) Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The district is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;
- b) Several complaints were received regarding poor service delivery, especially poor condition of water (drinking water) and sanitation infrastructure;
- c) Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- d) The affordability of tariff increases was raised on numerous occasions. This concern was also raised by organised business as an obstacle to economic growth;
- e) Pensioners cannot afford the tariff increases due to low annual pension increases; and
- f) During the community consultation process large sections of the community made it clear that they are not in favor of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.

1.10 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

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

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

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

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

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

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

- a) Green Paper on National Strategic Planning of 2009;
- b) Government Programme of Action;
- c) Development Facilitation Act of 1995;
- d) Provincial Growth and Development Strategy (GGDS);
- e) National and Provincial spatial development perspectives;
- f) Relevant sector plans such as transportation, legislation and policy;
- g) National Key Performance Indicators (NKPIs);
- h) Accelerated and Shared Growth Initiative (ASGISA);
- i) National 2014 Vision;
- j) National Spatial Development Perspective (NSDP) and
- k) 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 2023/24 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 26 IDP Strategic Objectives

2022/23 Financial Year	2023/24 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Harry Gwala district principles through a caring, accessible and accountable service	4. Foster participatory democracy and Harry Gwala district principles through a caring, accessible and accountable service
5. Good governance, financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the district to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

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

Provision of quality basic services and infrastructure which includes, amongst others:

- a) Provide water;
- b) Provide sanitation;
- c) Provide housing;
- d) Provide district planning services; and
- e) Maintaining the infrastructure of the district.

Economic growth and development that leads to sustainable job creation by:

- a) Ensuring there is a clear structural plan for the district;
- b) Ensuring planning processes function in accordance with set timeframes;
- c) Facilitating the use of labor intensive approaches in the delivery of services and the building of infrastructure.

Fight poverty and build clean, healthy, safe and sustainable communities:

- a) Effective implementation of the Indigent Policy;
- b) Ensuring all waste water treatment works are operating optimally;
- c) Working with strategic partners such as SAPS to address crime;
- d) Ensuring safe working environments by effective enforcement of building and health regulations;
- e) Promote viable, sustainable communities through proper zoning; and
- f) Promote environmental sustainability by protecting wetlands and key open spaces.

Integrated Social Services for empowered and sustainable communities

Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme

Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- a) Optimising effective community participation in the ward committee system; and
- b) Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

- a) Publishing the outcomes of all tender processes on the municipal website

Ensure financial sustainability through:

- b) Reviewing the use of contracted services

- c) Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- d) Optimal institutional transformation to ensure capacity to achieve set objectives
- e) Review of the organizational structure to optimize the use of personnel;

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

In addition to the five-year IDP, the district undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the district so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the district IDP, associated sectoral plans and strategies, and the allocation of resources of the district 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:

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

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

- a) Strengthening the analysis and strategic planning processes of the District;
- b) Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- c) Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and

- d) Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2023/24 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 27 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

DC43 Harry Gwala - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	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									
FINANCIAL VIABILITY AND MANAGEMENT	366 522	422 192	396 921	438 660	441 238	441 238	470 599	501 361	529 104
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	928	3 875	11 603	17 180	16 994	16 994	17 444	18 489	19 598
BASIC SERVICE DELIVERY	103 481	85 265	126 868	89 688	98 302	98 302	100 176	98 339	102 867
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	1 447	665	359	-	245	245	279	-	-
CROSS-CUTTING	-	-	33	-	15	15	-	-	-
Allocations to other priorities									
Total Revenue (excluding capital transfers and contributions)	472 379	511 997	535 784	545 528	556 794	556 794	588 498	618 189	651 569

Table 28 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

DC43 Harry Gwala - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	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									
GOOD GOVERNANCE	33 030	40 304	50 170	46 293	46 721	46 721	44 607	46 748	48 974
FINANCIAL VIABILITY AND MANAGEMENT	74 417	59 812	64 433	83 148	86 578	86 578	88 459	92 647	97 120
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	27 396	23 937	24 991	43 542	42 495	42 495	46 491	48 279	50 696
BASIC SERVICE DELIVERY	319 404	340 784	397 765	318 036	349 028	349 028	368 770	436 343	459 071
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	86 493	89 586	80 060	91 438	89 852	89 852	88 344	92 585	96 965
CROSS-CUTTING	20 022	21 287	23 331	25 377	23 513	23 513	27 805	29 140	30 534
Allocations to other priorities									
Total Expenditure	560 762	575 710	640 749	607 834	638 187	638 187	664 475	745 742	783 359

Table 29 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

DC43 Harry Gwala - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	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									
FINANCIAL VIABILITY AND MANAGEMENT	281	-	-	-	-	-	-	-	-
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	-	-	-	760	1 578	1 578	502	434	460
BASIC SERVICE DELIVERY	236 099	281 876	282 548	284 214	284 040	284 040	290 322	277 981	275 361
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	3 814	7 226	8 310	9 902	8 605	8 605	7 514	11 496	15 835
CROSS-CUTTING	-	7 355	47	3 304	1 130	1 130	1 391	1 457	1 525
Allocations to other priorities									
Total Capital Expenditure	240 195	296 457	290 905	298 180	295 354	295 354	299 730	291 367	293 181

1.11 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the district 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:

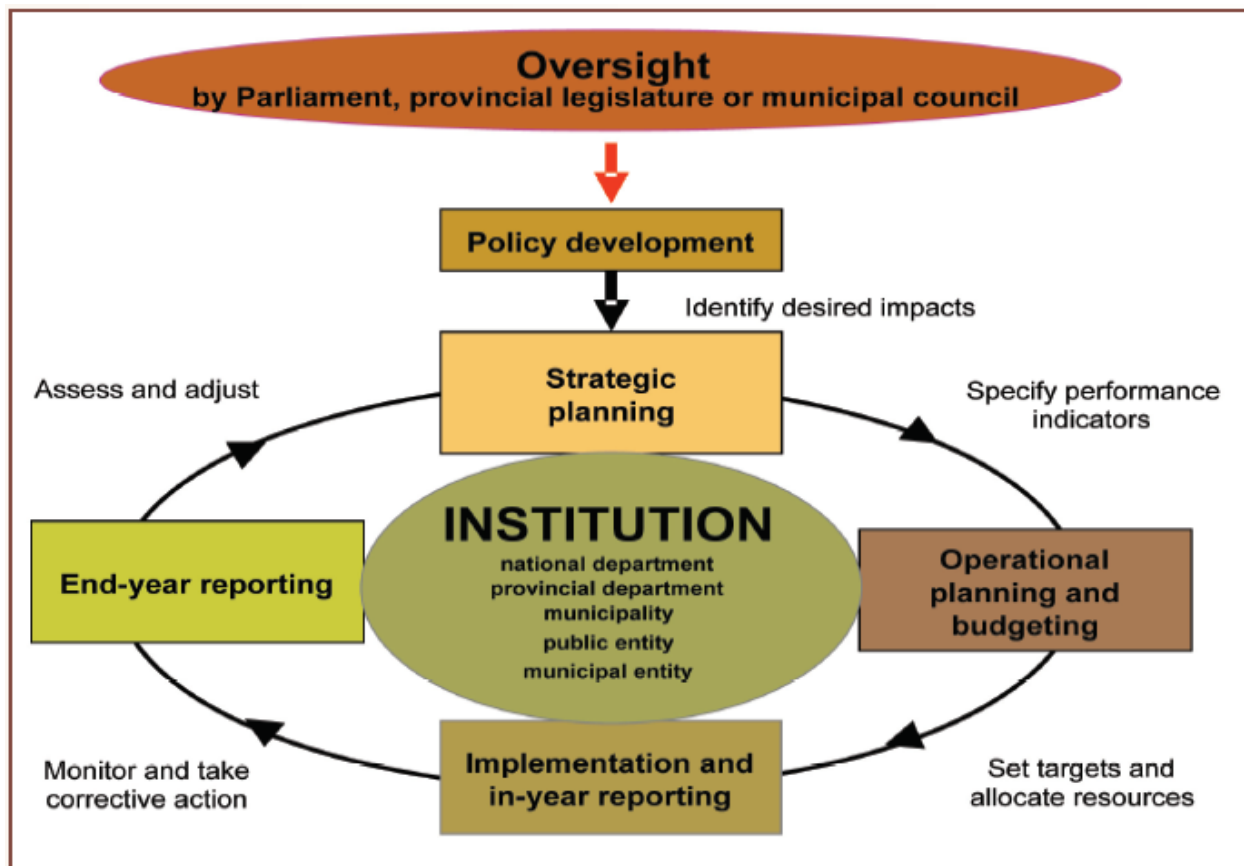


Figure 4 Planning, budgeting and reporting cycle

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

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

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

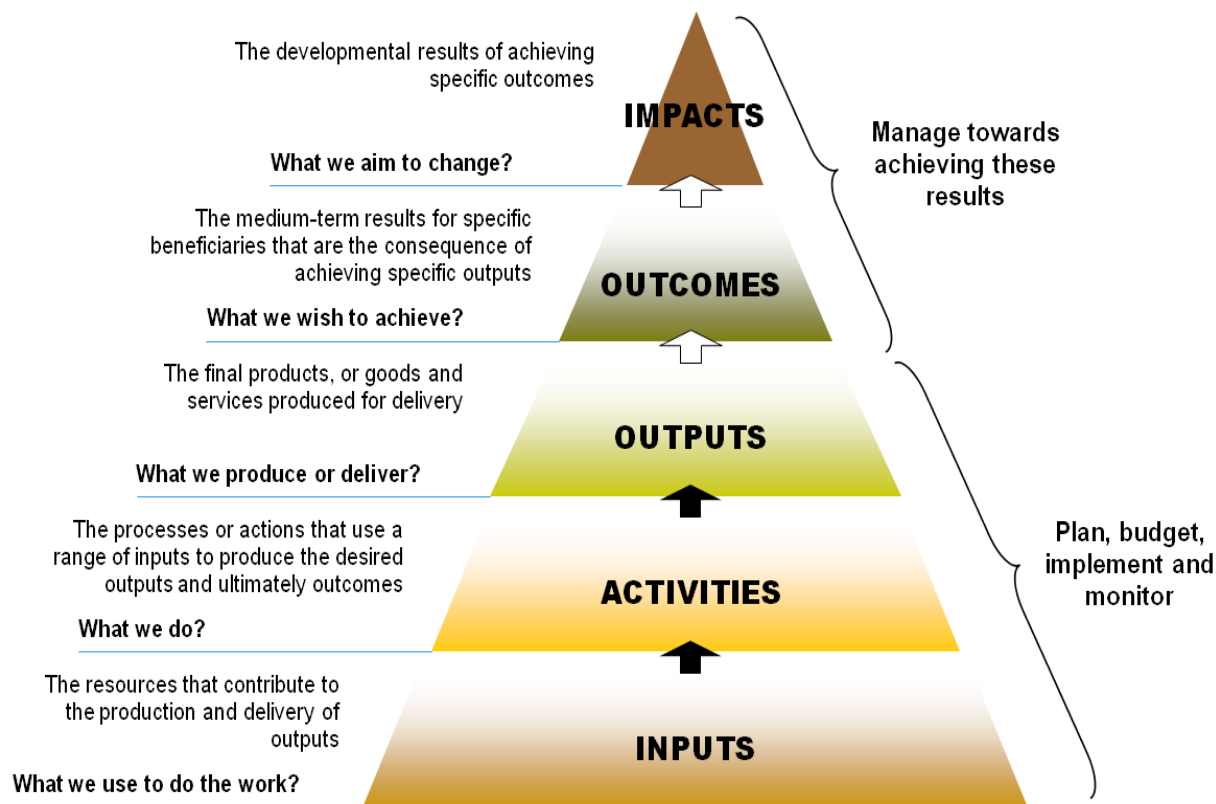


Figure 5 Definition of performance information concepts

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

Table 30 MBRR Table SA7- Measurable Performance Objectives

DC43 Harry Gwala - Supporting Table SA7 Measurable performance objectives										
Description	Unit of measurement	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
06 - Summary Infrastructure Services										
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households	70 615	77 677	81 649	86 956	86 956	86 956	92 608	97 239	102 101
Flush Toilet (With Septic Tank)	Households	12 312	13 543	13 164	14 020	14 020	14 020	14 931	15 677	16 461
Pit Toilet (Ventilated)	Households	45 779	50 357	46 969	50 022	50 022	50 022	53 273	55 937	58 734
Water Management										
Water Distribution										
Informal Settlements (R000)	Rand Value	5 189	5 708	6 561	6 954	6 954	6 954	7 406	7 776	8 165
Other Water Supply (< Min.Service Level)	Households	30 152	33 167	30 936	32 947	32 947	32 947	35 088	36 843	38 685
Other Water Supply (At Least Min.Service Level)	Households	30 152	33 167	30 936	32 947	32 947	32 947	35 089	36 843	-
Piped Water Inside Dwelling	Households	48 641	53 505	52 292	55 691	55 691	55 691	59 311	62 276	65 390
Piped Water Inside Yard (But Not In Dwelling)	Households	19 885	21 874	21 261	22 643	22 643	22 643	24 115	25 320	26 587
Using Public Tap (At Least Min.Service Level)	Households	30 026	33 029	37 292	39 716	39 716	39 716	42 298	44 412	46 633

The following table sets out the municipalities main performance objectives and benchmarks for the 2022/23 MTREF

Table 31 MBRR Table SA8- Performance indicators and benchmarks

DC43 Harry Gwala - Supporting 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			1,4%		0	0,6%	0,6%	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,4%	0,2%	0,1%	0,1%	0,1%	0,1%	0,0%	0,0%	0,0%	0,0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,5%	0,2%	0,1%	0,1%	0,1%	0,1%	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	0,7	5,0	4,1	0,8	1,2	1,2	1,4	0,9	0,9	0,9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,7	5,0	4,1	0,8	1,2	1,2	1,4	0,9	0,9	0,9
Liquidity Ratio	Monetary Assets/Current Liabilities	0,5	4,9	3,7	0,6	0,9	0,9	1,2	0,8	0,8	0,8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	190,7%	113,5%	91,4%	89,1%	89,1%	56,6%	87,9%	88,1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0,0%	190,7%	113,5%	91,4%	89,1%	89,1%	56,6%	87,9%	88,1%	0,0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6,3%	4,9%	6,5%	4,5%	6,3%	6,3%	8,9%	1,9%	1,9%	1,9%
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		147,3%	-68,4%	-123,0%	165,8%	108,1%	108,1%	7,6%	162,1%	191,6%	200,6%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Water Volumes :System input	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Bulk Purchase										
	Water treatment works										
Water Distribution Losses (2)	Natural sources										
	Total Volume Losses (kℓ)	1 355	2 995	-	2 996	2 996	2 996	-	2 996	2 996	-
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	9554273	6561224	0	6561224	6561224	6561224	0	6561224	6561224	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	5100,0%	0,0%	5100,0%	5100,0%	5100,0%	0,0%	5100,0%	5100,0%	0,0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	40,3%	42,6%	44,5%	45,8%	44,0%	44,0%	39,7%	44,7%	44,6%	44,3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	41,9%	44,1%	45,8%	47,4%	45,3%	45,3%		46,1%	45,9%	45,6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4,3%	6,9%	8,5%	6,9%	10,1%	10,1%		9,1%	9,1%	9,1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15,7%	15,7%	15,3%	16,9%	16,6%	16,6%	13,6%	16,6%	16,6%	16,4%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	156,5	100,3	110,3	74,5	74,5	74,5	3 252,8	4 555,6	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	41,8%	37,0%	56,5%	37,7%	48,3%	48,3%	65,9%	15,0%	15,0%	15,0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1,7	(8,7)	(1,6)	1,4	1,8	1,8	38,1	1,1	0,8	0,8

PERFORMANCE INDICATORS AND BENCHMARKS

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, Harry Gwala's borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2023/24 MTREF:

No projects are funded from Borrowing in the MTREF

In summary, various financial risks could have a negative impact on the future borrowing District of the municipality. In particular, the continued ability of the district 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.

Liquidity (reference SA8)

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the district has set a limit of 1.5, hence at no point in time should this ratio be less than 1. For the 2023/24 MTREF the current ratio is 0.9 and 0.9, 0.9 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. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2023/24 financial year the ratio was 0.8 and it has been sitting to 0.8 in the 2024/25 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the district. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

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, credit control and debt collection.

Creditors Management

The district 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 will seek to ensure an improvement a 100 per cent compliance rate to this legislative obligation. This has had a favorable impact on suppliers' perceptions of risk of doing business with the district, which is expected to benefit the district in the form of more competitive pricing of tenders, as suppliers compete for the district business.

Other Indicators

The water distribution losses have been increased from 38 per cent in 2021/22 to 39 per cent in 2022/23. This has been achieved with the introduction of a water leakage report and action centre. The intention is to further rollout additional depots within the District to further leverage from the efficiency that the centre offers. It is planned to reduce distribution losses from 38 per cent in 2022/23 to at least 30 per cent by 2023/24.

Employee costs as a percentage of operating revenue remained the same at 44 per cent on all three years. This is primarily owing to the high increase in salaries costs and the filling of vacant posts. The revenue base also has not significantly increased resulting in a lower budget for operational costs.

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.

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 District.

For the 2022/23 financial year all households in the district have been budgeted for the 6 free kilo litres. 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.

Providing clean water and managing waste water

Harry Gwala district is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. The water for Ubuhlebezwe local municipal area is provided by Umngeni water and Ugu District municipality while the remaining areas are supplied from the district own water sources, such as boreholes, springs and small dams.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The following is briefly the main challenges facing the district:

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

The following are some of the steps that have been taken to address these challenges:

1. Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
2. The filling of vacancies has commenced and there is training that embark on an in-house, especially for operational personnel and plumbers;
3. The District Division is to install dedicated power supply lines to the plants; and
4. The Division is working in consultation with the Department of Water Affairs to address catchment management.

1.12 OVERVIEW OF BUDGET RELATED-POLICIES

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

Review of credit control and debt collection procedures/policies

As the most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2023/24 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 75 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the district's cash levels. There is panel of lawyers that assist the municipality in collection debt that is older than 90 days. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the district revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction. Due to the limited capital funding from National Treasury the municipality continues to prioritise the new assets because of the projects that takes long to be capitalised due to limited funds.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the district continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in February 2023 after taking into consideration the amendments of PPPFA. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the district system of delegations. The Budget and Virement Policy was approved by Council after having been amended accordingly.

Cash Management and Investment Policy

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

Tariff Policies

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

Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy have directly informed the compilation of the 2023/24 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every November and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

1. Approved 2022/23 Adjustments Budget;
2. Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
3. Economic climate and trends (i.e. Inflation, household debt levels, indigent factors, growth, recessionary implications);
4. Loan and investment possibilities;
5. Performance trends;
6. Tariff Increases;

7. The ability of the community to pay for services (affordability);
8. Policy priorities;
9. Improved and sustainable service delivery; and
10. Debtor payment levels.

All the above policies are available on the district website, as well as the following budget related policies:

- a) Funding and Reserves Policy;
- b) Borrowing Policy;
- c) Budget Policy; and
- d) Basic Social Services Package (Indigent Policy).
- e) Appointment of Consultants
- f) Loss Control Policy

The proposed amendments to the budget policies have been included as Annexure C.

1.13 OVERVIEW OF BUDGET ASSUMPTIONS

External factors

The economy is still recovering from the recession it has had in the past 3 years and the implications of the coronavirus pandemic. Owing to the economic slowdown and the high unemployment levels, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the district's finances.

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2023/24 MTREF:

1. National Government macro-economic targets;
2. The general inflationary outlook and the impact on district's residents and businesses;
3. The impact of municipal cost drivers;
4. The increase in the price of bulk water; and other input costs like District and fuel,
5. The increase in the cost of remuneration. Employee related costs comprise 40 per cent of total operating expenditure in the 2023/24 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.
6. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (75 percent) of annual billings. Cash flow is assumed to be 75 percent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the district, household formation growth rate and the poor household change rate.

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

Salary increases

The collective agreement regarding salaries/wages came into operation on the 01 July 2021 and shall remain in force until 30 June 2024. Year three which is 2023/24 financial year as per circular 123 of 2023/24 salary and wage increase is 5, 4 percent according to the Reserve Bank's Monetary Committee Statement and 01 July 2024 an increase of 4.8 per cent based on the projected average CPI percentages and also according to the Reserve Bank's Monetary Committee Statement.

Impact of national, provincial and local policies

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

1. Creating jobs;
2. Enhancing education and skill development;
3. Improving Health services;
4. Rural development and agriculture; and
5. Fighting crime and corruption.

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

The ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2023/24 MTREF of which performance has been factored into the cash flow budget.

1.14 OVERVIEW OF BUDGET FUNDING

Medium-term outlook: operating revenue

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

Table 30 Breakdown of the operating revenue over the medium-term

DC43 Harry Gwala - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

R thousand	Adjusted Budget 2022/23	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Revenue								
Exchange Revenue								
Service charges - Electricity	-		-		-		-	
Service charges - Water	57 276	10%	58 796	10%	61 500	10%	64 329	10%
Service charges - Waste Water Management	14 311	3%	14 636	2%	15 309	2%	16 013	2%
Sale of Goods and Rendering of Services	919	0%	653	0%	683	0%	713	0%
Interest earned from Receivables	11 358	2%	12 180	2%	12 740	2%	13 326	2%
Interest earned from Current and Non Current Assets	7 320	1%	5 519	1%	5 779	1%	6 051	1%
Operational Revenue	260	0%	279	0%	-	0%	-	0%
Non-Exchange Revenue								
Fines, penalties and forfeits	-		-		-		-	
Transfer and subsidies - Operational	465 350	84%	496 435	84%	522 178	84%	551 136	85%
Gains on disposal of Assets	-		-		-		-	
Other Gains	-		-		-		-	
Total Revenue (excluding capital transfers and contributions)	556 794	100%	588 498	100%	618 189	100%	651 569	100%
Total Expenditure	636 587		662 940		744 159		781 700	
Surplus/(Deficit)	(79 793)		(74 443)		(125 970)		(130 131)	

The following graph is a breakdown of the operational revenue per main category for the 2023/24 financial year.

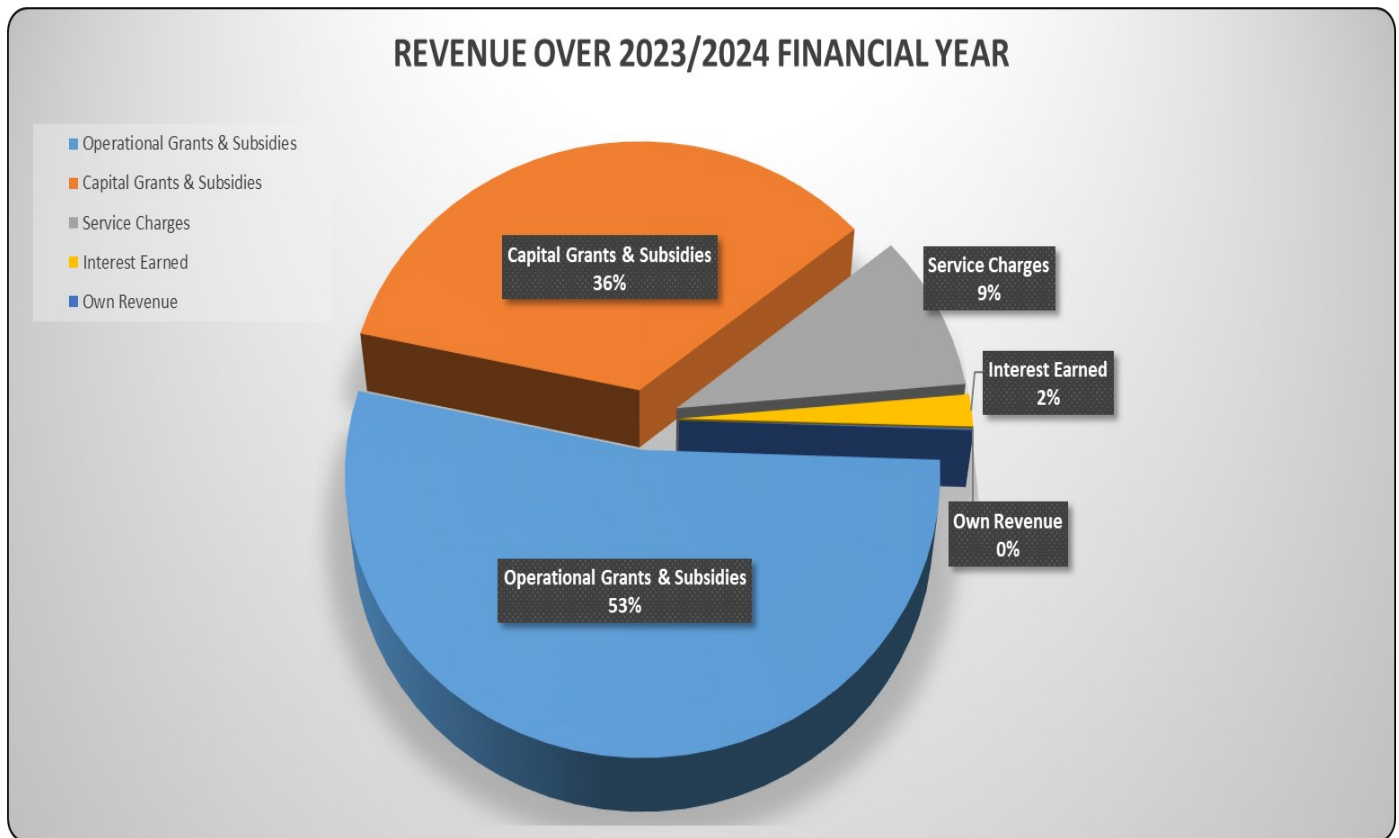


Figure 6 Breakdown of operating revenue over the 2023/24 MTREF

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 district derives most of its operational revenue from the provision of goods and services such as water and sanitation.

The revenue strategy is a function of key components such as:

1. Growth in the District and economic development;
2. Revenue management and enhancement;
3. Achievement of a 75 per cent annual collection rate for consumer revenue;
4. National Treasury guidelines;
5. District tariff increases within the National District Regulator of South Africa (NERSA) approval;

6. Achievement of full cost recovery of specific user charges;
7. Determining tariff escalation rate by establishing/calculating revenue requirements;
8. 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 proposed tariff increases for the 2023/24 MTREF on the different revenue categories are:

Table 31 Proposed tariff increases over the medium-term

Operational grants and subsidies amount to R496, 4 million, R522, 1 million and R551, 1million for each of the respective financial years of the MTREF, or 6%, 5% and 5 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges. The actual operational grants and subsidies amount to R 479, 4 million for the 2023/2024 financial year, R504, 1m in 2024/25 and R532m in 2025/26 however due to transfers and subsidies paid over to Harry Gwala District Municipality the amount of R17 million and R40m for the outer years as per the attached SA18.

Investment revenue contributes marginally to the revenue base of the District with a budget allocation of R5, 5 million, R5, 7million and R6million for the respective three financial years of the 2023/24 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

Table 32 MBRR SA15 – Detail Investment Information

Harry Gwala District Municipality does not have investments which are greater than 90 days..

Table 33 MBRR SA16 – Investment particulars by maturity

DC43 Harry Gwala - Supporting Table SA16 Investment particulars by maturity		
Investments by Maturity	Period of Investment	Type of Investment
Name of institution & investment ID	Yrs/Months	
Parent municipality		
First National Bank-Salaries	N/A	Call account
First National Bank-MIG	N/A	Call account
First National Bank-Admin Call	N/A	Call account
Investec	N/A	Call account
First National Bank-EPWP	N/A	Call account
First National Bank-Energy	N/A	Call account
First National Bank-FMG	N/A	Call account
Nedbank	N/A	Call account
First National Bank-RBIG	N/A	Call account

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2022/23 medium-term capital programme:

Table 34 Sources of capital revenue over the MTREF

DC43 Harry Gwala - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding								
R thousand	Adjusted Budget 2023/24	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Funded by:								
National Government	278 426	94%	277 584	93%	272 279	93%	269 390	92%
Provincial Government	-	0%	-	-	-	-	-	0%
District Municipality	750	0,3%	190	0,1%	85	0,0%	90	0,0%
Transfers and subsidies - capital (in-kind)	-	0%	-	-	-	-	-	0%
Internally generated funds	16 178	5%	21 956	7%	19 004	7%	23 701	8%
Total Capital Funding	295 354	100%	299 730	100%	291 367	100%	293 181	100%

Capital grants and receipts equates to 93 per cent of the total funding source which represents R299, 7 million for the 2023/24 financial year and no improvement still sitting to 93 per cent which represents R291, 3million and decrease to R293, 1million for 2025/26.

The following table is a detailed analysis of the district’s borrowing liability.

Table 35 MBRR Table SA 17 - Detail of borrowings

DC43 Harry Gwala - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	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									
Annuity and Bullet Loans	4 555	(0)	(0)	-	(0)	(0)	-	-	-
Long-Term Loans (non-annuity)	11 661	13 194	-	-	-	-	-	-	-
Local registered stock									
Instalment Credit									
Financial Leases	10 253	4 904	1 299	-	-	-	-	-	-
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	26 469	18 098	1 299	-	(0)	(0)	-	-	-
Total Borrowing	26 469	18 098	1 299	-	(0)	(0)	-	-	-

The following graph illustrates the growth in outstanding borrowing for the 2019/20 to 2025/26 period.

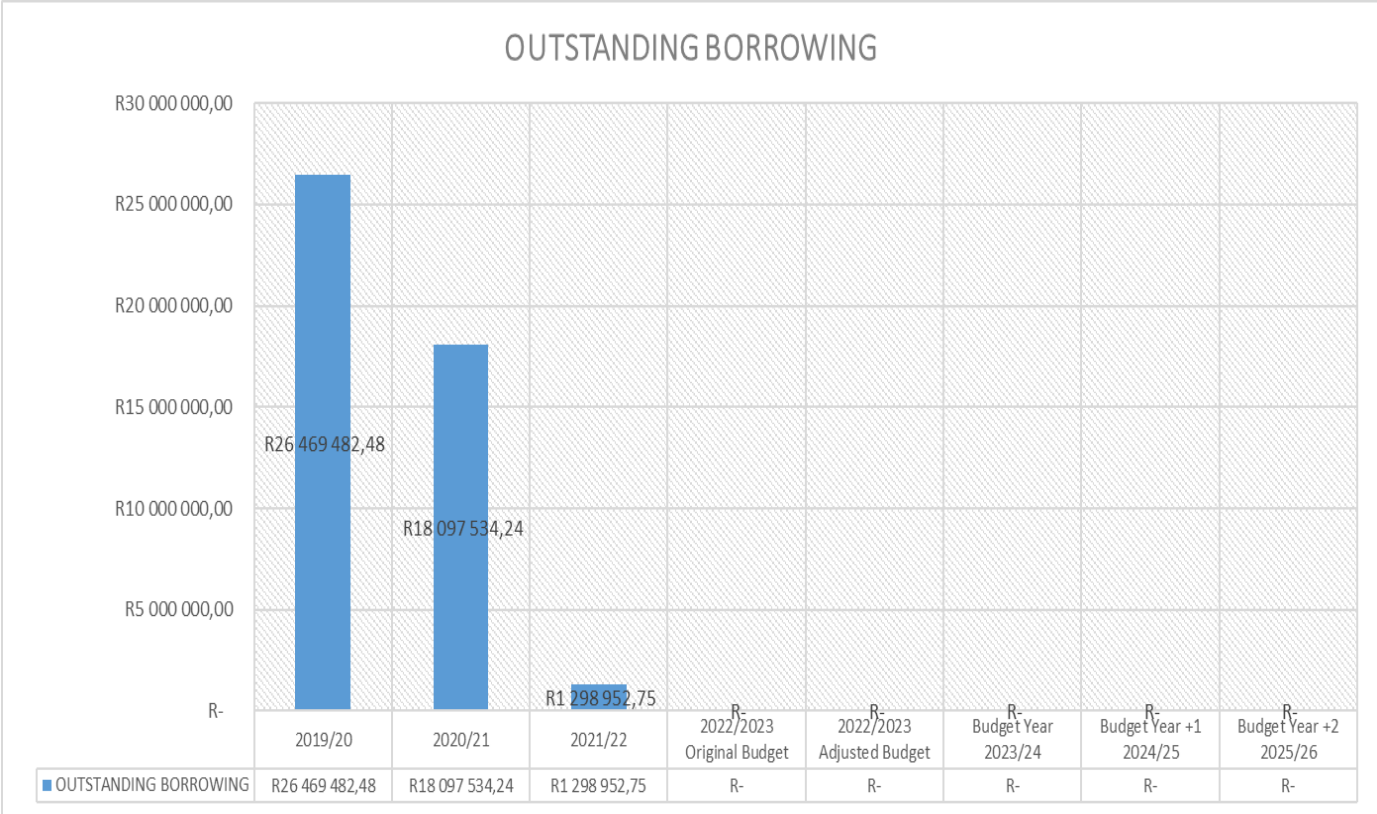


Figure 7 Growth in outstanding borrowing (long-term liabilities)

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below.

Table 36 MBRR Table SA 18 - Capital transfers and grant receipts

DC43 Harry Gwala - Supporting Table SA18 Transfers and grant receipts

Description	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
RECEIPTS:									
Operating Transfers and Grants									
National Government:	379 924	429 587	453 804	446 738	448 756	448 756	479 435	504 158	532 034
Local Government Equitable Share	345 309	417 623	387 013	432 161	432 161	432 161	463 631	494 128	521 455
Energy Efficiency and Demand Side Management Grant	7 000	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	5 316	5 195	4 596	5 221	5 221	5 221	6 168	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 000	1 200	1 200	1 200	1 200	1 200	1 200	1 338
Municipal Disaster Relief Grant	596	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	9 808	3 524	28 958	5 775	5 775	5 775	6 045	6 332	6 631
Rural Road Asset Management Systems Grant	2 358	2 245	2 275	2 381	2 381	2 381	2 391	2 498	2 610
Water Services Infrastructure Grant	8 537	-	29 762	-	2 018	2 018	-	-	-
Provincial Government:	332	352	135	-	1 304	1 304	-	-	-
Capacity Building and Other Grants	332	352	135	-	1 304	1 304	-	-	-
District Municipality:	-	-	-	17 000	15 290	15 290	17 000	18 020	19 101
<i>Specify (Add grant description)</i>	-	-	-	17 000	15 290	15 290	17 000	18 020	19 101
Other grant providers:	-	404	-	-	-	-	-	-	-
<i>Chemical Industry Seta</i>	-	404	-	-	-	-	-	-	-
<i>Parent Municipality</i>	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	380 256	430 342	453 939	463 738	465 350	465 350	496 435	522 178	551 136
Capital Transfers and Grants									
National Government:	262 515	287 857	277 860	320 236	318 218	318 218	335 757	372 938	373 552
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	191 052	205 476	191 922	225 236	225 236	225 236	235 757	246 953	258 623
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	20 000	22 381	-	-	-	-	-	10 000	10 000
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 463	60 000	85 938	95 000	92 982	92 982	100 000	115 985	104 929
Provincial Government:	5 863	19 693	46 781	-	-	-	-	-	-
Infrastructure Grant	5 863	19 693	46 781	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
<i>Specify (Add grant description)</i>	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>Human Settlement Re-development Programme</i>	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	268 379	307 550	324 641	320 236	318 218	318 218	335 757	372 938	373 552
TOTAL RECEIPTS OF TRANSFERS & GRANTS	648 634	737 892	778 580	783 974	783 568	783 568	832 192	895 116	924 687

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 understandability for councilors and management. Some specific features include:

1. Clear separation of receipts and payments within each cash flow category;
2. 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.

Table 37 MBRR Table A7 - Budget cash flow statement

DC43 Harry Gwala - Table A7 Consolidated Budgeted Cash Flows

Description	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
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-	-	-
Service charges	-	130 189	70 345	59 930	64 575	64 575	30 530	61 137	63 950	66 891
Other revenue	-	231 405	608 032	56 447	57 044	57 044	1 276 112	53 950	48 799	49 835
Transfers and Subsidies - Operational	-	3 896	8 071	446 738	446 738	446 738	8 087	479 435	504 158	532 034
Transfers and Subsidies - Capital	-	215 028	369 601	320 236	320 236	320 236	244 000	335 757	372 938	373 552
Interest	-	3 011	5 104	4 859	7 320	7 320	5 609	5 519	5 779	6 051
Dividends								-	-	-
Payments										
Suppliers and employees	-	(682 369)	(885 094)	(566 453)	(598 027)	(598 027)	(514 646)	(615 622)	(699 177)	(729 870)
Finance charges	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	-	(352)	(135)	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	(99 192)	175 924	321 758	297 886	297 886	1 049 691	320 176	296 447	298 493
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	-	(251 425)	(290 905)	(298 180)	(295 354)	(295 354)	(130 429)	(299 730)	(291 367)	(293 181)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(251 425)	(290 905)	(298 180)	(295 354)	(295 354)	(130 429)	(299 730)	(291 367)	(293 181)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing								-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	(149)	-	-
Payments										
Repayment of borrowing								-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	(149)	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	-	(350 618)	(114 981)	23 578	2 532	2 532	919 261	20 298	5 079	5 313
Cash/cash equivalents at the year begin:	58 363	40 671	51 862	27 569	64 592	64 592	-	52 866	73 163	78 242
Cash/cash equivalents at the year end:	58 363	(309 947)	(63 119)	51 147	67 124	67 124	919 261	73 163	78 242	83 555

With the 2022/23 adjustments budget various cost efficiencies and savings had to be realised to ensure the district could meet its operational expenditure commitments. These interventions have translated into a surplus for the district and it is projected that the closing balance for cash and cash equivalents for the 2023/24 financial year will be R101, 9 million. For the 2023/24 MTREF the budget has been prepared to continue ensuring high levels of cash and cash equivalents over the medium-term with cash levels anticipated to be R101, 9 million and steadily increasing to R113million by 2024/25 and 2025/2026 to R 113, 3million.

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:

- a) What are the predicted cash and investments that are available at the end of the budget year?
- b) How are those funds used?
- c) 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 38 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

DC43 Harry Gwala - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	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
Cash and investments available										
Cash/cash equivalents at the year end	58 363	(309 947)	(63 119)	51 147	67 124	67 124	919 261	73 163	78 242	83 555
Other current investments > 90 days	13 032	388 665	141 013	30 264	29 027	29 027	(687 599)	28 499	27 811	27 088
Investments - Property, plant and equipment	2 340 494	2 551 394	2 759 364	2 675 607	2 961 505	2 961 505	2 838 212	2 953 236	2 941 528	2 938 840
Cash and investments available:	2 411 889	2 630 112	2 837 258	2 757 018	3 057 656	3 057 656	3 069 874	3 054 898	3 047 581	3 049 483
Application of cash and investments										
Trade payables from Non-exchange transactions: Other	-	-	-	-	-	-	-	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements										
Other working capital requirements	85 963	63 503	52 412	79 760	67 794	67 794	443	71 101	71 382	71 424
Other provisions										
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	85 963	63 503	52 412	79 760	67 794	67 794	443	71 101	71 382	71 424
Surplus(shortfall)	2 325 926	2 566 609	2 784 846	2 677 258	2 989 862	2 989 862	3 069 432	2 983 797	2 976 200	2 978 060

From the above table it can be seen that the cash and investments available total R101, 9 million in the 2023/24 financial year and progressively increase to R1135million by 2024/25, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. There is no unspent borrowing from the previous financial years.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. It needs to be noted that although this can be considered prudent, the desired cash levels should be 90 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the District to meet its creditor obligations.

The 2023/24 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. From a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the district will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

Figure 8 Cash and cash equivalents / Cash backed reserves and accumulated funds

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.

Table 39 MBRR SA10 – Funding compliance measurement

DC43 Harry Gwala Supporting Table SA10 Funding measurement

Description	MFMA section	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
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	58 363	(309 947)	(63 119)	51 147	67 124	67 124	919 261	43 518	38 625	38 625
Cash + investments at the yr end less applications - R'000	18(1)b	2 325 926	3 506 812	3 135 481	2 677 258	2 989 862	2 989 862	3 069 432	2 991 319	3 114 999	3 246 045
Cash year end/monthly employee/supplier payments	18(1)b	1,7	(8,7)	(1,6)	1,4	1,8	1,8	38,1	1,1	0,8	0,8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	208 227	271 706	264 337	257 630	238 425	238 425	177 626	261 314	246 968	243 420
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	N.A.	(9,8%)	(15,2%)	(0,4%)	4,2%	(6,0%)	(31,5%)	(3,4%)	(1,4%)	(1,4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	0,0%	529,6%	884,5%	177,5%	167,7%	167,7%	2422,7%	121,7%	112,0%	0,0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)		45,6%	12,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Capital payments % of capital expenditure	18(1)c;19	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(11,7%)	2,8%	8,7%	(3,4%)	0,0%	87,6%	0,8%	4,9%	4,7%
Long term receivables % change - incr(decr)	18(1)a	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	0,9%	1,4%	1,6%	1,4%	1,9%	1,9%	1,9%	1,9%	1,9%	0,0%
Asset renewal % of capital budget	20(1)(vi)	32,0%	5,1%	14,6%	11,9%	2,4%	2,4%	0,0%	6,3%	6,6%	4,1%

DC43 Harry Gwala Supporting Table SA10 Funding measurement

Description	MFMA section	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
Supporting indicators											
% incr total service charges (incl prop rates)	18(1)a		(3,8%)	(9,2%)	5,6%	10,2%	0,0%	(25,5%)	2,6%	4,6%	4,6%
% incr Property Tax	18(1)a		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Electricity	18(1)a		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Water	18(1)a		(0,3%)	(8,6%)	4,9%	10,6%	0,0%	(22,0%)	2,7%	4,6%	4,6%
% incr Service charges - Waste Water Management	18(1)a		(15,6%)	(11,3%)	8,2%	8,3%	0,0%	(39,6%)	2,3%	4,6%	4,6%
% incr Service charges - Waste Management	18(1)a		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr in Sale of Goods and Rendering of Services	18(1)a		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	18(1)a	70 463	67 765	61 560	64 990	71 586	71 586	53 310	73 431	76 809	80 342
Service charges		70 463	67 765	61 560	64 990	71 586	71 586	53 310	73 431	76 809	80 342
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		54 157	54 003	49 353	51 777	57 276	57 276	44 662	58 796	61 500	64 329
Service charges - sanitation revenue		16 305	13 762	12 207	13 213	14 311	14 311	8 648	14 636	15 309	16 013
Service charges - refuse removal		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding		5 507	28 430	17 056	19 754	16 178	16 178	666	21 956	19 004	23 701
Cash receipts from ratepayers	18(1)a	-	361 593	678 378	116 377	121 619	121 619	1 306 641	90 149	86 787	-
Ratepayer & Other revenue	18(1)a	71 214	68 282	76 694	65 572	72 505	72 505	53 933	74 085	77 492	81 055
Change in consumer debtors (current and non-current)		N/A	(3 869)	812	2 597	(1 116)	-	27 574	488	2 918	2 936
Operating and Capital Grant Revenue	18(1)a	642 771	733 200	765 799	783 974	783 568	783 568	483 938	832 192	895 116	924 687
Capital expenditure - total	20(1)(vi)	240 195	296 457	290 905	298 180	295 354	295 354	136 068	299 730	291 367	293 181
Capital expenditure - renewal	20(1)(vi)	76 976	15 142	42 411	35 583	7 089	7 089		18 745	19 311	12 092
Supporting benchmarks											
Growth guideline maximum		6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline		4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY											
DoRA capital grants total MFY											
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/advised national, provincial and district grants									-	-	-
Average annual collection rate (arrears inclusive)											

DC43 Harry Gwala Supporting Table SA10 Funding measurement

Description	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
Total Operating Revenue	472 379	511 997	535 784	545 528	556 794	556 794	400 569	588 498	618 189	651 569
Total Operating Expenditure	532 530	547 842	596 088	608 134	636 587	636 587	374 915	662 940	744 159	781 700
Operating Performance Surplus/(Deficit)	(60 151)	(35 845)	(60 304)	(62 606)	(79 793)	(79 793)	25 654	(74 443)	(125 970)	(130 131)
Cash and Cash Equivalents (30 June 2012)								43 518		
Revenue										
% Increase in Total Operating Revenue		8,4%	4,6%	1,8%	2,1%	0,0%	(28,1%)	5,7%	5,0%	5,4%
% Increase in Property Rates Revenue		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% Increase in Electricity Revenue		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% Increase in Property Rates & Services Charges		(3,8%)	(9,2%)	5,6%	10,2%	0,0%	(25,5%)	2,6%	4,6%	4,6%
Expenditure										
% Increase in Total Operating Expenditure		2,9%	8,8%	2,0%	4,7%	0,0%	(41,1%)	4,1%	12,3%	5,0%
% Increase in Employee Costs		14,5%	9,4%	4,9%	(2,1%)	0,0%	(35,0%)	7,5%	4,7%	4,7%
% Increase in Electricity Bulk Purchases		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average Cost Per Budgeted Employee Position (Remuneration)			540534,3996	492147,9783				518144,4567		
Average Cost Per Councillor (Remuneration)			278407,8512	277479,8438				255716,5938		
R&M % of PPE	0,9%	1,4%	1,6%	1,4%	1,9%	1,9%		1,9%	1,9%	1,9%
Asset Renewal and R&M as a % of PPE	9,0%	4,0%	5,0%	4,0%	3,0%	3,0%		4,0%	4,0%	4,0%
Debt Impairment % of Total Billable Revenue	0,0%	45,6%	12,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Capital Revenue										
Internally Funded & Other (R'000)	4 211	28 430	17 056	19 754	16 178	16 178	666	21 956	19 004	23 701
Borrowing (R'000)	1 296	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)	234 687	268 028	273 848	278 426	279 176	279 176	135 402	277 774	272 363	269 480
Internally Generated funds % of Non Grant Funding	76,5%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding	23,5%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding	97,7%	90,4%	94,1%	93,4%	94,5%	94,5%	99,5%	92,7%	93,5%	91,9%
Capital Expenditure										
Total Capital Programme (R'000)	240 195	296 457	290 905	298 180	295 354	295 354	136 068	299 730	291 367	293 181
Asset Renewal	124 468	29 321	44 348	44 930	15 763	15 763	30 555	29 983	23 782	-
Asset Renewal % of Total Capital Expenditure	51,8%	9,9%	15,2%	15,1%	5,3%	5,3%	22,5%	10,0%	8,2%	0,0%
Cash										
Cash Receipts % of Rate Payer & Other	0,0%	529,6%	884,5%	177,5%	167,7%	167,7%	2422,7%	121,7%	112,0%	0,0%
Cash Coverage Ratio	0	(0)	(0)	0	0	0	0	0	0	0
Borrowing										
Capital Charges to Operating	0,4%	0,2%	0,1%	0,1%	0,1%	0,1%	0,0%	0,0%	0,0%	0,0%
Borrowing Receipts % of Capital Expenditure	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reserves										
Uncommitted reserves after application of cash and investments	2 325 926	3 506 812	3 135 481	2 677 258	2 989 862	2 989 862	3 069 432	2 991 319	3 114 999	3 246 045
Free Services										
Free Basic Services as a % of Equitable Share	0,2%	0,1%	0,2%	(0,1%)	(0,1%)	(0,1%)		(0,1%)	(0,1%)	(0,1%)
Free Services as a % of Operating Revenue (excl operational transfers)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
High Level Outcome of Funding Compliance										
Total Operating Revenue	472 379	511 997	535 784	545 528	556 794	556 794	400 569	588 498	618 189	651 569
Total Operating Expenditure	532 530	547 842	596 088	608 134	636 587	636 587	374 915	662 940	744 159	781 700
Surplus/(Deficit) Budgeted Operating Statement	(60 151)	(35 845)	(60 304)	(62 606)	(79 793)	(79 793)	25 654	(74 443)	(125 970)	(130 131)
Surplus/(Deficit) Considering Reserves and Cash Backing	2 325 926	3 506 812	3 135 481	2 677 258	2 989 862	2 989 862	3 069 432	2 991 319	3 114 999	3 246 045
MTREF Funded (1) / Unfunded (0)	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded *	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Cash/cash equivalent position

The District'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.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2023/24 MTREF show R43, 5 million, R38, 6 million and R38, 6million for each respective financial year.

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 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.

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. Regardless of the annual cash position an evaluation should be made of the ability of the District to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection. Notably, the ratio has been falling significantly for the period 2022/23 then improved from 2022/23 adjusted budget , moving from 1.4 to 1.8 this ratio decline from 1.8 to 1.1 in the 2023/24 then declined from 2024/2025 to 0, 8 and then to 0, 8 again in the 2025/2026 financial year.

Operating surplus/deficit excluding non-cash items offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2023/24 MTREF the indicative outcome is a surplus of R53, 5 million, R8, 1 million and R10, 2 million.

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.

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.

The factor is calculated by deducting the maximum macro-economic inflation target increase. The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 0 per cent for the respective financial year of the 2023/24 MTREF. Considering tariff increase in relation to revenue generated from rates and services charges is 6 per cent. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 60.2 for the each of the respective financial years. Given that the assumed collection rate was based on a 75 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.

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. The provision has been appropriated at 32.9 per cent over the MTREF. 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.

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 2 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.

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

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

Consumer debtors change (Current and Non-current)

The purpose of this measure 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 District's policy of settling debtor's accounts within 30 days.

Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the District's strategy pertaining to asset management and repairs and maintenance is contained in Table 60 MBRR SA34C.

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b.

1.15 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

Table 40 MBRR SA19 - Expenditure on transfers and grant programmes

DC43 Harry Gwala - Supporting Table SA19 Expenditure on transfers and grant programme

Description	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
EXPENDITURE:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	492 430	487 128	573 953	532 325	539 287	539 287	568 359	645 659	678 654
Local Government Equitable Share	460 586	478 024	517 785	517 748	519 773	519 773	537 200	563 186	590 135
Energy Efficiency and Demand Side Management Grant	6 087	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	5 218	5 467	6 578	5 221	10 182	10 182	7 291	7 641	8 007
Local Government Financial Management Grant	309	836	995	1 200	1 176	1 176	1 206	1 206	1 345
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	12 708	849	20 737	5 775	5 775	5 775	20 272	71 128	76 557
Rural Road Asset Management Systems Grant	2 050	1 952	1 978	2 381	2 381	2 381	2 391	2 498	2 610
Water Services Infrastructure Grant	5 471	-	25 880	-	-	-	-	-	-
Provincial Government:	-	-	-	-	1 304	1 304	-	-	-
Capacity Building and Other Grants	-	-	-	-	1 304	1 304	-	-	-
District Municipality:	-	-	-	16 346	17 201	17 201	17 719	17 923	18 670
<i>Specify (Add grant description)</i>	-	-	-	16 346	17 201	17 201	17 719	17 923	18 670
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>Chemical Industry Seta</i>	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	492 430	487 128	573 953	548 671	557 792	557 792	586 079	663 582	697 324
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	222 832	249 289	232 612	278 426	278 426	278 426	277 584	272 279	269 390
Local Government Financial Management Grant	281	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	155 868	178 208	156 293	195 857	195 857	195 857	190 628	171 422	178 147
Regional Bulk Infrastructure Grant	19 379	19 682	-	-	-	-	-	-	-
Water Services Infrastructure Grant	47 304	51 399	76 319	82 569	82 569	82 569	86 957	100 857	91 243
Provincial Government:	11 855	18 739	41 236	-	-	-	-	-	-
Infrastructure Grant	11 855	18 739	41 236	-	-	-	-	-	-
District Municipality:	-	-	-	-	750	750	190	85	90
<i>Specify (Add grant description)</i>	-	-	-	-	750	750	190	85	90
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	234 687	268 028	273 848	278 426	279 176	279 176	277 774	272 363	269 480
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	727 117	755 156	847 802	827 097	836 968	836 968	863 853	935 946	966 804

Table 41 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

DC43 Harry Gwala - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	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
Operating transfers and grants:									
National Government:	(15 000)	-	-	-	-	-	-	-	-
Balance unspent at beginning of the year	(334)	-	-	-	17 490	17 490	-	-	-
Current year receipts	(13 912)	(6 195)	(8 071)	(14 577)	(14 577)	(14 577)	(14 577)	(15 292)	(16 010)
Conditions met - transferred to revenue	14 148	6 195	25 561	14 577	14 577	14 577	14 577	15 292	16 010
Conditions still to be met - transferred to liabilities	(196)	-	17 490	-	17 490	17 490	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	0	0	0	-	(314)	(314)	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	0	0	0	-	(314)	(314)	-	-	-
Total operating transfers and grants revenue	14 148	6 195	25 561	14 577	14 577	14 577	14 577	15 292	16 010
Total operating transfers and grants - CTBM	(196)	0	17 490	-	17 175	17 175	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	(23 238)	-	-	-	(17 490)	(17 490)	-	-	-
Current year receipts	(283 218)	(293 626)	(336 580)	(320 236)	(320 236)	(320 236)	(320 236)	(335 927)	(351 716)
Conditions met - transferred to revenue	283 218	293 626	319 090	320 236	320 236	320 236	320 236	335 927	351 716
Conditions still to be met - transferred to liabilities	(46 476)	-	(17 490)	-	(17 490)	(17 490)	-	-	-
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Other grant providers:									
Balance unspent at beginning of the year	(20 242)	-	-	-	(2 473)	(2 473)	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	1 304	1 304	-	-	-
Conditions still to be met - transferred to liabilities	(40 485)	-	-	-	(1 169)	(1 169)	-	-	-
Total capital transfers and grants revenue	283 218	293 626	319 090	320 236	321 540	321 540	320 236	335 927	351 716
Total capital transfers and grants - CTBM	(86 961)	-	(17 490)	-	(18 659)	(18 659)	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	297 366	299 821	344 651	334 813	336 117	336 117	334 813	351 219	367 726
TOTAL TRANSFERS AND GRANTS - CTBM	(87 157)	0	0	-	(1 483)	(1 483)	-	-	-

Councilor and Employee benefits

Table 44 MBRR SA22-Summary of councilor and staff benefits

DC43 Harry Gwala - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	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
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	5 041	5 324	4 470	5 298	4 173	4 173	4 387	4 598	4 818
Pension and UIF Contributions	507	498	473	754	517	517	799	837	878
Medical Aid Contributions	54	57	54	64	176	176	67	71	74
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	622	663	516	972	507	507	1 030	1 080	1 132
Housing Allowances									
Other benefits and allowances	1 478	1 271	1 726	1 792	2 336	2 336	1 899	1 990	2 086
Sub Total - Councillors	7 702	7 813	7 239	8 879	7 710	7 710	8 183	8 576	8 987
% increase		1,4%	(7,3%)	22,7%	(13,2%)	-	6,1%	4,8%	4,8%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 637	4 029	3 968	4 189	2 076	2 076	4 440	4 653	4 877
Pension and UIF Contributions	10	11	13	13	6	6	14	15	15
Medical Aid Contributions	122	171	170	180	33	33	191	200	210
Overtime									
Performance Bonus	53	106	106	99	111	111	105	110	115
Motor Vehicle Allowance	928	1 052	1 028	1 094	476	476	1 160	1 216	1 274
Cellphone Allowance	108	117	115	121	55	55	129	135	141
Housing Allowances	160	160	152	166	105	105	176	184	193
Other benefits and allowances	434	459	454	478	168	168	507	531	556
Payments in lieu of leave	-	-	25	-	547	547	-	-	-
<i>In kind benefits</i>									
Sub Total - Senior Managers of Municipality	5 452	6 105	6 030	6 341	3 575	3 575	6 721	7 044	7 382
% increase		12,0%	(1,2%)	5,2%	(43,6%)	-	88,0%	4,8%	4,8%
Other Municipal Staff									
Basic Salaries and Wages	108 070	126 815	136 826	140 428	142 709	142 709	153 637	160 983	168 681
Pension and UIF Contributions	16 177	18 955	22 037	21 340	21 594	21 594	22 620	23 706	24 844
Medical Aid Contributions	8 220	9 177	9 953	10 242	10 224	10 224	10 857	11 378	11 924
Overtime	22 043	15 879	18 500	18 728	19 907	19 907	19 852	20 805	21 804
Performance Bonus	7 833	8 464	11 195	8 860	9 773	9 773	9 391	9 842	10 314
Motor Vehicle Allowance	14 366	16 182	20 487	21 079	21 413	21 413	22 344	23 416	24 540
Cellphone Allowance	781	851	984	1 012	1 179	1 179	1 073	1 125	1 179
Housing Allowances	487	570	585	608	703	703	644	675	708
Other benefits and allowances	4 034	4 715	5 788	5 861	6 913	6 913	6 212	6 511	6 823
Payments in lieu of leave	3 208	3 207	1 581	1 960	520	520	2 078	2 178	2 282
Long service awards	193	981	1 023	1 086	1 144	1 144	1 151	1 206	1 264
Post-retirement benefit obligations	(461)	6 069	3 386	-	-	-	-	-	-
Sub Total - Other Municipal Staff	184 950	211 864	232 346	231 204	236 080	236 080	249 859	261 824	274 362
% increase		14,6%	9,7%	(0,5%)	2,1%	-	5,8%	4,8%	4,8%
Total Parent Municipality	198 103	225 782	245 614	246 424	247 366	247 366	264 763	277 443	290 731
		14,0%	8,8%	0,3%	0,4%	-	7,0%	4,8%	4,8%
Senior Managers of Entities									
Basic Salaries and Wages	-	-	-	1 799	-	-	1 799	1 799	1 799
Sub Total - Senior Managers of Entities	-	-	-	1 799	-	-	1 799	1 799	1 799
% increase		-	-	-	(100,0%)	-	-	-	-
Other Staff of Entities									
Basic Salaries and Wages	-	-	-	7 655	4 295	4 295	4 276	4 277	4 278
Pension and UIF Contributions	-	-	-	1 528	123	123	20	21	22
Medical Aid Contributions	-	-	-	498	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	554	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	-	-	-	44	228	228	242	257	272
Sub Total - Other Staff of Entities	-	-	-	10 280	4 647	4 647	4 538	4 555	4 573
% increase		-	-	-	(54,8%)	-	(2,3%)	0,4%	0,4%
Total Municipal Entities	-	-	-	12 079	4 647	4 647	6 337	6 354	6 372
TOTAL SALARY, ALLOWANCES & BENEFITS	198 103	225 782	245 614	258 503	252 013	252 013	271 100	283 797	297 103
% increase		14,0%	8,8%	5,2%	(2,5%)	-	7,6%	4,7%	4,7%
TOTAL MANAGERS AND STAFF	190 401	217 969	238 376	249 624	244 303	244 303	262 917	275 221	288 116

Table 45 MBRR SA23- Salaries, allowances and benefits (Political Office Bearers/ Councilors/ Senior Managers)

DC43 Harry Gwala - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
Councillors						
Speaker	568 508	106 280	216 824			891 612
Chief Whip	297 332	55 585	136 350			489 267
Executive Mayor	733 007	-	104 436			837 443
Deputy Executive Mayor	403 512	33 683	48 127			485 322
Executive Committee	598 672	99 638	317 672			1 015 982
Total for all other councillors	1 785 967	571 243	2 106 095			4 463 305
Total Councillors	4 386 998	866 429	2 929 504			8 182 931
Senior Managers of the Municipality						
Municipal Manager (MM)	1 019 630	65 488	360 222			1 445 340
Chief Finance Officer	690 747	45 453	321 313			1 057 513
SM D01	586 197	34 443	438 182			1 058 822
SM D02	670 851	55 260	275 274	-		1 001 385
SM D03	740 239	2 344	314 706			1 057 289
SM D04	732 395	2 344	261 516	104 629		1 100 884
						-
Total Senior Managers of the Municipality	4 440 059	205 332	1 971 213	104 629		6 721 233
A Heading for Each Entity						
List each member of board by designation						
Harry Gwala Development Agency						-
BM D01	300 000					300 000
						-
Total for municipal entities	300 000	-	-	-		300 000
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	9 127 057	1 071 761	4 900 717	104 629		15 204 164

Table 46 MBRR SA24- Summary of personnel numbers

DC43 Harry Gwala - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	2021/22			Current Year 2022/23			Budget Year 2023/24		
	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)	26	-	26	32	-	32	32	-	32
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	3	-	3	5	-	5	5	-	5
Other Managers	8	-	8	9	-	9	9	-	9
Professionals	251	247	13	280	260	16	280	285	16
<i>Finance</i>	13	13	3	13	13	-	13	13	-
<i>Spatial/town planning</i>	1	1	2	2	1	1	2	1	1
<i>Information Technology</i>	5	5	-	5	5	-	5	5	-
<i>Roads</i>	2	2	-	2	2	-	2	2	-
<i>Electricity</i>	4	4	-	4	4	-	4	4	-
<i>Water</i>	110	109	8	126	110	13	126	135	13
<i>Sanitation</i>	75	75	-	87	87	2	87	87	2
<i>Refuse</i>	1	1	-	1	1	-	1	1	-
<i>Other</i>	40	37	-	40	37	-	40	37	-
Technicians	28	27	-	28	27	-	28	27	-
<i>Finance</i>	-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>	4	4	-	4	4	-	4	4	-
<i>Information Technology</i>	1	-	-	1	-	-	1	-	-
<i>Roads</i>	1	1	-	1	1	-	1	1	-
<i>Electricity</i>	1	1	-	1	1	-	1	1	-
<i>Water</i>	4	4	-	4	4	-	4	4	-
<i>Sanitation</i>	3	3	-	3	3	-	3	3	-
<i>Refuse</i>	1	1	-	1	1	-	1	1	-
<i>Other</i>	13	13	-	13	13	-	13	13	-
Clerks (Clerical and administrative)	-	-	6	38	38	10	38	38	10
Service and sales workers	2	2	-	2	2	-	2	2	-
Skilled agricultural and fishery workers	2	2	-	2	2	-	2	2	-
Craft and related trades	1	1	-	1	1	7	1	1	7
Plant and Machine Operators	82	73	9	95	45	-	95	95	-
Elementary Occupations	48	47	3	48	47	3	48	47	3
TOTAL PERSONNEL NUMBERS	451	399	68	540	422	82	540	497	82
% increase				19,7%	5,8%	20,6%	-	17,8%	-
Total municipal employees headcount	526	464	73	617	492	105	617	567	105
Finance personnel headcount	68	58	5	68	61	23	68	61	23
Human Resources personnel headcount	7	7	-	9	9	-	9	9	-

2.8 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table 47 MBRR SA25-Budgeted monthly revenue and expenditure

DC43 Harry Gwala - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Revenue															
Exchange Revenue															
Service charges - Electricity												-	-	-	-
Service charges - Water	4 900	4 900	4 900	4 900	4 900	4 900	4 900	4 900	4 900	4 900	4 900	4 900	58 796	61 500	64 329
Service charges - Waste Water Management	1 220	1 220	1 220	1 220	1 220	1 220	1 220	1 220	1 220	1 220	1 220	1 220	14 636	15 309	16 013
Sale of Goods and Rendering of Services	54	54	54	54	54	54	54	54	54	54	54	54	653	683	713
Interest earned from Receivables	1 015	1 015	1 015	1 015	1 015	1 015	1 015	1 015	1 015	1 015	1 015	1 015	12 180	12 740	13 326
Interest earned from Current and Non Current Assets	460	460	460	460	460	460	460	460	460	460	460	460	5 519	5 779	6 051
Operational Revenue	23	23	23	23	23	23	23	23	23	23	23	23	279	-	-
Non-Exchange Revenue															
Licences or permits													-	-	-
Transfer and subsidies - Operational	41 370	41 370	41 370	41 370	41 370	41 370	41 370	41 370	41 370	41 370	41 370	41 370	496 435	522 178	551 136
Discontinued Operations													-	-	-
Total Revenue (excluding capital transfers and contributions)	49 041	49 041	49 041	49 041	49 041	49 041	49 041	49 041	49 041	49 041	49 041	49 042	588 498	618 189	651 569
Expenditure															
Employee related costs	21 935	21 935	21 935	21 935	21 935	21 935	21 935	21 935	21 935	21 935	21 935	21 933	263 217	275 539	288 453
Remuneration of councillors	682	682	682	682	682	682	682	682	682	682	682	682	8 183	8 576	8 987
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2 369	2 369	2 369	2 369	2 369	2 369	2 369	2 369	2 369	2 369	2 369	834	26 897	28 215	29 542
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	8 128	8 128	8 128	8 128	8 128	8 128	8 128	8 128	8 128	8 128	8 128	8 128	97 533	102 223	107 038
Interest	8	8	8	8	8	8	8	8	8	8	8	7	90	95	101
Contracted services	12 067	12 067	12 067	12 067	12 067	12 067	12 067	12 067	12 067	12 067	12 067	12 067	144 803	200 325	211 710
Transfers and subsidies	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	1 417	17 000	18 020	19 101
Irrecoverable debts written off	2 535	2 535	2 535	2 535	2 535	2 535	2 535	2 535	2 535	2 535	2 535	2 535	30 418	31 878	33 376
Operational costs	6 233	6 233	6 233	6 233	6 233	6 233	6 233	6 233	6 233	6 233	6 233	6 233	74 799	79 287	83 392
Total Expenditure	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	53 835	662 940	744 159	781 700
Surplus/(Deficit)	(6 332)	(6 332)	(6 332)	(6 332)	(6 332)	(6 332)	(6 332)	(6 332)	(6 332)	(6 332)	(6 332)	(4 793)	(74 443)	(125 970)	(130 131)
Transfers and subsidies - capital (monetary allocations)	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	27 980	335 757	372 938	373 552
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	23 187	261 314	246 968	243 420
Income Tax													-	-	-
Surplus/(Deficit) after income tax	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	23 187	261 314	246 968	243 420
Surplus/(Deficit) attributable to municipality	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	23 187	261 314	246 968	243 420
Surplus/(Deficit) for the year	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	23 187	261 314	246 968	243 420

Table 48 MBRR SA26- Budgeted monthly revenue and expenditure (municipal vote)

DC43 Harry Gwala - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Revenue by Vote															
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	39 217	39 217	39 217	39 217	39 217	39 217	39 217	39 217	39 217	39 217	39 217	39 217	470 599	501 361	529 104
Vote 04 - Summary Corporate Services	23	23	23	23	23	23	23	23	23	23	23	23	279	-	-
Vote 05 - Summary Social Services & Development Planning	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	17 444	18 489	19 598
Vote 06 - Summary Infrastructure Services	29 561	29 561	29 561	29 561	29 561	29 561	29 561	29 561	29 561	29 561	29 561	29 561	354 731	386 339	387 574
Vote 07 - Summary Water Services	6 767	6 767	6 767	6 767	6 767	6 767	6 767	6 767	6 767	6 767	6 767	6 767	81 203	84 938	88 845
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	77 021	77 021	77 021	77 021	77 021	77 021	77 021	77 021	77 021	77 021	77 021	77 021	924 255	991 127	1 025 120
Expenditure by Vote to be appropriated															
Vote 01 - Summary Council	1 554	1 554	1 554	1 554	1 554	1 554	1 554	1 554	1 554	1 554	1 554	1 554	18 649	19 544	20 472
Vote 02 - Summary Municipal Manager	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	22 463	23 541	24 665
Vote 03 - Summary Budget And Treasury Office	7 372	7 372	7 372	7 372	7 372	7 372	7 372	7 372	7 372	7 372	7 372	7 372	88 459	92 647	97 120
Vote 04 - Summary Corporate Services	7 362	7 362	7 362	7 362	7 362	7 362	7 362	7 362	7 362	7 362	7 362	7 362	88 344	92 585	96 965
Vote 05 - Summary Social Services & Development Planning	6 483	6 483	6 483	6 483	6 483	6 483	6 483	6 483	6 483	6 483	6 483	6 483	77 790	81 081	85 067
Vote 06 - Summary Infrastructure Services	11 291	11 291	11 291	11 291	11 291	11 291	11 291	11 291	11 291	11 291	11 291	11 291	135 490	191 865	202 986
Vote 07 - Summary Water Services	19 440	19 440	19 440	19 440	19 440	19 440	19 440	19 440	19 440	19 440	19 440	19 439	233 280	244 477	256 085
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 370	664 475	745 742	783 359
Surplus/(Deficit) before assoc.	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 652	259 779	245 385	241 761
Income Tax													-	-	-
Share of Surplus/Deficit attributable to Minorities													-	-	-
Intercompany/Parent subsidiary transactions													-	-	-
Surplus/(Deficit)	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 652	259 779	245 385	241 761

Table 49 MBRRSA27-Budgeted monthly revenue and expenditure (standard classification)

DC43 Harry Gwala - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (functional classification)

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Revenue - Functional															
<i>Governance and administration</i>	39 247	39 247	39 247	39 247	39 247	39 247	39 247	39 247	39 247	39 247	39 247	39 247	470 966	501 453	529 200
Executive and council													-	-	-
Finance and administration	39 247	39 247	39 247	39 247	39 247	39 247	39 247	39 247	39 247	39 247	39 247	39 247	470 966	501 453	529 200
Internal audit													-	-	-
<i>Economic and environmental services</i>	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	17 444	18 489	19 598
Planning and development	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	17 444	18 489	19 598
Road transport													-	-	-
Environmental protection													-	-	-
<i>Trading services</i>	36 320	36 320	36 320	36 320	36 320	36 320	36 320	36 320	36 320	36 320	36 320	36 321	435 845	471 184	476 322
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management	35 129	35 129	35 129	35 129	35 129	35 129	35 129	35 129	35 129	35 129	35 129	35 129	421 544	456 225	460 675
Waste water management	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 301	14 959	15 647
Waste management													-	-	-
<i>Other</i>													-	-	-
Total Revenue - Functional	77 021	77 021	77 021	77 021	77 021	77 021	77 021	77 021	77 021	77 021	77 021	77 021	924 255	991 127	1 025 120
		78 475	78 475	78 475	78 475	78 475	78 475	78 475	78 475	78 475	78 475	78 475			
Expenditure - Functional															
<i>Governance and administration</i>	23 491	23 491	23 491	23 491	23 491	23 491	23 491	23 491	23 491	23 491	23 491	23 489	281 888	295 361	309 440
Executive and council	2 642	2 642	2 642	2 642	2 642	2 642	2 642	2 642	2 642	2 642	2 642	2 641	31 701	33 223	34 801
Finance and administration	20 065	20 065	20 065	20 065	20 065	20 065	20 065	20 065	20 065	20 065	20 065	20 063	240 775	252 275	264 303
Internal audit	784	784	784	784	784	784	784	784	784	784	784	784	9 411	9 863	10 336
<i>Community and public safety</i>	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	22 796	23 890	25 033
Community and social services	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	22 796	23 890	25 033
<i>Economic and environmental services</i>	15 482	15 482	15 482	15 482	15 482	15 482	15 482	15 482	15 482	15 482	15 482	15 481	185 779	244 126	257 853
Planning and development	15 482	15 482	15 482	15 482	15 482	15 482	15 482	15 482	15 482	15 482	15 482	15 481	185 779	244 126	257 853
Road transport													-	-	-
Environmental protection													-	-	-
<i>Trading services</i>	14 501	14 501	14 501	14 501	14 501	14 501	14 501	14 501	14 501	14 501	14 501	14 501	174 012	182 365	191 034
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management	14 400	14 400	14 400	14 400	14 400	14 400	14 400	14 400	14 400	14 400	14 400	14 399	172 795	181 089	189 697
Waste water management	101	101	101	101	101	101	101	101	101	101	101	101	1 217	1 276	1 337
Total Expenditure - Functional	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 373	55 370	664 475	745 742	783 359
Surplus/(Deficit) before assoc.	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 652	259 779	245 385	241 761
Intercompany/Parent subsidiary transactions													-	-	-
Surplus/(Deficit)	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 648	21 652	259 779	245 385	241 761

Table 50 MBRR SA28-Budgeted monthly capital expenditure (municipal vote)

DC43 Harry Gwala - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure to be appropriated															
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	626	626	626	626	626	626	626	626	626	626	626	626	7 514	11 496	15 835
Vote 05 - Summary Social Services & Development Planning	158	158	158	158	158	158	158	158	158	158	158	158	1 893	1 890	1 985
Vote 06 - Summary Infrastructure Services	4 927	4 927	4 927	4 927	4 927	4 927	4 927	4 927	4 927	4 927	4 927	4 926	59 118	59 491	48 783
Vote 07 - Summary Water Services	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	19 267	231 204	218 491	226 578
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	299 730	291 367	293 181
Single-year expenditure to be appropriated															
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	299 730	291 367	293 181

Table 51 MBRR SA29- Budgeted monthly capital expenditure (standard classification)

DC43 Harry Gwala - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (functional classification)

Description	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional															
Governance and administration	652	652	652	652	652	652	652	652	652	652	652	652	7 826	11 845	16 205
Executive and council													-	-	-
Finance and administration	652	652	652	652	652	652	652	652	652	652	652	652	7 826	11 845	16 205
Internal audit													-	-	-
Community and public safety	116	116	116	116	116	116	116	116	116	116	116	116	1 391	1 457	1 525
Community and social services	116	116	116	116	116	116	116	116	116	116	116	116	1 391	1 457	1 525
Economic and environmental services	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	27 286	27 478	24 397
Planning and development	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	2 274	27 286	27 478	24 397
Trading services	21 936	21 936	21 936	21 936	21 936	21 936	21 936	21 936	21 936	21 936	21 936	21 935	263 226	250 589	251 054
Energy sources													-	-	-
Water management	16 087	16 087	16 087	16 087	16 087	16 087	16 087	16 087	16 087	16 087	16 087	16 087	193 046	199 393	182 364
Waste water management	5 848	5 848	5 848	5 848	5 848	5 848	5 848	5 848	5 848	5 848	5 848	5 848	70 180	51 196	68 690
Waste management													-	-	-
Other													-	-	-
Total Capital Expenditure - Functional	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	299 730	291 367	293 181
Funded by:															
National Government	23 132	23 132	23 132	23 132	23 132	23 132	23 132	23 132	23 132	23 132	23 132	23 132	277 584	272 279	269 390
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	16	16	16	16	16	16	16	16	16	16	16	16	190	85	90
Transfers and subsidies - capital (in-kind)													-	-	-
Transfers recognised - capital	23 148	23 148	23 148	23 148	23 148	23 148	23 148	23 148	23 148	23 148	23 148	23 148	277 774	272 363	269 480
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	21 956	19 004	23 701
Total Capital Funding	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	299 730	291 367	293 181

Table 52 MBRR SA30- Budgeted monthly cash flow

DC43 Harry Gwala - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Cash Receipts By Source															
Property rates															
Service charges - electricity revenue															
Service charges - water revenue	4 354	4 354	4 354	4 354	4 354	4 354	4 354	4 354	4 354	4 354	4 354	4 354	52 251	54 782	57 521
Service charges - sanitation revenue	1 071	1 071	1 071	1 071	1 071	1 071	1 071	1 071	1 071	1 071	1 071	1 071	12 856	13 485	14 159
Interest earned - external investments	10	10	10	10	10	10	10	10	10	10	10	10	123	129	136
Agency services															
Transfers and Subsidies - Operational	39 851	39 851	39 851	39 851	39 851	39 851	39 851	39 851	39 851	39 851	39 851	39 851	478 208	509 420	551 136
Other revenue	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	25 042	18 520	33 109
Cash Receipts by Source	47 373	47 373	47 373	47 373	47 373	47 373	47 373	47 373	47 373	47 373	47 373	47 373	568 480	596 336	656 061
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	26 686	320 236	335 927	373 552
Total Cash Receipts by Source	74 060	74 060	74 060	74 060	74 060	74 060	74 060	74 060	74 060	74 060	74 060	74 060	888 716	932 263	1 029 612
Cash Payments by Type															
Employee related costs	21 043	21 043	21 043	21 043	21 043	21 043	21 043	21 043	21 043	21 043	21 043	21 041	252 513	264 886	288 453
Remuneration of councillors															
Acquisitions - water & other inventory	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	23 000	24 127	29 542
Contracted services	14 910	14 910	14 910	14 910	14 910	14 910	14 910	14 910	14 910	14 910	14 910	14 910	178 921	210 737	211 710
Transfers and subsidies - other municipalities															
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	10 277	10 277	10 277	10 277	10 277	10 277	10 277	10 277	10 277	10 277	10 276	10 276	123 321	129 364	83 392
Cash Payments by Type	48 146	48 146	48 146	48 146	48 146	48 146	48 146	48 146	48 146	48 146	48 146	48 144	577 755	629 113	613 097
Other Cash Flows/Payments by Type															
Capital assets	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	24 977	299 730	291 367	293 181
Repayment of borrowing															
Other Cash Flows/Payments	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	1 325	15 896	16 675	17 509
Total Cash Payments by Type	74 449	74 449	74 449	74 449	74 449	74 449	74 449	74 449	74 449	74 449	74 449	74 445	893 381	937 156	923 786
NET INCREASE/(DECREASE) IN CASH HELD	(389)	(389)	(389)	(389)	(389)	(389)	(389)	(389)	(389)	(389)	(389)	(386)	(4 665)	(4 893)	105 826
Cash/cash equivalents at the month/year begin:	48 183	47 794	47 405	47 016	46 627	46 238	45 849	45 460	45 071	44 682	44 293	43 904	48 183	43 518	38 625
Cash/cash equivalents at the month/year end:	47 794	47 405	47 016	46 627	46 238	45 849	45 460	45 071	44 682	44 293	43 904	43 518	43 518	38 625	144 451

1.16 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS

Water Services Department – Vote 07

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

Table 42 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure

DC43 Harry Gwala - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Vote 01 - Summary Council	Vote 02 - Summary Municipal	Vote 03 - Summary Budget And	Vote 04 - Summary Corporate	Vote 05 - Summary Social	Vote 06 - Summary Infrastructure	Vote 07 - Summary Water Services	Total
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity								-
Service charges - Water						(80)	(58 716)	(58 796)
Service charges - Waste Water Management						(4 290)	(10 346)	(14 636)
Service charges - Waste Management								-
Sale of Goods and Rendering of Services			(633)		(20)			(653)
Agency services								-
Interest								-
Interest earned from Receivables			(39)				(12 141)	(12 180)
Interest earned from Current and Non Current Assets			(5 095)		(424)			(5 519)
Licence and permits								-
Operational Revenue			-	(279)	-		-	(279)
Non-Exchange Revenue								
Property rates								-
Licences or permits								-
Transfer and subsidies - Operational			(464 831)	-	(17 000)	(14 604)	-	(496 435)
Discontinued Operations								-
Total Revenue (excluding capital transfers and contributions)	-	-	(470 599)	(279)	(17 444)	(18 974)	(81 203)	(588 498)
Expenditure								
Employee related costs	424	15 891	35 626	27 436	40 042	31 954	111 844	263 217
Remuneration of councillors	8 183							8 183
Bulk purchases - electricity								-
Inventory consumed			6 897				20 000	26 897
Debt impairment								-
Depreciation and amortisation			59	13 065	2 389	80 512	1 508	97 533
Interest				10	80			90
Contracted services	6 020	4 398	12 017	17 375	11 676	22 055	71 262	144 803
Transfers and subsidies					17 000			17 000
Irrecoverable debts written off			30 418					30 418
Operational costs	4 022	2 174	10 338	30 417	4 689	969	22 189	74 799
Losses on disposal of Assets								-
Other Losses								-
Total Expenditure	18 649	22 463	95 356	88 304	75 875	135 490	226 803	662 940
Surplus/(Deficit)	(18 649)	(22 463)	(565 955)	(88 582)	(93 319)	(154 463)	(308 006)	(1 251 438)
Transfers and subsidies - capital (monetary allocations)								-
Transfers and subsidies - capital (in-kind)								-
Surplus/(Deficit) after capital transfers & contributions	(18 649)	(22 463)	(565 955)	(88 582)	(93 319)	(154 463)	(308 006)	(1 251 438)

Table 43 Water Services Department – Performance objectives and indicators

DC43 Harry Gwala - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	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
06 - Summary Infrastructure Services										
Waste Water Management										
Sewerage										
<i>Flush Toilet (Connected To Sewerage)</i>	Households	70 615	77 677	81 649	86 956	86 956	86 956	92 608	97 239	102 101
<i>Flush Toilet (With Septic Tank)</i>	Households	12 312	13 543	13 164	14 020	14 020	14 020	14 931	15 677	16 461
<i>Pit Toilet (Ventilated)</i>	Households	45 779	50 357	46 969	50 022	50 022	50 022	53 273	55 937	58 734
Water Management										
Water Distribution										
<i>Informal Settlements (R000)</i>	Rand Value	5 189	5 708	6 561	6 954	6 954	6 954	7 406	7 776	8 165
<i>Other Water Supply (< Min.Service Level)</i>	Households	30 152	33 167	30 936	32 947	32 947	32 947	35 088	36 843	38 685
<i>Other Water Supply (At Least Min.Service Level)</i>	Households	30 152	33 167	30 936	32 947	32 947	32 947	35 089	36 843	-
<i>Piped Water Inside Dwelling</i>	Households	48 641	53 505	52 292	55 691	55 691	55 691	59 311	62 276	65 390
<i>Piped Water Inside Yard (But Not In Dwelling)</i>	Households	19 885	21 874	21 261	22 643	22 643	22 643	24 115	25 320	26 587
<i>Using Public Tap (At Least Min.Service Level)</i>	Households	30 026	33 029	37 292	39 716	39 716	39 716	42 298	44 412	46 633

There are no unfilled positions in the top management structure of the Water Services Department, The top management structure consists of 2 Executive Director (Water and Infrastructure services), five directors and 7 professional engineers. As part of the performance objectives for the 2023/24 financial year, the expansion of the functional water demand management unit will require an amendment to the departmental organogram and the subsequent filling of vacancies.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance of R53, 7 million, R56, 3 million and R59 million in each of the respective financial years of the MTREF.

The departmental revenue base is primarily informed by the sale of water and charges for sanitation of which budget appropriation for the 2023/24 financial year is R73, 4 million and increases to R76, 8million by 2024/25 by the 2023/24 and has been informed by a collection rate of 75 per cent and distribution losses of 31, 2 per cent in the outer years.

The reduction of distribution losses is considered a priority and hence the departmental objectives. There has been a huge concerted effort in the 2023/24 in trying to minimize the water losses with initiatives such as the water meter and infrastructure audits. The enhancement of the ongoing Water Demand Management & Conservation initiatives are expected to also have a positive impact in minimizing water losses in the medium to long term.

Note: Municipalities would be required to undertake the aforementioned for each department/vote within the municipality.

1.17 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

In terms of the District's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

3.11 CAPITAL EXPENDITURE DETAILS

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

Table55 MBRR SA34A- Capital expenditure on new assets by asset class

DC43 Harry Gwala - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	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									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	105 103	245 738	235 244	246 078	274 365	274 365	254 680	250 306	253 995
Roads Infrastructure	-	-	1 242	-	-	-	-	-	-
Roads	-	-	1 242	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	105 103	237 781	196 052	198 948	220 107	220 107	187 312	200 355	186 668
Dams and Weirs	32 289	24 469	7 606	22 176	32 469	32 469	62 633	54 477	27 238
Boreholes	12 718	23 814	69 041	40 408	35 863	35 863	33 539	38 900	39 760
Reservoirs	15 642	870	3 315	870	-	-	-	-	-
Pump Stations	-	30 873	24 379	5 087	4 185	4 185	4 935	681	746
Water Treatment Works	-	4 539	8 400	26 087	267	267	-	-	-
Bulk Mains	20 996	77 052	15 699	27 159	45 918	45 918	16 056	18 623	20 398
Distribution	23 458	76 164	67 612	77 161	101 406	101 406	70 149	87 674	98 527
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	7 958	37 950	47 130	54 258	54 258	67 368	49 951	67 327
Pump Station	-	1 580	15 010	2 609	-	-	6 488	174	6 840
Reticulation	-	6 378	22 940	35 826	48 309	48 309	41 814	33 101	57 204
Waste Water Treatment Works	-	-	-	-	-	-	7 561	8 770	3 197
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	-	-	8 696	5 949	5 949	11 505	7 906	87
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	-	1 610	1 138	-	-	-	-	-	-
Operational Buildings	-	1 610	1 138	-	-	-	-	-	-
Municipal Offices	-	1 610	1 138	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	1 534	1 962	1 962	736	299	317
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	1 534	1 962	1 962	736	299	317
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	1 534	1 962	1 962	736	299	317
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	4 084	1 566	1 412	1 365	988	988	623	671	703
Computer Equipment	4 084	1 566	1 412	1 365	988	988	623	671	703
Furniture and Office Equipment	684	1 768	1 387	1 908	1 384	1 384	8 121	8 583	12 786
Furniture and Office Equipment	684	1 768	1 387	1 908	1 384	1 384	8 121	8 583	12 786
Machinery and Equipment	-	9 099	7 376	191	891	891	3 623	69	73
Machinery and Equipment	-	9 099	7 376	191	891	891	3 623	69	73
Transport Assets	5 855	7 355	-	2 174	-	-	1 391	1 457	1 525
Transport Assets	5 855	7 355	-	2 174	-	-	1 391	1 457	1 525
Total Capital Expenditure on new assets	115 726	267 136	246 557	253 250	279 590	279 590	269 174	261 384	269 399

Table 56 MBRR SA34b- Capital expenditure on the renewal of existing assets by asset class

DC43 Harry Gwala - Supporting Table SA34b Consolidated capital expenditure on the renewal of existing assets by asset class

Description	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									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	76 976	8 110	38 015	28 217	-	-	16 541	17 003	9 676
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	38 675	982	9 560	28 217	-	-	14 802	17 003	9 676
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	-	-	3 913	-	-	3 890	4 348	87
Distribution	38 675	982	9 560	24 304	-	-	10 911	12 655	9 589
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	38 302	7 128	28 455	-	-	-	1 739	-	-
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	38 302	7 128	28 455	-	-	-	1 739	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	130	121	121	117	123	128
Machinery and Equipment	-	-	-	130	121	121	117	123	128
Transport Assets	-	7 032	4 396	7 235	6 968	6 968	2 087	2 185	2 288
Transport Assets	-	7 032	4 396	7 235	6 968	6 968	2 087	2 185	2 288
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	76 976	15 142	42 411	35 583	7 089	7 089	18 745	19 311	12 092
Renewal of Existing Assets as % of total capex	32,0%	5,1%	14,6%	11,9%	2,4%	2,4%	6,3%	6,6%	4,1%
Renewal of Existing Assets as % of deprecn"	107,0%	19,1%	52,0%	38,7%	7,7%	7,7%	19,2%	18,9%	11,3%

Table 57 MBRR SA34c-Repairs and maintenance expenditure by asset class

DC43 Harry Gwala - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	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 expenditure by Asset Class/Sub-class									
Infrastructure	18 521	32 973	28 248	33 000	50 308	50 308	48 093	50 401	52 770
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	18 521	32 973	28 248	33 000	50 308	50 308	48 093	50 401	52 770
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	8 428	16 174	12 215	16 000	30 082	30 082	25 439	26 660	27 913
Pump Stations	6 698	10 291	9 037	10 000	11 390	11 390	12 402	12 997	13 608
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-	-	-
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	3 395	6 508	6 996	7 000	8 837	8 837	10 252	10 744	11 249
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Community Assets	85	86	78	90	70	70	73	77	80
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	85	86	78	90	70	70	73	77	80
Indoor Facilities	85	86	78	90	70	70	73	77	80
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	1	1	1	1	1	1	1	1	1
Other assets	1 497	1 287	1 548	3 500	5 423	5 423	5 259	5 511	5 770
Operational Buildings	1 497	1 287	1 548	3 500	5 423	5 423	5 259	5 511	5 770
Municipal Offices	1 497	1 287	1 548	3 500	5 423	5 423	5 259	5 511	5 770
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Computer Equipment	165	497	9	620	111	111	125	131	137
Computer Equipment	165	497	9	620	111	111	125	131	137
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	196	319	15 329	-	-	-	-	-	-
Machinery and Equipment	196	319	15 329	-	-	-	-	-	-
Transport Assets	15	83	78	328	230	230	241	252	264
Transport Assets	15	83	78	328	230	230	241	252	264
Total Repairs and Maintenance Expenditure	20 479	35 246	45 289	37 538	56 142	56 142	53 791	56 373	59 023
R&M as a % of PPE	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as % Operating Expenditure	3.8%	6.4%	7.6%	6.2%	8.8%	8.8%	14.3%	8.5%	7.9%

Table 58 MBRR SA35- Future financial implications of the capital budget

DC43 Harry Gwala - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description R thousand	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure			
Vote 01 - Summary Council	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-
Vote 04 - Summary Corporate Services	7 514	11 496	15 835
Vote 05 - Summary Social Services & Development Planning	1 893	1 890	1 985
Vote 06 - Summary Infrastructure Services	59 118	59 491	48 783
Vote 07 - Summary Water Services	231 204	218 491	226 578
Vote 08 -	-	-	-
Vote 09 -	-	-	-
Vote 10 -	-	-	-
Vote 11 -	-	-	-
Vote 12 -	-	-	-
Vote 13 -	-	-	-
Vote 14 -	-	-	-
Vote 15 - Other	-	-	-
<i>List entity summary if applicable</i>			
Total Capital Expenditure	299 730	291 367	293 181
Future revenue by source			
Exchange Revenue	18 631	19 202	20 091
Service charges - Electricity			
Service charges - Water			
Service charges - Waste Water Management	58 796	61 500	64 329
Service charges - Waste Management	14 636	15 309	16 013
Agency services			
<i>List other revenues sources if applicable</i>	832 192	895 116	924 687
<i>List entity summary if applicable</i>			
Total future revenue	924 255	991 127	1 025 120
Net Financial Implications	(624 525)	(699 760)	(731 939)

Table 59 MBRR SA36- Detailed capital budget per municipal vote

DC43 Harry Gwala - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2023/24 Medium Term Revenue & Expenditure Framework						
										Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26		
Parent municipality:																
List all capital projects grouped by Function																
	Administrative And Corporate Support	Vehicle New - Mayor	PC002002001010_00001	RENEWAL		Governance	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	4 396	6 968	2 087	2 185	2 288		
	Administrative And Corporate Support	Computers	PC0020030005_00001	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	1 011	337	574	601	629		
	Administrative And Corporate Support	New Furniture	PC0020030005_00002	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	133	100	265	278	291		
	Administrative And Corporate Support	Office Equipment	PC0020030005_00003	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	219	79	3 566	7 362	11 507		
	Administrative And Corporate Support	Main Building Improvements	PC002003003001001_00001	NEW	An efficient, effective and development-oriented public service	Growth	Operational Buildings	Municipal Offices	R-ADMIN OR HEAD OFFICE	1 138	-	-	-	-		
	Disaster Management	Gis Plotter	PC0020030005_00006	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	-	435	-	-	-		
	Disaster Management	Disaster Management Comm System	PC002003007002004_00003	NEW	An efficient, effective and development-oriented public service	Growth	Licences And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	-	696	-	-	-		
	Disaster Management	Gps Devices	PC002003009_00004	NEW		Growth	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	47	-	-	-	-		
	Disaster Management	Disaster Trucks	PC002003010_00001	NEW		Growth	Transport Assets	Transport Assets	R-WHOLE OF THE DISTRICT	-	-	1 391	1 457	1 525		
	Economic Development/Planning	Gis Equipment	PC002003009_00005	NEW		Growth	Machinery And Equipment	Machinery And Equipment	R-WHOLE OF THE DISTRICT	-	191	-	-	-		
	Finance	Cash Flow Accounts	PC001001001004006_00002	RENEWAL	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	-	-	-	-		
	Finance	Cash Flow Accounts	PC001001001004006_00004	RENEWAL	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	-	3 890	4 348	-		
	Finance	Cash Flow Accounts	PC001001001004007_00003	RENEWAL	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	-	-	-		
	Finance	Cash Flow Accounts	PC001001001004007_00004	RENEWAL	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	-	-	-		
	Finance	Cash Flow Accounts	PC001001001004007_00010	RENEWAL	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	9 278	10 761	-		
	Finance	Cash Flow Accounts	PC001001001004007_00011	RENEWAL	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	1 633	1 894	-		
	Finance	Cash Flow Accounts	PC001001001005003_00005	RENEWAL	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Waste Water Treatment Works	R-WHOLE OF THE DISTRICT	-	-	1 739	-	-		
	Finance	Cash Flow Accounts	PC001001002004005_00004	UPGRADING	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	-	4 820	8 129	9 428	-		
	Finance	Cash Flow Accounts	PC001001002005002_00002	UPGRADING	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Reticulation	R-WHOLE OF THE DISTRICT	-	-	2 609	-	-		
	Finance	Cash Flow Accounts	PC001001002005002_00004	UPGRADING	n efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Reticulation	R-WHOLE OF THE DISTRICT	-	3 855	1 073	1 245	-		
	Finance	Cash Flow Accounts	PC001002004001_00004	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Dams And Weirs	R-WHOLE OF THE DISTRICT	-	210	29 397	54 477	-		
	Finance	Cash Flow Accounts	PC001002004001_00006	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Dams And Weirs	R-WHOLE OF THE DISTRICT	-	22 459	33 236	-	-		
	Finance	Cash Flow Accounts	PC001002004002_00004	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	-	4 960	1 746	2 025	-		
	Finance	Cash Flow Accounts	PC001002004002_00005	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	-	16 005	13 645	15 827	-		
	Finance	Cash Flow Accounts	PC001002004002_00006	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	-	8 448	7 183	8 332	-		
	Finance	Cash Flow Accounts	PC001002004002_00007	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	-	6 450	10 964	12 717	-		
	Finance	Cash Flow Accounts	PC001002004003_00006	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Reservoirs	R-WHOLE OF THE DISTRICT	-	-	-	-	-		
	Finance	Cash Flow Accounts	PC001002004004_00001	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	-	304	-	-	-		
	Finance	Cash Flow Accounts	PC001002004004_00003	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	-	2 436	4 348	-	-		
	Finance	Cash Flow Accounts	PC001002004004_00005	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	-	435	587	681	-		
	Finance	Cash Flow Accounts	PC001002004004_00007	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	-	1 011	-	-	-		
	Finance	Cash Flow Accounts	PC001002004005_00003	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Water Treatment Works	R-WHOLE OF THE DISTRICT	-	(1 733)	-	-	-		
	Finance	Cash Flow Accounts	PC001002004006_00009	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	1 750	3 856	4 473	-		
	Finance	Cash Flow Accounts	PC001002004006_00010	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	6 635	-	-	-		

DC43 Harry Gwala - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2023/24 Medium Term Revenue & Expenditure Framework				
										Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
										Parent municipality:	List all capital projects grouped by Function			
Finance	Cash Flow Accounts	PC001002004006_00011	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	9 001	2 117	2 456	-	
Finance	Cash Flow Accounts	PC001002004006_00012	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	10 765	3 478	4 034	-	
Finance	Cash Flow Accounts	PC001002004006_00013	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	-	6 604	7 660	-	
Finance	Cash Flow Accounts	PC001002004006_00014	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	3 379	-	-	-	
Finance	Cash Flow Accounts	PC001002004006_00015	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	23 988	-	-	-	
Finance	Cash Flow Accounts	PC001002004007_00001	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	2 904	5 447	5 703	-	
Finance	Cash Flow Accounts	PC001002004007_00021	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	7 135	7 561	8 770	-	
Finance	Cash Flow Accounts	PC001002004007_00022	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	1 500	10 042	40 828	-	
Finance	Cash Flow Accounts	PC001002004007_00023	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	30 697	16 433	16 219	-	
Finance	Cash Flow Accounts	PC001002004007_00024	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	1 000	261	-	-	
Finance	Cash Flow Accounts	PC001002004007_00028	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	-	-	-	
Finance	Cash Flow Accounts	PC001002004007_00030	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	6 746	1 539	1 785	-	
Finance	Cash Flow Accounts	PC001002004007_00033	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	-	-	-	
Finance	Cash Flow Accounts	PC001002004007_00034	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	-	-	-	
Finance	Cash Flow Accounts	PC001002004007_00038	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	34 286	22 388	2 560	-	
Finance	Cash Flow Accounts	PC001002004007_00040	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	7 000	1 261	-	-	
Finance	Cash Flow Accounts	PC001002004007_00041	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	545	-	-	-	
Finance	Cash Flow Accounts	PC001002004007_00047	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	1 924	3 478	-	-	
Finance	Cash Flow Accounts	PC001002004007_00049	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	10 969	1 739	11 810	-	
Finance	Cash Flow Accounts	PC001002005001_00001	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Pump Station	R-WHOLE OF THE DISTRICT	-	-	6 488	174	-	
Finance	Cash Flow Accounts	PC001002005002_00003	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticaluation	R-WHOLE OF THE DISTRICT	-	-	-	-	-	
Finance	Cash Flow Accounts	PC001002005002_00004	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticaluation	R-WHOLE OF THE DISTRICT	-	-	5 165	-	-	
Finance	Cash Flow Accounts	PC001002005002_00006	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticaluation	R-WHOLE OF THE DISTRICT	-	7 166	8 957	4 348	-	
Finance	Cash Flow Accounts	PC001002005002_00007	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticaluation	R-WHOLE OF THE DISTRICT	-	35 902	20 736	26 084	-	
Finance	Cash Flow Accounts	PC001002005002_00009	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticaluation	R-WHOLE OF THE DISTRICT	-	6 841	6 957	2 669	-	
Finance	Cash Flow Accounts	PC001002005003_00002	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Waste Water Treatment Works	R-WHOLE OF THE DISTRICT	-	-	7 561	8 770	-	
Finance	Cash Flow Accounts	PC001002005005_00003	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Toilet Facilities	R-WHOLE OF THE DISTRICT	-	3 249	11 505	7 906	-	
Finance	Cash Flow Accounts	PC002002001009_00002	RENEWAL	Governance	Governance	Machinery And Equipment	Machinery And Equipment	R-WHOLE OF THE DISTRICT	-	121	117	123	-	
Finance	Cash Flow Accounts	PC002002001010_00001	RENEWAL	Governance	Governance	Transport Assets	Transport Assets	R-WHOLE OF THE DISTRICT	-	6 968	2 087	2 185	-	
Finance	Cash Flow Accounts	PC002003004_00001	NEW	An efficient, effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-WHOLE OF THE DISTRICT	-	617	593	621	-	
Finance	Cash Flow Accounts	PC002003004_00002	NEW	An efficient, effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-WHOLE OF THE DISTRICT	-	371	30	50	-	
Finance	Cash Flow Accounts	PC002003005_00001	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	-	337	574	601	-	
Finance	Cash Flow Accounts	PC002003005_00002	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	-	100	265	278	-	
Finance	Cash Flow Accounts	PC002003005_00003	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	-	79	6 925	7 362	-	
Finance	Cash Flow Accounts	PC002003005_00004	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	-	383	312	326	-	
Finance	Cash Flow Accounts	PC002003005_00005	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	-	50	45	16	-	
Finance	Cash Flow Accounts	PC002003005_00006	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	-	435	-	-	-	
Finance	Cash Flow Accounts	PC002003007002004_00001	NEW	An efficient, effective and development-oriented public service	Growth	Licences And Rights	Computer Software And Applications	R-WHOLE OF THE DISTRICT	-	266	282	299	-	
Finance	Cash Flow Accounts	PC002003007002004_00002	NEW	An efficient, effective and development-oriented public service	Growth	Licences And Rights	Computer Software And Applications	R-WHOLE OF THE DISTRICT	-	1 000	454	-	-	
Finance	Cash Flow Accounts	PC002003007002004_00003	NEW	An efficient, effective and development-oriented public service	Growth	Licences And Rights	Computer Software And Applications	R-WHOLE OF THE DISTRICT	-	696	-	-	-	
Finance	Cash Flow Accounts	PC002003009_00003	NEW	An efficient, effective and development-oriented public service	Growth	Machinery And Equipment	Machinery And Equipment	R-WHOLE OF THE DISTRICT	-	700	3 623	69	-	
Finance	Cash Flow Accounts	PC002003009_00005	NEW	An efficient, effective and development-oriented public service	Growth	Machinery And Equipment	Machinery And Equipment	R-WHOLE OF THE DISTRICT	-	191	-	-	-	
Finance	Cash Flow Accounts	PC002003010_00001	NEW	An efficient, effective and development-oriented public service	Growth	Transport Assets	Transport Assets	R-WHOLE OF THE DISTRICT	-	-	1 391	1 457	-	
Information Technology	Fire Extinguishers	PC002002001009_00002	RENEWAL	Governance	Governance	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	121	117	123	128	
Information Technology	Server & Desktop Backup	PC002003004_00001	NEW	An efficient, effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	1 412	617	593	621	650	
Information Technology	New Projcbr & Microphones	PC002003005_00004	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	-	383	312	326	342	
Project Management Unit	Boreholes & Equipment (Donated)	PC001002004002_00002	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	12 781	-	-	-	-	
Project Management Unit	Corinh-Nyanisweni Water Project	PC001002004006_00010	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-INGWE/KWA SANI	-	1 350	-	-	-	
Project Management Unit	Dulahli - Marhewini Water Supply	PC001002004006_00013	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-INGWE/KWA SANI	-	-	6 604	7 660	8 390	
Project Management Unit	Emezini Water Supply	PC001002004006_00011	NEW	n efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-INGWE/KWA SANI	-	9 001	2 117	2 456	2 690	

DC43 Harry Gwala - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2023/24 Medium Term Revenue & Expenditure Framework					
										Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Parent municipality:															
<i>List all capital projects grouped by Function</i>															
Project Management Unit	Hostela-Mncwaba Water Supply	PC001002004006_00012	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-INGWE/KWA SANI	-	10 765	3 478	4 034	4 419		
Project Management Unit	Machunwini Water Supply	PC001002004006_00009	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-INGWE/KWA SANI	-	1 750	3 856	4 473	4 899		
Project Management Unit	Refurbishment Bhayi-Gudilingo Schemes	PC001002004007_00021	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	7 135	7 561	8 770	3 909		
Project Management Unit	Roads Infrastructure	PC001002006001_00001	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Roads Infrastructure	Roads	R-UBUHLEBEZWE	1 242	-	-	-	-		
Project Management Unit	Office Equipment	PC0020030005_00003	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	24	-	-	-	-		
Project Management Unit	Machinery	PC0020030009_00003	NEW		Growth	Machinery And Equipment	Machinery And Equipment	R-WHOLE OF THE DISTRICT	7 329	-	3 478	-	-		
Sewerage	Eradication Sanitation Backlog Umzimkhulu	PC001001001005003_00005	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Waste Water Treatment Works	R-WHOLE OF THE DISTRICT	-	-	1 739	-	-		
Sewerage	Umzimkhulu Sanitation Project	PC001001002005002_00004	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Reticulation	R-WHOLE OF THE DISTRICT	-	3 855	1 073	1 245	1 363		
Sewerage	Horseshoe Sanitation Project Pump Station	PC001002005001_00001	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Pump Station	R-GREATER KOKSTAD	10 557	-	6 488	174	6 840		
Sewerage	Ibisi Housing Sewer Reticul Pump Station	PC001002005001_00002	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Pump Station	R-INGWE/KWA SANI	2 538	-	-	-	-		
Sewerage	Rectif & Upgrd Of Fairw & Ixopo Pump S	PC001002005001_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Pump Station	R-UBUHLEBEZWE	1 914	-	-	-	-		
Sewerage	Franklin Town Sewer_Sewer Pipes	PC001002005002_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticulation	R-GREATER KOKSTAD	-	-	-	-	-		
Sewerage	Himeville Sanitation Project Sewer Pipes	PC001002005002_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticulation	R-INGWE/KWA SANI	-	-	5 165	-	-		
Sewerage	Ibisi Housing Reticulatio_Sewer Pipes	PC001002005002_00006	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticulation	R-INGWE/KWA SANI	4 389	7 166	8 957	4 348	8 826		
Sewerage	Rectif & Upgrd Of Fairw & Ixopo Sewer	PC001002005002_00009	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticulation	R-UBUHLEBEZWE	13 037	5 241	6 957	2 669	6 957		
Sewerage	Umzimkhulu Upgrade Phase 2 Sewer Pipes	PC001002005002_00007	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Reticulation	R-WHOLE OF THE DISTRICT	5 514	35 902	20 736	26 084	41 421		
Sewerage	Ubuhlebezwe Water & Sanitation Emergency	PC001002005003_00002	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Waste Water Treatment Works	R-UBUHLEBEZWE	-	-	7 561	8 770	3 197		
Sewerage	Universal Sanitation Nix_Toilet Facil	PC001002005005_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Toilet Facilities	R-UBUHLEBEZWE	-	5 949	11 505	7 906	87		
Water Distribution	Greater Kokstad Water_Bulk Meters	PC001001001004006_00004	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Bulk Mains	R-GREATER KOKSTAD	-	-	3 890	4 348	87		
Water Distribution	Water Conservation Demand_Bulk Meter	PC001001001004006_00002	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	-	-	-	-		
Water Distribution	Kokstad Shiyamoya Ext7 Water & San Em	PC001001001005003_00006	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Waste Water Treatment Works	R-GREATER KOKSTAD	28 455	-	-	-	-		
Water Distribution	Centbow Water Supply_Pipe Line	PC001001002004007_00001	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-INGWE/KWA SANI	1 795	-	-	-	-		
Water Distribution	Chibini Water (Ab) Mis 230487_Pipes	PC001001002004007_00003	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-UBUHLEBEZWE	141	-	-	-	-		
Water Distribution	Nmz Capital Infrastructure Upgrade	PC001001002005002_00002	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Sanitation Infrastructure	Reticulation	R-WHOLE OF THE DISTRICT	-	-	2 609	-	-		
Water Distribution	Kempsdale Raising Project Dams & Weirs	PC001002004001_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Dams And Weirs	R-GREATER KOKSTAD	4 943	8 300	29 397	54 477	27 238		
Water Distribution	Land Acquisition - Kempsdale	PC001002004001_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Dams And Weirs	R-GREATER KOKSTAD	-	1 710	-	-	-		
Water Distribution	Mnqumeni / Santombe Wtr Phs 4 Dams&We	PC001002004001_00006	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Dams And Weirs	R-WHOLE OF THE DISTRICT	2 663	22 459	33 236	-	-		
Water Distribution	Water Identified Village In Ndz Borehole	PC001002004002_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-INGWE/KWA SANI	12 922	4 960	1 746	2 025	2 218		
Water Distribution	Water Identified Village In Nmz Borehole	PC001002004002_00005	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	19 103	16 005	13 645	15 827	17 335		
Water Distribution	Water Identified Villages In Nix Borehol	PC001002004002_00007	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-UBUHLEBEZWE	17 045	6 450	10 964	12 717	11 080		
Water Distribution	Water Sply Identif Villag Nov Borehole	PC001002004002_00006	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-GREATER KOKSTAD	7 086	8 448	7 183	8 332	9 126		
Water Distribution	Gala Donnybrook Water Supply_Reservoir	PC001002004003_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Reservoirs	R-INGWE/KWA SANI	3 315	-	-	-	-		
Water Distribution	Underberg Himeville Wtr Upgr_Reservoir	PC001002004003_00006	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Reservoirs	R-INGWE/KWA SANI	-	-	-	-	-		
Water Distribution	Greater Summerfeld Suppl Pump Station	PC001002004004_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	5 896	2 436	4 348	-	-		
Water Distribution	Mashumi Water Supply_Pump Station	PC001002004004_00001	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-UBUHLEBEZWE	4 856	304	-	-	-		
Water Distribution	Refurbisof Nmz Bulk Water Pump Station	PC001002004004_00005	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	-	435	587	681	746		
Water Distribution	Wtr Intervn Prgmm (Now R) Pump Stain	PC001002004004_00007	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Pump Stations	R-GREATER KOKSTAD	13 628	1 011	-	-	-		
Water Distribution	Bulwer Dam Interven Water Bulk Pipe Lin	PC001002004006_00014	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-INGWE/KWA SANI	9 048	3 379	-	-	-		
Water Distribution	Greater Nomandlovu Wtr Phas 2 Bulk Pipe	PC001002004006_00015	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-INGWE/KWA SANI	550	12 788	-	-	-		
Water Distribution	Highfats Town Water Bulk Pipe Line	PC001002004006_00010	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-UBUHLEBEZWE	3 657	6 885	-	-	-		

DC43 Harry Gwala - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2023/24 Medium Term Revenue & Expenditure Framework					
										Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Parent municipality:															
<i>List all capital projects grouped by Function</i>															
Water Distribution	Underberg Bulk Wtr Upgrd Bulk Pipe Lin	PC001002004006_00016	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-INGWE/KWA SANI	2 409	-	-	-	-		
Water Distribution	Creighton Water Supply_Pipes	PC001002004007_00022	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-INGWE/KWA SANI	3 873	1 500	10 042	40 828	56 452		
Water Distribution	Gala Donnybrook Water Supply_Pipes	PC001002004007_00024	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-INGWE/KWA SANI	3 344	1 000	261	-	-		
Water Distribution	Greater Kilmon Water Supply Pipe Line	PC001002004007_00028	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-INGWE/KWA SANI	-	-	-	-	-		
Water Distribution	Greater Mbuluveni Wt Supply_Pipe Line	PC001002004007_00034	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-INGWE/KWA SANI	3 512	1 700	-	-	-		
Water Distribution	Greater Summerfield Wt Supply Pipe Lin	PC001002004007_00038	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-INGWE/KWA SANI	13 387	31 286	22 388	2 560	4 348		
Water Distribution	Installation Of Bulk Water Meters	PC001002004007_00001	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-ADMIN OR HEAD OFFICE	-	2 904	5 447	5 703	5 971		
Water Distribution	Ixopo Hopewell Water Supply Scheme Pipes	PC001002004007_00033	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-UBUHLEBEZWE	-	-	-	-	-		
Water Distribution	Khukhulela Water Supply_Pipes	PC001002004007_00023	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-INGWE/KWA SANI	9 616	28 697	16 433	16 219	13 728		
Water Distribution	Kwamay-Theekof Water S_Pipe Line	PC001002004007_00040	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	11 186	7 000	1 261	-	-		
Water Distribution	Makhoba Housing Water Eradication Pipes	PC001002004007_00029	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-GREATER KOKSTAD	309	-	-	-	-		
Water Distribution	Mhlabashane Water Supply Nix Pipe Line	PC001002004007_00030	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-UBUHLEBEZWE	15 109	6 746	1 539	1 785	1 955		
Water Distribution	Mqumeni / Santombe Wt Phs 4 Pipe Lin	PC001002004007_00049	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	10 969	1 739	11 810	12 164		
Water Distribution	Mqabsheni Stepmore Water_Pipe Line	PC001002004007_00036	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-INGWE/KWA SANI	11	-	-	-	-		
Water Distribution	Nzakubana Scheme (Phase 2&3) Pipe Line	PC001002004007_00047	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-UBUHLEBEZWE	7 066	1 924	3 478	-	-		
Water Distribution	Nix Mariahal Esperanza Reti Pipe Line	PC001002004007_00041	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Distribution	R-UBUHLEBEZWE	199	545	-	-	-		
Water Distribution	Office Equipment	PC002003005_00003	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	-	-	3 359	-	-		
Water Distribution	Call Centre Software	PC002003007002004_00002	NEW	An efficient, effective and development-oriented public service	Growth	Licences And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	-	1 000	454	-	-		
Water Treatment	Greater Bulwer Donnybrook Water Supply	PC001001001004007_00003	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	9 560	-	-	-	-		
Water Treatment	Kwanjunga/Raloti Returbishment/Upgrade	PC001001001004007_00010	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	9 278	10 761	7 514		
Water Treatment	Mfulamhle/Cabane Water Supply	PC001001001004007_00011	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	1 633	1 894	2 075		
Water Treatment	Nwasahobo; Netherby & Ridge Wt Project	PC001001001004007_00004	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	-	-	-		
Water Treatment	Nokweja/Mashumi Community Water Supply	PC001001002004005_00004	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Water Treatment Works	R-UBUHLEBEZWE	-	4 820	8 129	9 428	10 327		
Water Treatment	Water Springs	PC001002004002_00002	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	105	-	-	-	-		
Water Treatment	Greater Mbuluveni Wt Treatment Pnt	PC001002004005_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Water Treatment Works	R-INGWE/KWA SANI	3 641	267	-	-	-		
Water Treatment	Umkhunyya (A&B) Mis 224801 Wt Trtmt Pl	PC001002004005_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Water Treatment Works	R-UBUHLEBEZWE	4 759	-	-	-	-		
Water Treatment	Greater Khilimoni (Ward 1)	PC001002004006_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Water Supply Infrastructure	Bulk Mains	R-INGWE/KWA SANI	35	-	-	-	-		
Parent Capital expenditure										290 905	589 320	598 957	582 301	292 721	
Entities:															
<i>List all capital projects grouped by Entity</i>															
Harry Gwala Development Agency															
Economic Development/Planning	Furniture & Office Equipment	PC002003005_00005	NEW	An efficient, effective and development-oriented public service	Growth	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	-	50	45	16	17		
Economic Development/Planning	Machinery	PC002003009_00003	NEW	An efficient, effective and development-oriented public service	Growth	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	700	145	69	73		
Finance	Computers	PC002003004_00002	NEW	An efficient, effective and development-oriented public service	Growth	Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	-	371	30	50	53		
Finance	Software (Intangible Asset)	PC002003007002004_00001	NEW	An efficient, effective and development-oriented public service	Growth	Licences And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	-	265	262	299	317		
Entity Capital expenditure										-	1 387	502	434	460	
Total Capital expenditure										290 905	590 707	599 459	582 735	293 181	

Table 61 MBRR SA38 - Consolidated detailed operational projects

DC43 Harry Gwala - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTRF Service Outcome	IUDF	Ward Location	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework		
								Current Year 2022/23	Full	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
								Year Forecast	Year Forecast			
Parent municipality:												
List all operational projects grouped by Function												
Administrative And Corporate Support	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMINORHEAD OFFICE	54972	58222	58222	61 017	63 914	
Administrative And Corporate Support	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-INGWEKWASANI	(1)	-	-	-	-	
Administrative And Corporate Support	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	RUBUHLEBEZWE	664	450	472	494	494	
Administrative And Corporate Support	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-WHOLE OF THE DISTRICT	34230	38928	40 796	42 736	42 736	
Administrative And Corporate Support	Capacity Building Local Municipalities (District Boundaries)	P0003004003_00001	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	15	16	16	17	17	
Administrative And Corporate Support	Human Resource Management	P0003020003_00004	WorkS teams	Responsive, accountable, effective and efficient local government	Governance	R-ADMINORHEAD OFFICE	30	31	33	34	34	
Administrative And Corporate Support	O_Tws_Capacity Build Train& Dev_Workshops, Seminars	P0003004010_00005	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	235	246	257	269	269	
Administrative And Corporate Support	O_Tws_Capacity Build Train& Dev_Workshops, Seminars	P0003004010_00011	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	271	283	297	311	311	
Administrative And Corporate Support	Capital Spares	P00010010010020070_00001	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	R-WHOLE OF THE DISTRICT	8 837	10 252	10 744	11 249	11 249	
Administrative And Corporate Support	Mechanical Equipment	P0001001001002007008007_00001	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	R-WHOLE OF THE DISTRICT	11 390	12 402	12 997	13 608	13 608	
Administrative And Corporate Support	Pipe/Work	P0001001001002007006010_00003	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	R-ADMINORHEAD OFFICE	19 178	15 000	15 720	16 459	16 459	
Governance Function	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMINORHEAD OFFICE	11 169	9 211	9 653	10 116	10 116	
Governance Function	Risk Management	P0003044015_00001	WorkS teams	Responsive, accountable, effective and efficient local government	Inclusion and Access	R-ADMINORHEAD OFFICE	268	200	210	219	219	
Mayor And Council	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMINORHEAD OFFICE	19 606	18 169	19 041	19 946	19 946	
Mayor And Council	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-WHOLE OF THE DISTRICT	472	494	517	542	542	
Mayor And Council	Awareness Campaign	P0003006001_00002	WorkS teams	Sustainable human settlements and improved quality of household life	Inclusion and Access	R-ADMINORHEAD OFFICE	-	-	-	-	-	
Mayor And Council	Capacity Building Councilors	P0003004002_00001	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	100	250	262	274	274	
Mayor And Council	Capacity Building Local Municipalities (District Boundaries)	P0003004003_00001	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	969	1 000	1 048	1 097	1 097	
Mayor And Council	Government Information System (GIS) Project And Support	P0003044007_00017	WorkS teams	Responsive, accountable, effective and efficient local government	Spatial Integration	R-ADMINORHEAD OFFICE	130	-	-	-	-	
Mayor And Council	Holiday Program	P0003007012_00001	WorkS teams	A comprehensive, responsive and sustainable social protection system	Inclusion and Access	R-ADMINORHEAD OFFICE	100	120	126	132	132	
Mayor And Council	Mayor/Executive May or Campaigns	P0003006004_00001	WorkS teams	Sustainable human settlements and improved quality of household life	Inclusion and Access	R-ADMINORHEAD OFFICE	24	42	44	47	47	
Mayor And Council	Mayor/Executive May or Campaigns	P0003006004_00003	WorkS teams	Sustainable human settlements and improved quality of household life	Inclusion and Access	R-ADMINORHEAD OFFICE	112	150	157	165	165	
Mayor And Council	Newsletters	P0003006005_00002	WorkS teams	Sustainable human settlements and improved quality of household life	Inclusion and Access	R-ADMINORHEAD OFFICE	200	209	219	230	230	
Mayor And Council	O_Tws_Capacity Build Train& Dev_Workshops, Seminars	P0003004010_00008	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	301	315	330	346	346	
Mayor And Council	O_Tws_Capacity Build Train& Dev_Workshops, Seminars	P0003004010_00011	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	260	309	324	339	339	
Municipal Manager, Town Secretary And Clerk	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMINORHEAD OFFICE	6 093	7 497	7 857	8 229	8 229	
Municipal Manager, Town Secretary And Clerk	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-WHOLE OF THE DISTRICT	2 884	3 092	3 240	3 395	3 395	
Municipal Manager, Town Secretary And Clerk	Capacity Building Local Municipalities (District Boundaries)	P0003004003_00001	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	52	54	57	60	60	
Finance	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMINORHEAD OFFICE	16 075	16 190	16 939	17 708	17 708	
Finance	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-WHOLE OF THE DISTRICT	56	59	62	65	65	
Finance	Abet And Life Long Learning Programme	P0003004001_00001	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	592	592	591	729	729	
Finance	Assistance To Local Municipalities (Capacity Building)	P0003010001_00001	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Inclusion and Access	R-ADMINORHEAD OFFICE	391	410	429	449	449	
Finance	Financial Systems	P0003050005_00001	WorkS teams	Responsive, accountable, effective and efficient local government	Governance	R-ADMINORHEAD OFFICE	4 625	4 843	5 075	5 313	5 313	
Finance	Government Information System (GIS) Project And Support	P0003044007_00006	WorkS teams	Responsive, accountable, effective and efficient local government	Spatial Integration	R-ADMINORHEAD OFFICE	150	157	165	172	172	
Human Resources	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMINORHEAD OFFICE	9 934	9 298	9 744	10 211	10 211	
Human Resources	Disaster Relief	P0003014003_00001	WorkS teams	A comprehensive, responsive and sustainable social protection system	Governance	R-ADMINORHEAD OFFICE	55	-	-	-	-	
Human Resources	Employee Assistance Programme	P0003020002_00003	WorkS teams	Responsive, accountable, effective and efficient local government	Governance	R-ADMINORHEAD OFFICE	2	22	23	24	24	
Human Resources	Government Information System (GIS) Project And Support	P0003044007_00012	WorkS teams	Responsive, accountable, effective and efficient local government	Spatial Integration	R-ADMINORHEAD OFFICE	1 400	2 738	2 869	3 004	3 004	
Human Resources	Human Resource Management	P0003020003_00002	WorkS teams	Responsive, accountable, effective and efficient local government	Governance	R-ADMINORHEAD OFFICE	93	100	105	110	110	
Human Resources	O_Tws_Capacity Build Train& Dev_Workshops, Seminars	P0003004010_00002	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	158	200	210	219	219	
Human Resources	O_Tws_Capacity Build Train& Dev_Workshops, Seminars	P0003004010_00014	WorkS teams	Skilled and capable workforce to support an inclusive growth path	Governance	R-ADMINORHEAD OFFICE	-	279	292	306	306	
Information Technology	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMINORHEAD OFFICE	52 597	47 915	50 215	52 589	52 589	
Information Technology	O_Municipal Running Cost	P0002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-WHOLE OF THE DISTRICT	1 796	1 901	1 992	2 085	2 085	
Information Technology	Employee Assistance Programme	P0003020002_00001	WorkS teams	Responsive, accountable, effective and efficient local government	Governance	R-ADMINORHEAD OFFICE	329	300	314	329	329	

DC43 Harry Gwala - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Ward Location	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework		
								Current Year 2022/23	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality:												
List all operational projects grouped by Function												
Information Technology	Government Information System (Gis) Project And Support	PO003044007_00007	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	R-ADMIN OR HEAD OFFICE	2	2	2	3		
Information Technology	Government Information System (Gis) Project And Support	PO003044007_00008	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	R-ADMIN OR HEAD OFFICE	210	214	225	236		
Information Technology	Government Information System (Gis) Project And Support	PO003044007_00010	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	R-ADMIN OR HEAD OFFICE	593	600	629	658		
Information Technology	Government Information System (Gis) Project And Support	PO003044007_00014	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	R-ADMIN OR HEAD OFFICE	1 197	867	909	951		
Information Technology	Government Information System (Gis) Project And Support	PO003044007_00015	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	R-ADMIN OR HEAD OFFICE	1 861	1 949	2 042	2 138		
Information Technology	O_Tws_Capacity Build Train & Dev_ Workshops; Seminars	PO003004010_00013	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	R-ADMIN OR HEAD OFFICE	350	466	489	512		
Information Technology	Computer Equipment	PO001002002001004_00001	Corrective Maintenance	An efficient, effective and development-oriented public service	Governance	R-ADMIN OR HEAD OFFICE	101	105	110	115		
Information Technology	Computer Equipment	PO001002002001004_00002	Corrective Maintenance	An efficient, effective and development-oriented public service	Governance	R-ADMIN OR HEAD OFFICE	10	20	21	22		
Information Technology	Mechanical Equipment	PO001002001001002002001007_00001	Preventative Maintenance	A long and healthy life for all South Africans	Inclusion and Access	R-ADMIN OR HEAD OFFICE	70	73	77	80		
Information Technology	Transport/Assets	PO001002001001010_00001	Preventative Maintenance		Governance	R-ADMIN OR HEAD OFFICE	230	241	252	264		
Legal Services	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMIN OR HEAD OFFICE	1 952	2 138	2 241	2 348		
Marketing, Customer Relations, Publicity And	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMIN OR HEAD OFFICE	53	100	105	110		
Marketing, Customer Relations, Publicity And	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-WHOLE OF THE DISTRICT	1 984	2 040	2 138	2 241		
Marketing, Customer Relations, Publicity And	Mayoral/Executive Mayor Campaigns	PO003006004_00004	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	R-ADMIN OR HEAD OFFICE	28	80	84	88		
Supply Chain Management	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMIN OR HEAD OFFICE	10 886	10 550	11 056	11 586		
Supply Chain Management	Capacity Building Local Municipalities (District Boundaries)	PO003004003_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	R-ADMIN OR HEAD OFFICE	60	63	66	69		
Supply Chain Management	O_Tws_Capacity Build Train & Dev_ Workshops; Seminars	PO003004010_00011	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	R-ADMIN OR HEAD OFFICE	415	434	455	477		
Disaster Management	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMIN OR HEAD OFFICE	16 154	19 395	20 326	21 302		
Disaster Management	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-WHOLE OF THE DISTRICT	1 480	1 566	1 642	1 719		
Disaster Management	Disaster Management	PO003014002_00001	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	R-ADMIN OR HEAD OFFICE	1 180	1 300	1 362	1 426		
Disaster Management	Disaster Management	PO003014002_00003	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	R-ADMIN OR HEAD OFFICE	300	314	329	345		
Disaster Management	Drinking Water Quality	PO003011_00001	Work Streams	A long and healthy life for all South Africans	Inclusion and Access	R-ADMIN OR HEAD OFFICE	79	220	231	241		
Corporate Wide Strategic Planning (Idps, Led	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMIN OR HEAD OFFICE	3 152	2 795	2 929	3 069		
Corporate Wide Strategic Planning (Idps, Led	Idp Planning And Revision	PO003044008_00003	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	R-ADMIN OR HEAD OFFICE	829	700	734	768		
Economic Development/Planning	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMIN OR HEAD OFFICE	7 687	9 207	9 649	10 112		
Economic Development/Planning	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-WHOLE OF THE DISTRICT	15 389	17 105	18 130	19 216		
Economic Development/Planning	Air Quality Management	PO003015001_00001	Work Streams	Protect and enhance our environmental assets and natural resources	Spatial Integration	R-WHOLE OF THE DISTRICT	220	570	597	625		
Economic Development/Planning	Capacity Building Local Municipalities (District Boundaries)	PO003004003_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	R-ADMIN OR HEAD OFFICE	22	23	24	25		
Economic Development/Planning	Disaster Management	PO003014002_00002	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	R-ADMIN OR HEAD OFFICE	-	200	210	219		
Economic Development/Planning	Environmental Health	PO003015004_00001	Work Streams	Protect and enhance our environmental assets and natural resources	Spatial Integration	R-WHOLE OF THE DISTRICT	-	500	524	549		
Economic Development/Planning	O_Tws_Capacity Build Train & Dev_ Workshops; Seminars	PO003004010_00011	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	R-WHOLE OF THE DISTRICT	480	509	534	559		
Economic Development/Planning	Workshops And Sessions	PO003044016001_00003	Work Streams	Responsive, accountable, effective and efficient local government	Inclusion and Access	R-ADMIN OR HEAD OFFICE	20	-	-	-		
Project Management Unit	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-WHOLE OF THE DISTRICT	95 116	117 420	172 932	183 154		
Project Management Unit	Clean-Up Actions	PO003005001_00001	Work Streams	Protect and enhance our environmental assets and natural resources	Inclusion and Access	R-ADMIN OR HEAD OFFICE	10 182	7 291	7 641	8 007		
Project Management Unit	O_Tws_Capacity Build Train & Dev_ Workshops; Seminars	PO003004010_00011	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	R-WHOLE OF THE DISTRICT	417	815	851	887		
Project Management Unit	Buildings	PO001002001002003001001002_00001	Preventative Maintenance	An efficient, effective and development-oriented public service	Governance	R-WHOLE OF THE DISTRICT	5 023	5 259	5 511	5 770		
Project Management Unit	Toilet Facilities	PO004002007005_00001	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	R-UBUHLEBEZWE	-	-	-	-		
Project Management Unit	Toilet Facilities	PO004002007005_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	R-INGWEKWA SANI	-	-	-	-		
Support To Local Municipalities	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMIN OR HEAD OFFICE	3 635	3 619	3 793	3 974		
Support To Local Municipalities	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-WHOLE OF THE DISTRICT	2	2	2	2		
Support To Local Municipalities	Awareness Campaign	PO003006001_00002	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	R-ADMIN OR HEAD OFFICE	175	150	157	165		

DC43 Harry Gwala - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Ward Location	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework		
								Current Year 2022/23 Year Forecast	Full	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality:												
<i>List all operational projects grouped by Function</i>												
	Support To Local Municipalities	Awareness Campaign	PO003006001_00002	Work Streams	<i>Sustainable human settlements and improved quality of household life</i>	<i>Inclusion and Access</i>	R-ADMIN OR HEAD OFFICE	175	150	157	165	
	Support To Local Municipalities	Disability	PO003007004_00002	Work Streams	<i>A comprehensive, responsive and sustainable social protection system</i>	<i>Inclusion and Access</i>	R-ADMIN OR HEAD OFFICE	50	-	-	-	
	Support To Local Municipalities	Elderly	PO003007007_00001	Work Streams	<i>A comprehensive, responsive and sustainable social protection system</i>	<i>Inclusion and Access</i>	R-ADMIN OR HEAD OFFICE	-	400	419	438	
	Support To Local Municipalities	Government Information System (Gis) Project And Support	PO003044007_00002	Work Streams	<i>Responsive, accountable, effective and efficient local government</i>	<i>Spatial Integration</i>	R-ADMIN OR HEAD OFFICE	39	500	524	549	
	Support To Local Municipalities	Mayoral/Executive Mayor Campaigns	PO003006004_00005	Work Streams	<i>Sustainable human settlements and improved quality of household life</i>	<i>Inclusion and Access</i>	R-ADMIN OR HEAD OFFICE	20	-	-	-	
	Support To Local Municipalities	Social Development Programme (Welfare)	PO003007016_00004	Work Streams	<i>A comprehensive, responsive and sustainable social protection system</i>	<i>Inclusion and Access</i>	R-ADMIN OR HEAD OFFICE	91	95	99	104	
	Support To Local Municipalities	Youth Development	PO003007017002_00001	Work Streams	<i>A comprehensive, responsive and sustainable social protection system</i>	<i>Inclusion and Access</i>	R-ADMIN OR HEAD OFFICE	480	900	943	988	
	Water Treatment	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	<i>Sustainable human settlements and improved quality of household life</i>	<i>Governance</i>	R-ADMIN OR HEAD OFFICE	-	-	-	-	
	Water Treatment	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	<i>Sustainable human settlements and improved quality of household life</i>	<i>Governance</i>	R-WHOLE OF THE DISTRICT	111 921	112 997	118 421	124 070	
	Water Treatment	Drinking Water Quality	PO003011_00001	Work Streams	<i>A long and healthy life for all South Africans</i>	<i>Inclusion and Access</i>	R-WHOLE OF THE DISTRICT	4 485	5 000	5 240	5 486	
	Water Treatment	Government Information System (Gis) Project And Support	PO003044007_00001	Work Streams	<i>Responsive, accountable, effective and efficient local government</i>	<i>Spatial Integration</i>	R-WHOLE OF THE DISTRICT	13 702	9 000	9 432	9 875	
	Water Treatment	Government Information System (Gis) Project And Support	PO003044007_00004	Work Streams	<i>Responsive, accountable, effective and efficient local government</i>	<i>Spatial Integration</i>	R-WHOLE OF THE DISTRICT	427	419	439	460	
	Water Treatment	Policy Review	PO003044014_00001	Work Streams	<i>Responsive, accountable, effective and efficient local government</i>	<i>Inclusion and Access</i>	R-WHOLE OF THE DISTRICT	1 206	1 200	1 258	1 317	
	Water Treatment	Machinery And Equipment	PO001002001002009_00001	Preventative Maintenance		<i>Governance</i>	R-WHOLE OF THE DISTRICT	-	-	-	-	
	Sewerage	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	<i>Sustainable human settlements and improved quality of household life</i>	<i>Governance</i>	R-WHOLE OF THE DISTRICT	849	1 217	1 276	1 337	
	Sewerage	Toilet Facilities	PO004002007005_00002	NEW	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>Growth</i>	R-UBUHLIBEZWE	-	-	-	-	
	Water Distribution	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	<i>Sustainable human settlements and improved quality of household life</i>	<i>Governance</i>	R-ADMIN OR HEAD OFFICE	13 007	13 054	13 680	14 337	
	Water Distribution	O_Municipal Running Cost	PO002_00000	Municipal Running Cost	<i>Sustainable human settlements and improved quality of household life</i>	<i>Governance</i>	R-WHOLE OF THE DISTRICT	20 031	20 009	20 969	21 955	
	Water Distribution	Capacity Building Local Municipalities (District Boundaries)	PO003004003_00001	Work Streams	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Governance</i>	R-ADMIN OR HEAD OFFICE	-	165	173	181	
	Water Distribution	O_Tiws_Capacity Build Train & Dev_ Workshops, Seminars	PO003004010_00007	Work Streams	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Governance</i>	R-ADMIN OR HEAD OFFICE	18	270	283	296	
	Water Distribution	O_Tiws_Capacity Build Train & Dev_ Workshops, Seminars	PO003004010_00011	Work Streams	<i>A skilled and capable workforce to support an inclusive growth path</i>	<i>Governance</i>	R-ADMIN OR HEAD OFFICE	85	243	254	266	
	Water Distribution	Machinery And Equipment	PO005003009_00001	NEW		<i>Growth</i>	R-GREATER KOKSTAD	-	-	-	-	
	Water Distribution	Buildings	PO001001001002007006003_00002	Preventative Maintenance	<i>An efficient, competitive and responsive economic infrastructure network</i>	<i>Inclusion and Access</i>	R-WHOLE OF THE DISTRICT	10 903	10 439	10 940	11 454	
Parent Operational expenditure								619 682	646 756	727 819	764 688	

DC43 Harry Gwala - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Ward Location	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework		
								Current Year 2022/23 Forecast	Full Year	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality: <i>List all operational projects grouped by Function</i>												
Entities: <i>List all Operational projects grouped by Entity</i>												
Harry Gwala Development Agency												
Administrative And Corporate Support	O Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMIN OR HEAD OFFICE		15	-	-	-	-
Administrative And Corporate Support	Disaster Relief	PO003014003_00001	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	R-ADMIN OR HEAD OFFICE		10	-	-	-	-
Administrative And Corporate Support	Government Information System (Gis) Project And	PO003044007_00008	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	R-ADMIN OR HEAD OFFICE		441	-	-	-	-
Administrative And Corporate Support	Buildings	PO001002001002003001001002_00001	Preventative Maintenance	An efficient, effective and development-oriented public service	Governance	R-ADMIN OR HEAD OFFICE		400	-	-	-	-
Economic Development/Planning	O Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	R-ADMIN OR HEAD OFFICE		10 387	17 156	16 079		16 478
Economic Development/Planning	Assistance To Local Municipalities (Capacity Build	PO003010001_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access	R-ADMIN OR HEAD OFFICE		100	-	-	-	-
Economic Development/Planning	Project Implementation	PO003023002_00002	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	R-ADMIN OR HEAD OFFICE		5	-	-	-	-
Economic Development/Planning	Project Implementation	PO003023002_00003	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	R-ADMIN OR HEAD OFFICE		5	-	-	-	-
Economic Development/Planning	Project Implementation	PO003023002_00004	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	R-ADMIN OR HEAD OFFICE		100	101	107		113
Economic Development/Planning	Project Implementation	PO003023002_00005	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	R-GREATER KOKSTAD		750	-	-	-	-
Economic Development/Planning	Project Implementation	PO003023002_00006	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	R-UBUHLEBEZWE		1 500	-	-	-	-
Economic Development/Planning	Project Implementation	PO003023002_00007	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	R-WHOLE OF THE DISTRICT		750	-	-	-	-
Economic Development/Planning	Project Implementation	PO003023002_00008	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	R-UBUHLEBEZWE		2 000	-	-	-	-
Economic Development/Planning	Project Implementation	PO003023002_00009	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	R-INGWEKWA SANI		1 304	-	-	-	-
Economic Development/Planning	Tourism Development	PO003046003_00001	Work Streams	An efficient, effective and development-oriented public service	Growth	R-ADMIN OR HEAD OFFICE		423	200	212		225
Economic Development/Planning	Tourism Development	PO003046003_00002	Work Streams	An efficient, effective and development-oriented public service	Growth	R-ADMIN OR HEAD OFFICE		115	-	-	-	-
Economic Development/Planning	Tourism Development	PO003046003_00003	Work Streams	An efficient, effective and development-oriented public service	Growth	R-ADMIN OR HEAD OFFICE		200	262	1 525		1 654
Economic Development/Planning	Tourism Development	PO003046003_00004	Work Streams	An efficient, effective and development-oriented public service	Growth	R-ADMIN OR HEAD OFFICE		-	-	-	-	-
Entity Operational expenditure								18 505	17 719	17 923		18 670
Total Operational expenditure								638 187	664 475	745 742		783 359

1.18 LEGISLATION COMPLIANCE STATUS

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

In year reporting

Reporting to National Treasury in electronic format was 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 district's website.

Internship programme

The district is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department and internal auditing. Their contracts started on the 01 August 2020 and the contract will take 5 years as required by National Treasury. Since the introduction of the Internship programme the district has successfully employed and trained 18 interns through this programme and a majority of them were appointed either in the district or other Institutions.

Budget and Treasury Office

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

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan

The detail SDBIP document is at a Draft stage and will be Draftised after approval of the 2023/24 MTREF in May 2023 directly aligned and informed by the 2023/24 MTREF.

Annual Report

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

MFMA Training

The MFMA training module in electronic format is presented at the district and training is ongoing.

Policies

The review of all budget related policies has taken place in terms of Regulation 7 of the MBRR.

1.19 OTHER SUPPORTING DOCUMENTS

Table 44 MBRR Table SA1 - Supporting detail to budgeted financial performance

DC43 Harry Gwala - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	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
R thousand										
REVENUE ITEMS:										
Non-exchange revenue by source										
Exchange Revenue										
Total Property Rates										
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)										
Net Property Rates	-	-	-	-	-	-	-	-	-	-
Exchange revenue service charges										
Service charges - Electricity										
Total Service charges - Electricity										
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)										
Less Cost of Free Basis Services (50 kwh per indigent household per month)										
Net Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water										
Total Service charges - Water	54 851	54 306	49 995	51 128	56 627	56 627	45 847	58 108	60 781	63 577
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)										
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)	693	303	642	(649)	(649)	(649)	1 185	(688)	(719)	(752)
Net Service charges - Water	54 157	54 003	49 353	51 777	57 276	57 276	44 662	58 796	61 500	64 329
Service charges - Waste Water Management										
Total Service charges - Waste Water Management	16 305	13 762	12 207	13 213	14 311	14 311	8 648	14 636	15 309	16 013
Less Revenue Foregone (in excess of free sanitation service to indigent households)										
Less Cost of Free Basis Services (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Water Management	16 305	13 762	12 207	13 213	14 311	14 311	8 648	14 636	15 309	16 013
Service charges - Waste Management										
Total refuse removal revenue										
Total landfill revenue										
Less Revenue Foregone (in excess of one removal a week to indigent households)										
Less Cost of Free Basis Services (removed once a week to indigent households)	-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-

Table 45 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

DC43 Harry Gwala - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	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
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	111 707	130 844	140 794	154 458	149 579	149 579	96 917	164 452	172 030	179 972
Pension and UIF Contributions	16 187	18 966	22 049	22 881	21 724	21 724	14 437	22 654	23 742	24 882
Medical Aid Contributions	8 342	9 349	10 123	10 921	10 258	10 258	6 915	11 048	11 578	12 134
Overtime	22 043	15 879	18 500	18 728	19 907	19 907	12 682	19 852	20 805	21 804
Performance Bonus	7 886	8 570	11 301	9 512	9 884	9 884	6 482	9 496	9 952	10 429
Motor Vehicle Allowance	15 293	17 234	21 515	22 173	21 889	21 889	14 214	23 504	24 632	25 814
Cellphone Allowance	889	968	1 099	1 134	1 234	1 234	828	1 202	1 260	1 320
Housing Allowances	647	730	737	774	807	807	558	820	860	901
Other benefits and allowances	4 468	5 174	6 242	6 339	7 080	7 080	4 368	6 719	7 042	7 380
Payments in lieu of leave	3 208	3 207	1 606	2 005	1 295	1 295	561	2 320	2 434	2 554
Long service awards	193	981	1 023	1 086	1 144	1 144	1 176	1 151	1 206	1 264
Post-retirement benefit obligations	(461)	6 069	3 386	-	-	-	-	-	-	-
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
sub-total	190 401	217 969	238 376	250 011	244 803	244 803	159 137	263 217	275 539	288 453
Less: Employees costs capitalised to PPE										
Total Employee related costs	190 401	217 969	238 376	250 011	244 803	244 803	159 137	263 217	275 539	288 453
Depreciation and amortisation										
Depreciation of Property, Plant & Equipment	70 557	75 941	78 474	91 378	91 727	91 727	54 345	97 117	101 784	106 575
Lease amortisation	361	298	193	573	393	393	129	417	439	463
Capital asset impairment	1 026	3 120	2 838	-	-	-	-	-	-	-
Total Depreciation and amortisation	71 944	79 359	81 505	91 951	92 120	92 120	54 474	97 533	102 223	107 038
Bulk purchases - electricity										
Electricity bulk purchases	-	-	-	-	-	-	-	-	-	-
Total bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants										
Cash transfers and grants	14 000	17 000	15 100	17 000	21 594	21 594	6 000	17 000	18 020	19 101
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Total transfers and grants	14 000	17 000	15 100	17 000	21 594	21 594	6 000	17 000	18 020	19 101
Contracted Services										
Outsourced Services	64 540	82 048	81 290	60 546	71 204	71 204	48 593	62 856	64 542	67 444
Consultants and Professional Services	22 593	11 691	14 705	16 313	11 519	11 519	6 049	11 978	12 554	13 146
Contractors	57 267	35 836	77 017	40 412	57 270	57 270	46 143	69 969	123 228	131 119
Total contracted services	144 400	129 575	173 013	117 271	139 994	139 994	100 785	144 803	200 325	211 710
Operational Costs										
Collection costs	-	-	411	1 000	664	664	314	450	472	494
Contributions to 'other' provisions										
Audit fees	3 833	3 467	4 397	5 162	5 572	5 572	4 476	4 947	5 193	5 447
Other Operational Costs	51 774	53 433	58 655	58 386	67 982	67 982	42 114	69 402	73 622	77 451
Total Operational Costs	55 607	56 900	63 462	64 548	74 218	74 218	46 903	74 799	79 287	83 392
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Inventory Consumed (Project Maintenance)	196	319	15 329	-	-	-	1 404	-	-	-
Contracted Services	20 284	34 926	29 960	37 538	56 142	56 142	38 386	53 791	56 373	59 023
Other Expenditure										
Total Repairs and Maintenance Expenditure	20 479	35 246	45 289	37 538	56 142	56 142	39 790	53 791	56 373	59 023
Inventory Consumed										
Inventory Consumed - Water	-	-	-	20 000	20 000	20 000	-	20 000	20 980	21 966
Inventory Consumed - Other	-	-	-	9 207	6 897	6 897	-	6 897	7 235	7 576
Total Inventory Consumed & Other Material	-	-	-	29 207	26 897	26 897	-	26 897	28 215	29 542

Table 63 MBRR Table SA2- Matrix financial performance budget (revenue source/expenditure type and department)

DC43 Harry Gwala - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Vote 01 - Summary Council	Vote 02 - Summary Municipal	Vote 03 - Summary Budget And	Vote 04 - Summary Corporate	Vote 05 - Summary Social	Vote 06 - Summary Infrastructure	Vote 07 - Summary Water Services	Total
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity								-
Service charges - Water						(80)	(58 716)	(58 796)
Service charges - Waste Water Management						(4 290)	(10 346)	(14 636)
Service charges - Waste Management								-
Sale of Goods and Rendering of Services			(633)		(20)			(653)
Agency services								-
Interest								-
Interest earned from Receivables			(39)				(12 141)	(12 180)
Interest earned from Current and Non Current Assets			(5 095)		(424)			(5 519)
Dividends								-
Rent on Land								-
Rental from Fixed Assets								-
Licence and permits								-
Operational Revenue			-	(279)	-		-	(279)
Non-Exchange Revenue								
Property rates								-
Surcharges and Taxes								-
Fines, penalties and forfeits			-		-			-
Licences or permits								-
Transfer and subsidies - Operational			(464 831)	-	(17 000)	(14 604)	-	(496 435)
Interest								-
Fuel Levy								-
Operational Revenue								-
Gains on disposal of Assets			-	-	-	-	-	-
Other Gains			-					-
Discontinued Operations								-
Total Revenue (excluding capital transfers and contributions)	-	-	(470 599)	(279)	(17 444)	(18 974)	(81 203)	(588 498)
Expenditure								
Employee related costs	424	15 891	35 626	27 436	40 042	31 954	111 844	263 217
Remuneration of councillors	8 183							8 183
Bulk purchases - electricity								-
Inventory consumed			6 897				20 000	26 897
Debt impairment				-	-			-
Depreciation and amortisation			59	13 065	2 389	80 512	1 508	97 533
Interest			-	10	80			90
Contracted services	6 020	4 398	12 017	17 375	11 676	22 055	71 262	144 803
Transfers and subsidies	-	-	-	-	17 000	-	-	17 000
Irrecoverable debts written off			30 418					30 418
Operational costs	4 022	2 174	10 338	30 417	4 689	969	22 189	74 799
Losses on disposal of Assets			-	-	-	-	-	-
Other Losses			-					-
Total Expenditure	18 649	22 463	95 356	88 304	75 875	135 490	226 803	662 940
Surplus/(Deficit)	(18 649)	(22 463)	(565 955)	(88 582)	(93 319)	(154 463)	(308 006)	(1 251 438)
Transfers and subsidies - capital (monetary allocations)					-	-	-	-
Transfers and subsidies - capital (in-kind)								-
Surplus/(Deficit) after capital transfers & contributions	(18 649)	(22 463)	(565 955)	(88 582)	(93 319)	(154 463)	(308 006)	(1 251 438)

Table 46 MBRR Table SA3 – Supporting detail to Statement of Financial Position

DC43 Harry Gwala - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	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
R thousand										
ASSETS										
<u>Trade and other receivables from exchange transactions</u>										
Electricity										
Water	119 604	159 325	164 819	174 501	166 723	166 723	170 884	166 723	174 893	183 113
Waste	-	-	-	-	-	-	-	-	-	-
Waste Water	79 760	70 561	73 638	76 816	71 255	71 255	63 923	71 255	74 747	78 260
Other trade receivables from exchange transactions	1 300	1 293	1 221	1 293	1 221	1 221	1 133	1 221	1 280	1 341
Gross: Trade and other receivables from exchange transactions	200 664	231 178	239 678	252 610	239 199	239 199	235 940	239 199	250 920	262 713
Less: Impairment for debt	(169 939)	(204 323)	(212 010)	(222 345)	(210 050)	(210 050)	(179 217)	(181 987)	(190 905)	(199 877)
Impairment for Electricity										
Impairment for Water	(102 989)	(124 900)	(129 533)	(155 367)	(126 577)	(126 577)	(110 931)	(126 577)	(132 779)	(139 020)
Impairment for Waste	(15 956)	(19 418)	(19 572)	-	(28 063)	(28 063)	(19 572)	-	-	-
Impairment for Waste Water	(52 096)	(59 338)	(62 276)	(66 392)	(54 781)	(54 781)	(48 161)	(54 781)	(57 465)	(60 166)
Impairment for other trade receivables from exchange transactions	1 102	(667)	(629)	(586)	(629)	(629)	(552)	(629)	(660)	(691)
Total net Trade and other receivables from Exchange Transactions	30 724	26 856	27 668	30 264	29 149	29 149	56 723	57 211	60 015	62 835
<u>Receivables from non-exchange transactions</u>										
Property rates	5 167	5 167	4 441	2 336	4 441	4 441	4 441	4 441	4 659	4 878
Less: Impairment of Property rates	(2 831)	(2 831)	(2 106)	-	(2 106)	(2 106)	(2 106)	(2 106)	(2 209)	(2 313)
Net Property rates	2 336	2 336	2 336	2 336	2 336	2 336	2 336	2 336	2 450	2 565
Other receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Impairment for other receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Net other receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Total net Receivables from non-exchange transactions	2 336	2 336	2 336	2 336	2 336	2 336	2 336	2 336	2 450	2 565
Inventory										
Water										
Opening Balance	248	267	408	513	513	513	513	513	513	513
System Input Volume	19	141	106	20 000	20 000	20 000	-	20 000	20 980	21 966
Water Treatment Works	19	141	106	-	-	-	-	-	-	-
Bulk Purchases	-	-	-	20 000	20 000	20 000	-	20 000	20 980	21 966
Natural Sources	-	-	-	-	-	-	-	-	-	-
Authorised Consumption	-	-	-	(20 000)	(20 000)	(20 000)	-	(20 000)	(20 980)	(21 966)
Billed Authorised Consumption	-	-	-	(20 000)	(20 000)	(20 000)	-	(20 000)	(20 980)	(21 966)
Billed Metered Consumption	-	-	-	(20 000)	(20 000)	(20 000)	-	(20 000)	(20 980)	(21 966)
Free Basic Water	-	-	-	-	-	-	-	-	-	-
Subsidised Water	-	-	-	-	-	-	-	-	-	-
Revenue Water	-	-	-	(20 000)	(20 000)	(20 000)	-	(20 000)	(20 980)	(21 966)
Non-revenue Water	-	-	-	-	-	-	-	-	-	-
Closing Balance Water	267	408	513	513	513	513	513	513	513	513
Consumables										
Standard Rated										
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	2 207	1 568	1 568	-	1 568	1 645	1 723
Issues	-	-	-	(2 207)	(1 568)	(1 568)	-	(1 568)	(1 645)	(1 723)
Adjustments	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
Zero Rated										
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	7 000	5 329	5 329	-	5 329	5 590	5 853
Issues	-	-	-	(7 000)	(5 329)	(5 329)	-	(5 329)	(5 590)	(5 853)
Adjustments	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-
Closing Balance - Land	-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables	267	408	513	513	513	513	513	513	513	513

DC43 Harry Gwala - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	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
R thousand										
ASSETS										
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	2 924 351	3 175 877	3 456 912	3 440 799	3 750 304	3 750 304	3 586 888	3 715 429	3 874 909	4 045 145
Leases recognised as PPE										
Less: Accumulated depreciation	583 857	624 483	697 548	765 192	788 799	788 799	748 676	758 959	796 148	833 567
Total Property, plant and equipment (PPE)	2 340 494	2 551 394	2 759 364	2 675 607	2 961 505	2 961 505	2 838 212	2 956 470	3 078 761	3 211 578
LIABILITIES										
Current liabilities - Financial liabilities										
Short term loans (other than bank overdraft)	-	-	12 794	8 394	10 394	10 394	12 794	10 394	10 903	11 415
Current portion of long-term liabilities	-	-	-	-	-	-	-	-	-	-
Total Current liabilities - Financial liabilities	-	-	12 794	8 394	10 394	10 394	12 794	10 394	10 903	11 415
Trade and other payables from exchange transactions										
Trade and other payables from exchange transactions	85 963	211 856	77 612	84 816	72 573	72 573	69 466	70 531	73 987	77 464
Other trade payables from exchange transactions										
Trade payables from Non-exchange transactions: Unspent conditional Grants	15 000	(0)	(0)	-	1 483	1 483	80 745	-	-	-
Trade payables from Non-exchange transactions: Other										
VAT	20 744	5 933	6 600	14 850	6 600	6 600	10 542	24 203	25 389	26 582
Total Trade and other payables from exchange transactions	121 707	217 789	84 213	99 666	80 657	80 657	160 753	94 734	99 376	104 046
Non current liabilities - Financial liabilities										
Borrowing	14 808	4 904	1 299	-	(0)	(0)	(533)	-	-	-
Other financial liabilities										
Total Non current liabilities - Financial liabilities	14 808	4 904	1 299	-	(0)	(0)	(533)	-	-	-
Provisions										
Retirement benefits	9 956	12 701	14 612	15 947	16 235	16 235	14 612	16 235	17 031	17 831
Refuse landfill site rehabilitation										
Other	8 523	11 847	12 634	-	12 634	12 634	12 634	-	-	-
Total Provisions	18 479	24 548	27 246	15 947	28 869	28 869	27 246	16 235	17 031	17 831
CHANGES IN NET ASSETS										
Accumulated surplus/(deficit)										
Accumulated surplus/(deficit) - opening balance	2 064 120	2 260 606	2 510 028	2 384 039	2 720 617	2 720 617	2 729 793	2 671 820	2 806 814	2 942 010
GRAP adjustments	-	-	-	-	-	-	-	-	-	-
Restated balance	2 064 120	2 260 606	2 510 028	2 384 039	2 720 617	2 720 617	2 729 793	2 671 820	2 806 814	2 942 010
Surplus/(Deficit)	208 227	271 706	264 337	257 630	238 425	238 425	177 626	261 314	246 968	243 420
Transfers to/from Reserves	-	-	-	-	-	-	-	-	-	-
Depreciation offsets	-	-	-	-	-	-	-	-	-	-
Other adjustments	16 491	7 829	89	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	2 288 838	2 540 141	2 774 454	2 641 669	2 959 042	2 959 042	2 907 419	2 933 135	3 053 782	3 185 430
Total Reserves	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 288 838	2 540 141	2 774 454	2 641 669	2 959 042	2 959 042	2 907 419	2 933 135	3 053 782	3 185 430

Table 654 MBRR Table SA9- Social, economic and demographic statistics and assumptions

DC43 Harry Gwala - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	2001 Census	2007 Survey	2011 Census	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics										
Population	-	-	-	648	681	714	761	810	851	893
Females aged 5 - 14	-	-	-	96	101	105	112	120	126	132
Males aged 5 - 14	-	-	-	82	86	90	96	102	107	112
Females aged 15 - 34	-	-	-	119	125	132	140	149	157	165
Males aged 15 - 34	-	-	-	102	107	112	119	127	133	140
Unemployment	-	-	-	162	170	179	190	203	213	223
Monthly household income (no. of households)										
No income	-	-	-	91 681	96 265	100 996	107 560	114 552	120 280	126 294
R1 - R1 600	-	-	-	153 662	161 345	169 274	180 277	191 995	201 595	211 674
R1 601 - R3 200	-	-	-	239 791	251 781	264 153	281 323	2 996 090	3 145 895	3 303 189
R3 201 - R6 400	-	-	-	55 041	57 793	60 633	64 574	68 771	72 210	75 820
R6 401 - R12 800	-	-	-	46 873	49 217	51 636	54 992	58 567	61 495	64 570
R12 801 - R25 600	-	-	-	36 285	38 099	39 972	42 570	45 337	47 604	49 984
R25 601 - R51 200	-	-	-	144	151	158	169	179	188	198
R52 201 - R102 400										
R102 401 - R204 800										
R204 801 - R409 600										
R409 601 - R819 200										
> R819 200										

1.1 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I Gamakulu Ma'art Sineke, Municipal Manager of Harry Gwala District Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Gamakulu Ma'art Sineke

Municipal Manager of Harry Gwala District Municipality (DC43)

Signature



Date 2023/03/29