



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

BUDGET & TREASURY

2425 MTREF

DRAFT BUDGET

ANNUAL BUDGET OF
HARRY GWALA
DISTRICT
MUNICIPALITY

2024/2025 TO 2026/2027
MEDIUM-TERM REVENUE AND EXPENDITURE
FRAMEWORK BUDGET

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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 2024/25 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 2024/2025 **Parent** Total Revenue is R 936, 3m, broken down as follows:

- | | |
|---|-----------|
| • Government Grants and Subsidies – Capital | R 324, 8m |
| • Government Grants and Subsidies – Operational | R 506, 5m |
| • Own Revenue | R 104, 9m |

Allocated as follows;

- | | |
|----------------------|-----------|
| • Operational budget | R 692, 5m |
| • Capital budget | R 306, 7m |

The 2024/2025 **Consolidated** Total Revenue is R 957m broken down as follows;

- Government Grants and Subsidies – Capital R 324, 8m
- Government Grants and Subsidies – Operational R 506, 5m
- Own Revenue R 126, 4m

Allocated as follows;

- Operational budget R 711, 9m
- Capital budget R 307, 7m

The actual revenue is R937million, however due to R20million for transfers and subsidies paid over to Harry Gwala Development Agency as revenue on their side this result on overstating the revenue by R20million 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 R273, 1m, representing 40% of the operational budget. Councilor’s allowances have been budgeted at R8, 6m. Board members have been budgeted at R 381 600.

Local government equitable share

The equitable share for 2024/2025 financial year as gazetted from the Division of Revenue Bill is as follows:

- ✓ Equitable share R 491 837 000

For 2024/25 Draft Budget capital projects amounting to R 306 771 695 (Exclusive of VAT) have been planned under the following categories;

PROJECT TYPE	AMOUNT
Water	R 251 989 481
Sanitation	R 24 639 657
Other Assets	R 30 142 556
TOTAL	R 306 771 694

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	82 724 492	24%	Has a huge Backlogs and high population
NDZ	R	73 025 657	21%	Huge Backlogs since demarcation
Ubuhlebezwe	R	19 783 099	6%	Few Backlogs
Kokstad	R	142 590 261	41%	Few Backlogs & Kempsdale Dam
Internal	R	30 142 556	9%	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 20m towards LED projects in 2024/25 and a total of R41, 2million 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 26 March 2024 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 2024/25. 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 draft budget of the municipality for the financial year 2024/25 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 8 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, 123, 126 and 128 were used to guide the compilation of the 2024/25 MTREF.

The main challenges experienced during the compilation of the 2024/25 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 2024/25 MTREF:

- The 2023/24 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 2024/25 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 2024/25 Medium-term Revenue and Expenditure Framework:

Table 2 below presents a consolidated overview of the 2024/25 budget.

Table 1 Consolidated Overview of the 2024/25 MTREF

R thousand	Adjustments Budget 2023/24	Budget Year 2024/25	Budget Year + 1 2025/26	Budget Year +2 2026/27
Total Operating Revenue	R 613 966 426	R 608 714 631	R 655 565 863	R 697 315 790
Total Operating Expenditure	R 671 977 176	R 711 140 400	R 761 213 502	R 808 335 738
(Surplus)/ Deficit for the year	R - 58 010 750	R -102 425 769	R -105 647 639	R - 111 019 947
Total Capital Expenditure	R 317 088 352	R 307 712 225	R 297 811 917	R 324 346 491

Total operating revenue for the consolidated municipality has decreased by 6% per cent or R5, 2million for the 2024/25 financial year when compared to the 2023/24 Adjustments Budget. For the two outer years, operational revenue increased by 8 % and 6 %, equating to a total revenue growth of R46, 8million and R41, 7million respectively over the MTREF when compared to the 2024/25 financial year.

Total operating expenditure for the 2024/25 financial year has been appropriated at R711, 1million. When compared to the 2023/24 Adjustments Budget, operational expenditure has increased by 6% per cent in the 2024/25 budget. However due to reduction in allowance for doubtful debts of R 4, 9million then the operating expenditure amount to R706, 2million. The operating deficit for 2024/25 decreased from R124, 1million in 2023/24 financial year to R 67, 2million in 2024/25 and increased for the outer years respectively by R69 million and R72, 6million. The non- cash item in 2024/25 financial year is at R 133, 7m. The amount for depreciation in 2024/25 financial year is at R101, 8m and provision for bad debts is at R31, 9million.

The capital budget of R307, 7million (Excl VAT) for 2024/25 is 3% per cent less when compared to the 2023/24 Adjustment Budget. The decrease is due to grants reduction gazzetted for the 2024/25 financial year and this is going to have a negative impact on the service delivery and water and sanitation backlogs will increase in the district. The capital budget is largely funded from the Government Grants and Subsidies in the MTREF.

Table 3 Parent Overview of the 2024/25 MTREF

R thousand	Adjustments Budget 2023/24	Budget Year 2024/25	Budget Year + 1 2025/26	Budget Year +2 2026/27
Total Operating Revenue	R 596 435 031	R 588 125 162	R 635 025 026	R 675 533 052
Total Operating Expenditure	R 652 209 420	R 692 533 918	R 740 882 251	R 787 008 256
(Surplus)/ Deficit for the year	R - 55 774 389	R -104 408 756	R -105 857 226	R - 111 475 203
Total Capital Expenditure	R 316 201 059	R 306 771 695	R 296 814 955	R 323 300 677

Total operating revenue for the parent municipality has decreased by 1% per cent or R8, 3million for the 2024/25 financial year when compared to the 2023/24 Adjustments Budget. For the two outer years, operational revenue increased by 8 % and 6 % per cent respectively, equating to a total revenue growth of R46, 8million and R40, 5million respectively over the MTREF when compared to the 2024/25 financial year.

Total operating expenditure for the 2024/25 financial year has been appropriated at R686, 8million. When compared to the 2023/24 Adjustments Budget, operational expenditure has increased by 6% per cent in the 2024/25 budget. The operating deficit for 2024/25 decreased from R106, 8million in 2023/24 financial year to R 69, 4million in 2024/25 and increased for the outer years respectively by R70, 3million and R74, 1million. The non- cash item in 2024/25 financial year is at R 132, 9m. The amount for depreciation in 2024/25 financial year is at R101m and provision for bad debts is at R31, 9million.

The capital budget of R307, 7million (Excl VAT) for 2024/25 is 3% per cent less when compared to the 2023/24 Adjustment Budget. The decrease is due to decrease on grants that is gazzetted for the 2024/25 financial year and this is going to have a bad impact on the service delivery and water and sanitation backlogs will be impacted 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 a 90 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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year + 2026/27
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	54 003	49 353	64 525	61 123	53 721	53 721	34 884	56 944	65 272	68 47
Service charges - Waste Water Management	13 762	12 207	13 149	15 069	13 445	13 445	9 010	14 252	15 107	15 84
Sale of Goods and Rendering of Services	517	417	741	876	585	585	169	663	693	72
Interest earned from Receivables	10 100	11 221	14 117	11 960	15 713	15 713	11 579	16 655	17 654	18 51
Interest earned from Current and Non Current Assets	3 011	5 104	10 858	5 713	19 570	19 570	16 187	17 435	16 552	17 37
Operational Revenue	261	402	810	388	388	388	287	404	420	44
Non-Exchange Revenue										
Fines, penalties and forfeits	-	2 453	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	430 342	453 939	452 460	493 840	479 090	479 090	357 191	532 623	571 788	609 44
Other Gains	-	688	3 755	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)	511 997	535 784	560 414	588 970	582 513	582 513	429 308	638 975	687 485	730 82

Table 3 Percentage growth in revenue by main revenue source

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

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Revenue								
Exchange Revenue								
Service charges - Electricity	-		-		-		-	
Service charges - Water	53 721	9%	56 944	9%	65 272	9%	68 471	9%
Service charges - Waste Water Management	13 445	2%	14 252	2%	15 107	2%	15 847	2%
Sale of Goods and Rendering of Services	585	0%	663	0%	693	0%	727	0%
Interest earned from Receivables	15 713	3%	16 655	3%	17 654	3%	18 519	3%
Interest earned from Current and Non Current Assets	19 570	3%	17 435	3%	16 552	2%	17 378	2%
Operational Revenue	388	0%	404	0%	420	0%	441	0%
Non-Exchange Revenue								
Fines, penalties and forfeits	-		-		-		-	
Transfer and subsidies - Operational	479 090	82%	532 623	83%	571 788	83%	609 441	83%
Other Gains	-		-		-		-	
Total Revenue (excluding capital transfers and contributions)	582 513	100%	638 975	100%	687 485	100%	730 823	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 12% of the total revenue mix. In the 2024/25 financial year, revenue from service charges totaled R 71, 1m or 11% per cent. This increases to R80, 3m, and then R84, 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 11% 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 R532, 6m in the 2024/25 financial year and increases to R571, 7m 2025/26 and R609, 4m in 2026/27. Note that the year-on-year growth on the operational grants for the 2024/25 financial year is 7% percent and then increased to 7 % and 7 % 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 512, 4m in the 2024/25 financial year and increases to R 551, 6m, and increases to R 5884m however due to R20million transfer to Harry Gwala Development Agency this results on overstating the operating grants and transfers by R20 million in 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	-	17 490	-	-	-	-	-	-
Current year receipts	(6 195)	(8 071)	(8 802)	(30 209)	(15 459)	(15 459)	(20 656)	(32 112)	(40 192)
Repayment of grants	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	(12 390)	(33 632)	(9 593)	(60 418)	(30 918)	(30 918)	(41 313)	(64 224)	(80 385)
Conditions still to be met - transferred to liabilities	6 195	25 561	18 281	30 209	15 459	15 459	20 656	32 112	40 192
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)	(314)	(314)	(314)	(314)
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	0	0	0	(314)	(314)	(314)	(314)	(314)	(314)
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue	(12 390)	(33 632)	(9 593)	(60 732)	(31 232)	(31 232)	(41 627)	(64 539)	(80 699)
Total operating transfers and grants - CTBM	6 195	25 561	18 281	30 209	15 459	15 459	20 656	32 112	40 192
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	-	(17 490)	-	(21 177)	(21 177)	-	-	-
Current year receipts	(293 626)	(336 580)	(316 011)	(321 352)	(330 762)	(330 762)	(318 124)	(314 221)	(343 324)
Conditions met - transferred to revenue	(587 252)	(655 670)	(618 856)	(642 704)	(703 876)	(703 876)	(636 247)	(628 442)	(666 647)
Conditions still to be met - transferred to liabilities	293 626	319 090	285 355	321 352	351 938	351 938	318 124	314 221	343 324
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	-	-	-	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue	(587 252)	(655 670)	(618 856)	(643 874)	(705 046)	(705 046)	(637 416)	(629 611)	(667 816)
Total capital transfers and grants - CTBM	293 626	319 090	285 355	321 352	351 938	351 938	318 124	314 221	343 324
TOTAL TRANSFERS AND GRANTS REVENUE	(599 642)	(689 302)	(628 449)	(704 605)	(736 278)	(736 278)	(679 043)	(694 149)	(768 515)
TOTAL TRANSFERS AND GRANTS - CTBM	299 821	344 651	303 636	351 561	367 397	367 397	338 780	346 333	363 516

TARIFFS: 2024/2025 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 considered to ensure the financial sustainability of the district.

The 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 9, 5% for 2024/25 financial year, and it is more than the mentioned inflation target of 4, 9%. 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's 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 8 per cent from 1 July 2024 for water is proposed. This is based on input cost of 9, 5% increase in the cost of bulk water (Umngeni Water), the cost of other inputs increasing by 8 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 2024.

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	2023/24	2024/25	Increase
0-6 INDIGENT	R0.00	R0.00	R0.00
07- 20	R 10.85	R 11.72	R 0.87
21- 40	R 11.49	R 12.41	R 0.92
41-100	R 21.05	R 22.73	R 1.68
101- 200	R 34.92	R 37.71	R 2.79
201+	R 39.74	R 42.92	R 3.18
Unmetered flat rate per month	R Interim	R Interim	R -

Commercial & Industrial

Commercial & Industrial				
Consumption		2023/24	2024/25	Increase
Increments in R per KL				
0-100	R	15.67	R 16.92	R 1.25
101- 200	R	21.05	R 22.73	R 1.68
201-300	R	34.94	R 37.74	R 2.80
301-400	R	37.33	R 40.32	R 2.99
401-500	R	39.74	R 42.92	R 3.18
500+	R	42.16	R 45.53	R 3.37

Consumption Increments in R per KL	Public Service & Government Institutions				Agricultural				Geriatric Institutions, Religious organisations, NPO & recreational facilities.						
	2023/24	2024/25	Increase	2023/24	2024/25	Increase	2023/24	2024/25	Increase	2023/24	2024/25	Increase	2023/24	2024/25	Increase
0-100	R 15.67	R 16.92	R 1.25	R 15.67	R 16.92	R 1.25	R 15.67	R 16.92	R 1.25	R 15.67	R 16.92	R 1.25	R 15.67	R 16.92	R 1.25
101-200	R 21.05	R 22.73	R 1.68	R 21.05	R 22.73	R 1.68	R 21.05	R 22.73	R 1.68	R 21.05	R 22.73	R 1.68	R 21.05	R 22.73	R 1.68
201-300	R 34.94	R 37.74	R 2.80	R 34.94	R 37.74	R 2.80	R 34.94	R 37.74	R 2.80	R 34.94	R 37.74	R 2.80	R 34.94	R 37.74	R 2.80
301-400	R 37.33	R 40.32	R 2.99	R 37.33	R 40.32	R 2.99	R 37.33	R 40.32	R 2.99	R 37.33	R 40.32	R 2.99	R 37.33	R 40.32	R 2.99
401-500	R 39.74	R 42.92	R 3.18	R 39.74	R 42.92	R 3.18	R 39.74	R 42.92	R 3.18	R 39.74	R 42.92	R 3.18	R 39.74	R 42.92	R 3.18
500+	R 42.16	R 45.53	R 3.37	R 42.16	R 45.53	R 3.37	R 42.16	R 45.53	R 3.37	R 42.16	R 45.53	R 3.37	R 42.16	R 45.53	R 3.37

Road Tanker Delivery of Water	Static tank hire per day					
	2023/24	2024/25	Increase/Decrease	2023/24	2024/25	Increase
2500 l	R 2 650.30	R 500.00	R - 2 150.30	R 240.94	R 260.22	R19.28
5000 l	R 3 614.05	R 1 500.00	R - 2 114.05	R 602.33	R 650.52	R48.19
7500 l	R 4 215.62	R 2000.00	R - 2 215.62	R 843.27	R 910.73	R67.46
10 000 l	R 5 059.65	R 2 500.00	R - 2 559.65	R1 204.68	R 1 301.05	R96.37
Del. Charge	R 481.85	R 520.40	R 38.55	R 481.85	R 520.40	R38.55

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

Misc. water related tariffs given in pipe diameter	Deposit per meter				New water meter				Disconnection and Reconnection			
	2023/24	2024/25	Increase		2023/24	2024/25	Increase		2023/24	2024/25	Increase	
	15 mm	REMOVED	WE DO NOT	HAVE 15 MM	ANYMORE	AS THE	MUNICIPALI	TY				
20 mm	R 1 807.00	R 1 951.56	R 144.56	R 2 047.95	R 2 211.79	R 163.84		R 963.73	R 1 040.83	R 177.10		
50 mm	R 2 409.36	R 2 601.88	R 192.52	R 2 529.81	R 2 732.28	R 202.47		R 1 807.00	R 1 951.56	R 144.56		
100 mm	R 3 614.05	R 3 903.17	R 289.12	R 4 216.37	R 4 553.68	R 337.31		R 2 409.36	R 2 602.11	R 192.75		
110 mm +	R 4 818.71	R 5 204.21	R 385.50	R 6 023.40	R 6 505.27	R 481.87		R 3 011.69	R 3 252.63	R 240.94		

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

Domestic (Metered)			
Consumption Increments in R per Kl	2022/23	2024/25	Increase
INDIGENT 0-6	R0.00	R 0.0	R 0.00
0-6	R 10.85	R 11.72	R 0.87
7-20	R 11.49	R 12.41	R 0.92
21-40	R 21.05	R 22.73	R 1.68
41-100	R 34.92	R 37.71	R 2.79
101-200	R 39.74	R 42.92	R 3.18
201 +	R 42.88	R 46.31	R 3.43

The tariff structure of the 2024/25 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 2024/25 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 8 per cent for sanitation from 1 July 2024 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 8 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 R71, 1million for the 2024/25 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	2023/24		2024/25		Increase		Septic tank clearance on site		2023/24		2024/25		Increase		Disposal into municipal reticulation system		2023/24		2024/25		Increase		
	Static sanitation system given per load	R505.98	R15.65	R546.46	R16.92	R40.48	R1.27	R1566.10	R15.67	R1691.39	R16.92	R125.29	R1.25	R505.98	R546.46	R40.48							
Per load																							
Transport per km																							

New connections

Disconnect/Reconnection IRO credit control

Misc. sanitation related tariffs given in service pipe diameter	2023/24	2024/25	Increase	2023/24	2024/25	Increase
Up to 600 mm	R 4 818.71	R5 204.21	R 385.50	R 1 204.68	R1 301.05	R 96.37
600 mm -1200 mm	R 6 023.40	R6 505.27	R 481.87	R 1 807.00	R1 951.56	R 144.56
1200 mm +	R 8 432.73	R9 107.35	R 674.62	R 2 409.36	R2 602.11	R 192.75

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	2024/25	Increase	New connection sanitation	2022/23	2024/25	Increase
Disconnection/re connection Up to 600 mm	R 1204.68	R1 301.05	R 96.37	New Connections Up to 600 mm	R 4 818.71	R5 204.21	R 385.50
Up to 1 200 mm	R 1 807.00	R1 951.56	R 144.56	Up to 1 200 mm	R 6 023.40	R6 505.27	R 481.87
1 200 mm +	R 2 409.36	R2 602.11	R 192.75	1 200 mm +	R 8 432.73	R9 107.35	R 674.62

Sanitation costs given in terms of water consumption	2023/24	2024/25	Increase
Water borne systems. 0-200 Kl	R8.43	R9.10	R0.67
201 Kl +	R10.87	R11.74	R0.87
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	2023/24	2024/25	Increase
1 Site	R 13 974.28	R15 092.22	R 1 117.94
2-5 Sites	R 8 432.75	R 9 107.37	R 674.62
6-10 Sites	R 4 818.71	R 5 204.21	R 385.50
11-20 + Sites	R 2 891.22	R 3 122.52	R 231.30
Clearance certificate	R 223.08	R 240.93	R 17.85

Demand Notice to Customers	R120.44	R130.08	R9.64
Borehole Flat Rate	R200.73	R216.79	R16.06
Raw water Flat Rate	R4.83	R 5.22	R0.39
Prepaid meter pad replacement	R721.87	R779.62	R57.75
Purchase, installation and connection of a prepaid meter for businesses	R6 814.45	R7 359.61	R545.16
Purchase, installation and connection of a prepaid meter for domestic	R 6 160.99	R6 653.87	R492.88

Application and renewal of conducting a business within the municipality.

					2023/24	2024/25	Increase
Application for COA for food premise and COC for funeral parlour / Government mortuary					R 758.43	R 868.26	R 109.83
Vending Food					R 134.83	R 154.35	R 19.52
Escort agencies, night clubs, massage parlours and adult clubs					R 3,775.30	R4 321.97	R 546.67
Issuing of a duplicate Certificate					R 134.83	R 154.35	R 19.52
Amendment of COA and COC.					R 134.83	R 154.35	R 19.52
Amendment of a condition on the endorsement to an					R 174.16	R 199.38	R 25.22

issued COC and COA.							
Re-inspection of a food premises for the removal of a prohibition					R 1,280.34	R1 382.77	R 102.43
Issuing of an export certificate for foodstuffs.					R1,280.34	R1 382.77	R 102.43
Sampling and analysis boreholes intended for human consumption.					R1,280.34	R1 382.77	R 102.43
Sampling and analysis of a communal swimming pool					R 506.18	R 546.67	R 40.49
Issuing of a permit for a service to remove human excrement.					R 774.16	R 836.09	R 61.93
Issuing of destruction of food certificates.					R 774.16	R 836.09	R 61.93
Issuing of destruction of food certificates.					R 774.16	R 836.09	R61.93
Issuing of a COA to introduce milk and/or milk products into the Municipal area for human consumption.					R 774.16	R 774.16	R 61.93
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 8 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption	4,58	5,23	5,58	5,94	5,94	5,94	-	6,30	6,67	7,07
Sanitation	366,69	418,25	446,70	446,74	446,74	446,74	-	473,54	501,96	532,07
Refuse removal	164,74	187,90	200,68	213,72	213,72	213,72	-	226,54	240,14	254,54
Other										
sub-total	536,01	611,38	652,96	666,40	666,40	666,40	6,0%	706,38	748,77	793,69
VAT on Services										
Total large household bill:	536,01	611,38	652,96	666,40	666,40	666,40	6,0%	706,38	748,77	793,69
% Increase/-decrease	-	14,1%	6,8%	2,1%	-	-	191,5%	6,0%	6,0%	6,0%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption	4,59	5,23	5,59	5,95	5,95	5,95	-	6,31	6,69	7,09
Sanitation	305,58	348,55	372,25	396,45	396,45	396,45	-	420,24	445,45	472,16
Refuse removal	137,27	156,57	167,22	178,09	178,09	178,09	-	188,78	200,10	212,11
Other										
sub-total	447,44	510,35	545,06	580,49	580,49	580,49	6,0%	615,32	652,24	691,37
VAT on Services										
Total small household bill:	447,44	510,35	545,06	580,49	580,49	580,49	6,0%	615,32	652,24	691,37
% increase/-decrease	-	14,1%	6,8%	6,5%	-	-	(7,7%)	6,0%	6,0%	6,0%
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		4,59		5,23	5,23	5,23	6,0%	5,54	5,88	6,23
Sanitation		305,58		348,55	348,55	348,55	6,0%	369,46	391,63	415,13
Refuse removal		137,27		156,57	156,57	156,57	6,0%	165,96	175,92	186,48
Other										
sub-total	-	447,44	-	510,35	510,35	510,35	6,0%	540,97	573,43	607,84
VAT on Services										
Total small household bill:	-	447,44	-	510,35	510,35	510,35	6,0%	540,97	573,43	607,84
% increase/-decrease	-	-	(100,0%)	-	-	-	-	6,0%	6,0%	6,0%

1.5 OPERATING EXPENDITURE FRAMEWORK

Harry Gwala District Municipality's expenditure framework for the 2024/25 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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Expenditure										
Employee related costs	217 969	238 376	245 707	256 783	256 783	256 783	164 603	273 170	289 561	306 848
Remuneration of councillors	7 813	7 239	6 988	8 119	8 119	8 119	4 701	8 606	9 122	9 670
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	28 432	35 344	35 344	-	36 543	38 224	40 097
Debt impairment	30 921	7 533	(1 202)	28 300	28 300	28 300	-	(4 908)	(4 658)	(4 886)
Depreciation and amortisation	79 359	81 505	93 063	97 007	97 007	97 007	63 199	101 865	106 865	112 102
Interest	995	307	113	100	104	104	2	142	150	158
Contracted services	129 575	172 985	134 263	140 220	150 085	150 085	82 127	148 034	169 715	184 435
Transfers and subsidies	17 000	15 100	15 290	2 500	2 500	2 500	-	4 718	4 737	4 969
Irrecoverable debts written off	812	7 614	34 790	30 418	30 418	30 418	-	31 908	33 472	35 112
Operational costs	56 900	63 458	69 121	92 277	98 016	98 016	65 400	106 180	109 393	114 973
Losses on disposal of Assets	6 496	1 940	2 875	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	547 842	596 056	601 009	684 155	706 676	706 676	380 032	706 258	756 582	803 478

The consolidated budgeted allocation for employee-related costs for the 2024/25 financial year totals R273, 1m, which equals 40% per cent of the total operating expenditure. Harry Gwala District Municipality have factored an increase of 6 per cent for the 2024/2025 financial year. An annual increase of 6 per cent has been included in the next 2024/2025 MTREF. The increase of 6 per cent is due to new posts that are prioritized for the 2024/25 financial year that is why the increase is more than CPI which is 4, 9 per cent. The salary negotiations for 2024/25 is under way as per the circular, the municipality should increase the employee salaries as per the municipality's affordability. 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.

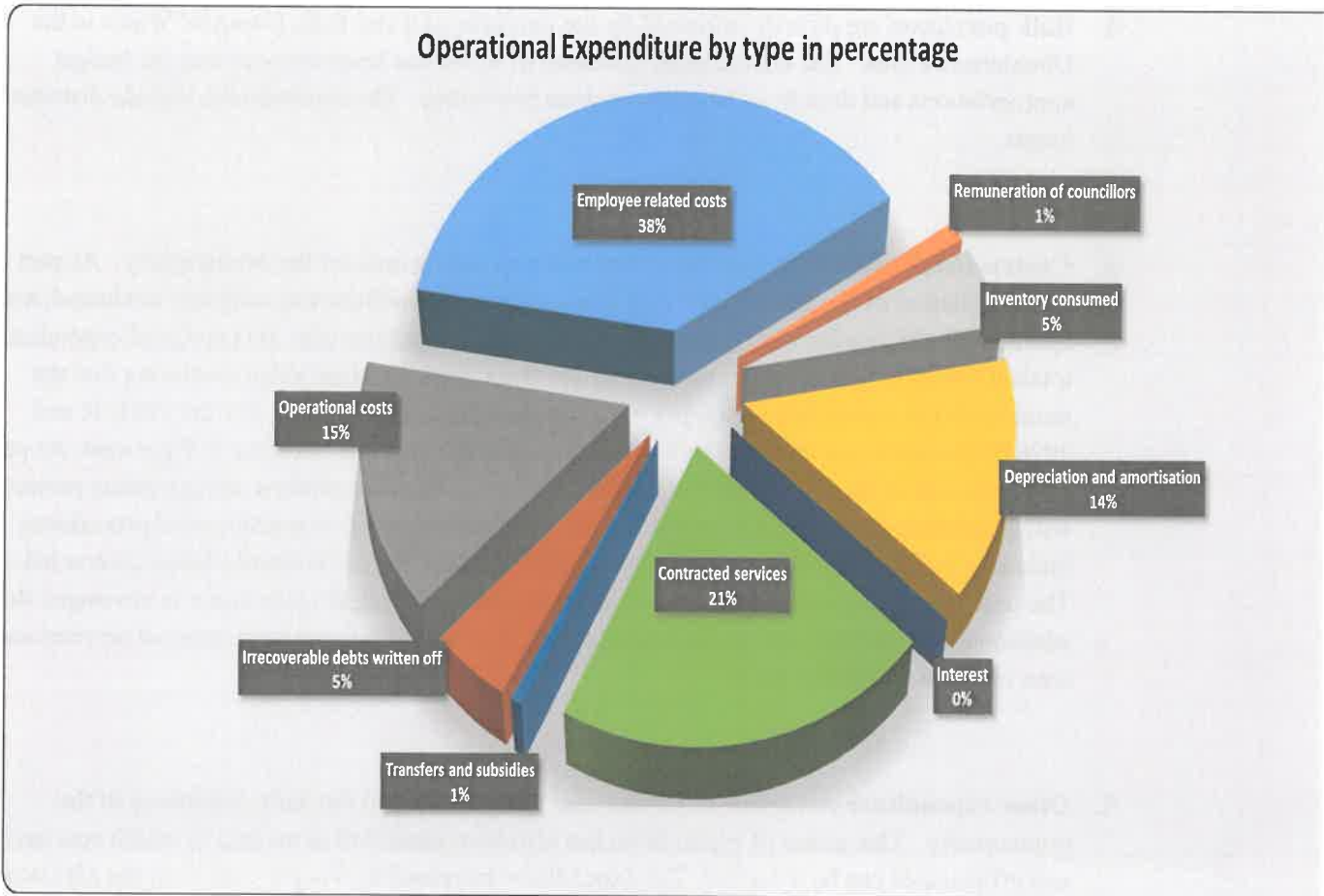
1. **The cost associated with the remuneration of councilors** is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account 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 2024/25 financial year this amount equates to R31, 9m and for outer years R33, 4m, and R35, 1million 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 R101, 8m for the 2024/25 financial and equates to 14% per cent of the total operating expenditure. Depreciation for the budget year represents an increase from the 2024/25 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 4, 9% 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 2024/25 MTREF this group of expenditure was critically evaluated, and operational efficiencies were enforced. In the 2024/25 financial year, this group of expenditure totals R148million showing an increase of 1% from 2024/25, clearly demonstrating that the municipality is committed to comply with cost containment measures. For the 2025/26 and 2026/27 financial year growth has increased to 15% per cent and decrease to 9 per cent. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2025/26 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 5% per cent from the adjusted budget for 2023/24 and increased in the 2025/26 by 2 per cent and 2026/27 financial years by 3 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 2024/25 financial year



Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the district’s current infrastructure, the 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Inventory Consumed (Project Maintenance)										
Contracted Services	34 926	29 960	49 412	51 991	48 689	48 689	28 904	49 276	51 545	54 071
Operational Costs	319	15 329	3 055	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	35 246	45 289	52 468	51 991	48 689	48 689	28 904	49 276	51 545	54 071

During the compilation of the 2024/25 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 increased in the 2023/24 financial year, from R48, 6 million to R49, 2million for the 2024/25 financial year. Notwithstanding this increase as part of the 2024/25 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2024/25 equates to R49, 2million showing an increase of 1 per cent in relation to the Adjustment Budget and grows at 5% and 5 per cent in the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 7 per cent for 2024/25 and 7 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year + 2026/27
CAPITAL EXPENDITURE									
Total Capital Expenditure	296 457	290 905	269 118	306 141	316 868	316 868	307 686	297 785	324 311
<i>Roads Infrastructure</i>	-	1 242	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	247 576	207 548	208 921	214 407	238 196	238 196	261 756	247 991	254 061
<i>Sanitation Infrastructure</i>	20 452	66 405	44 534	71 641	55 778	55 778	28 379	39 372	59 311
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	268 028	275 195	253 455	286 048	293 974	293 974	290 135	287 363	313 371
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 610	1 138	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	1 610	1 138	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	270	804	804	804	845	888	931
Intangible Assets	-	-	270	804	804	804	845	888	931
Computer Equipment	1 566	1 412	410	742	1 060	1 060	1 657	1 735	1 821
Furniture and Office Equipment	1 768	1 387	1 293	2 602	3 461	3 461	4 505	4 712	4 941
Machinery and Equipment	9 099	7 376	7 430	8 945	8 945	8 945	5 062	1 117	1 171
Transport Assets	14 387	4 396	6 259	7 000	8 625	8 625	5 483	1 969	2 061
Land	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	296 457	290 905	269 118	306 141	316 868	316 868	307 686	297 785	324 311

For the 2024/25 financial year R49, 2million 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 3 000 or more indigent households during the 2024/25 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 2024/25 Medium-term capital budget per vote

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

Vote Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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	-	-	275	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	7 226	8 310	7 727	9 641	13 705	13 705	2 854	8 980	6 255	6 568
Vote 05 - Summary Social Services & Development Planning	7 355	47	408	2 267	2 267	2 267	-	1 515	970	1 017
Vote 06 - Summary Infrastructure Services	46 050	30 970	47 306	55 292	74 681	74 681	55 367	118 632	112 635	100 000
Vote 07 - Summary Water Services	235 826	251 578	213 402	238 941	226 215	226 215	157 125	178 560	177 925	216 730
Capital multi-year expenditure sub-total	296 457	290 905	269 118	306 141	316 868	316 868	215 346	307 686	297 785	324 311
Total Capital Expenditure - Vote	296 457	290 905	269 118	306 141	316 868	316 868	215 346	307 686	297 785	324 311

For 2024/25 an amount of R307, 6million has been appropriated for the development of infrastructure which represents 93% of the total capital budget. In the outer years this amount totals R297, 7million, 93% and R324, 3million, 92% respectively for each of the financial years. These expenditures are exclusive of VAT.

Total new assets represent R284, 9million of the total capital budget while asset renewal equates to R21, 9million. 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 2024/25 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 2024/25 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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	67 765	61 560	77 674	76 192	67 165	67 165	43 895	71 195	80 379	84 317
Investment revenue	3 011	5 104	10 858	5 713	19 570	19 570	16 187	17 435	16 552	17 378
Transfers recognised - operational	430 342	453 939	452 460	493 840	479 090	479 090	357 191	532 623	571 788	609 441
Other own revenue	10 879	15 181	19 422	13 224	16 687	16 687	12 036	17 721	18 767	19 686
Total Revenue (excluding capital transfers and contributions)	511 997	535 784	560 414	588 969	582 512	582 512	429 309	638 974	687 486	730 822
Employee costs	217 969	238 376	245 707	256 783	256 783	256 783	164 603	273 170	289 561	306 848
Remuneration of councillors	7 813	7 239	6 988	8 119	8 119	8 119	4 701	8 606	9 122	9 670
Depreciation & asset impairment	79 359	81 505	93 063	97 007	97 007	97 007	63 199	101 865	106 865	112 102
Finance charges	995	307	113	100	104	104	2	142	150	158
Materials and bulk purchases	-	-	-	28 432	35 344	35 344	-	36 543	38 224	40 097
Transfers and grants	17 000	15 100	15 290	2 500	2 500	2 500	-	4 718	4 737	4 969
Other expenditure	224 706	253 530	239 848	291 214	306 819	306 819	147 527	281 214	307 922	329 634
Total Expenditure	547 842	596 057	601 009	684 155	706 676	706 676	380 032	706 258	756 581	803 478
Surplus/(Deficit)	(35 845)	(60 273)	(40 595)	(95 186)	(124 164)	(124 164)	49 276	(67 284)	(69 095)	(72 656)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	302 857	311 860	283 338	321 352	351 938	351 938	233 507	318 947	314 221	343 324
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	4 693	12 781	3 888	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	271 705	264 368	246 631	226 166	227 774	227 774	282 783	251 663	245 126	270 668
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	271 705	264 368	246 631	226 166	227 774	227 774	282 783	251 663	245 126	270 668
Capital expenditure & funds sources										
Capital expenditure	296 457	290 905	269 118	306 141	316 868	316 868	215 346	307 686	297 785	324 318
Transfers recognised - capital	268 028	273 848	251 309	277 584	287 510	287 510	209 746	276 698	273 308	298 619
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	17 056	17 809	28 557	29 358	29 358	5 600	30 988	24 476	25 699
Total sources of capital funds	296 458	290 904	269 118	306 141	316 868	316 868	215 346	307 686	297 785	324 318
Financial position										
Total current assets	104 165	112 963	194 402	148 063	212 118	212 118	332 556	235 459	251 574	271 160
Total non current assets	2 551 972	2 759 748	2 927 288	2 955 803	3 147 620	3 147 620	3 079 436	3 353 694	3 556 570	3 782 889
Total current liabilities	101 084	114 341	151 972	111 522	136 167	136 167	182 948	134 097	129 211	123 493
Total non current liabilities	29 452	28 545	27 735	28 869	27 735	27 735	27 735	29 399	31 163	33 033
Community wealth/Equity	2 540 141	2 774 486	2 975 404	2 946 271	3 178 738	3 178 738	3 224 737	3 425 699	3 647 859	3 897 660

MBRR Table A1 - Budget Summary Continue.....

DC43 Harry Gwala - Table A1 Consolidated Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash flows										
Net cash from (used) operating	(99 192)	175 367	1 502 609	324 776	324 495	324 495	1 426 216	353 947	365 703	306 076
Net cash from (used) investing	(251 425)	(290 905)	(269 118)	(306 141)	(316 868)	(316 868)	(214 822)	(307 686)	(297 785)	(297 885)
Net cash from (used) financing	-	(400)	-	(2 251)	(2 251)	(2 251)	526	(1 831)	(1 796)	(2 400)
Cash/cash equivalents at the year end	(309 947)	(64 076)	1 283 718	84 290	144 381	144 381	1 211 920	180 669	246 792	244 392
Cash backing/surplus reconciliation										
Cash and investments available	51 862	50 226	124 641	84 290	144 381	144 381	259 509	166 644	183 801	14 473
Application of cash and investments	(74 603)	(190 088)	(673 273)	21 949	34 608	34 608	(1 313 020)	28 748	31 426	(6 614)
Balance - surplus (shortfall)	126 465	240 314	797 914	62 341	109 525	109 525	1 572 529	137 896	152 375	21 088
Asset management										
Asset register summary (WDV)	1 820 137	1 949 818	2 209 283	2 145 873	2 429 615	2 429 615	-	2 635 688	2 838 565	3 064 884
Depreciation	79 359	81 505	93 063	97 007	97 007	97 007	-	101 865	106 865	112 102
Renewal and Upgrading of Existing Assets	29 321	44 348	11 853	29 538	16 600	16 600	-	22 775	17 475	4 067
Repairs and Maintenance	35 246	45 289	52 468	51 991	48 689	48 689	-	49 276	51 545	54 071
Free services										
Cost of Free Basic Services provided	303	642	1 775	(676)	(676)	(676)	6 189	(724)	(683)	(717)
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	32	31	-	35	35	35	35	37	40	-
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 places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year.

But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2024/25 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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional									
Governance and administration	422 901	397 365	449 558	488 282	501 808	501 808	510 213	537 182	566 449
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	397 365	449 558	488 282	501 808	501 808	510 213	537 182	566 449
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	33	32	16	16	16	17	17	18
Community and social services	-	33	32	16	16	16	17	17	18
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	8 568	24 384	3 888	638	638	638	21 530	21 538	22 829
Planning and development	8 568	24 384	3 888	638	638	638	21 530	21 538	22 829
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	388 078	438 642	394 162	438 386	448 988	448 988	426 161	442 969	484 851
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	392 285	381 035	423 735	434 477	434 477	409 956	426 664	467 747
Waste water management	29 226	46 357	13 126	14 651	14 511	14 511	16 205	16 305	17 104
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	860 424	847 640	927 322	951 451	951 451	957 921	1 001 706	1 074 146
Expenditure - Functional									
Governance and administration	233 276	236 425	284 782	294 557	315 741	315 741	314 034	330 232	347 765
Executive and council	27 920	37 102	29 054	39 878	42 257	42 257	37 177	39 133	41 256
Finance and administration	195 853	189 223	244 498	244 785	263 793	263 793	266 359	279 982	294 736
Internal audit	9 503	10 100	11 230	9 894	9 692	9 692	10 497	11 116	11 774
Community and public safety	17 672	19 479	17 993	20 592	20 082	20 082	23 182	24 291	25 688
Community and social services	17 672	19 479	17 993	20 592	20 082	20 082	23 182	24 291	25 688
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	123 312	148 516	152 099	167 382	160 295	160 295	187 608	210 419	227 844
Planning and development	123 312	148 516	152 099	167 382	160 295	160 295	187 608	210 419	227 844
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	201 451	236 297	179 556	201 412	210 248	210 248	181 433	191 640	202 181
Energy sources	-	-	-	-	-	-	-	-	-
Water management	200 589	216 091	177 046	200 518	209 364	209 364	180 497	190 648	201 129
Waste water management	862	20 206	2 509	893	884	884	937	993	1 052
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	212	212	212	-	-	-
Total Expenditure - Functional	575 710	640 717	634 430	684 154	706 578	706 578	706 258	756 582	803 478
Surplus/(Deficit) for the year	243 837	219 708	213 210	243 167	244 872	244 872	251 663	245 124	270 669

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	422 192	396 921	449 162	470 822	484 388	484 388	509 775	536 725	565 970
Vote 04 - Summary Corporate Services	665	359	372	372	372	372	387	403	422
Vote 05 - Summary Social Services & Development Planning	3 875	11 636	32	17 654	17 654	17 654	21 547	21 555	22 847
Vote 06 - Summary Infrastructure Services	305 438	318 640	308 606	354 861	371 574	371 574	343 279	349 729	387 042
Vote 07 - Summary Water Services	87 377	132 868	89 467	83 613	77 462	77 462	82 933	93 294	97 865
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	860 424	847 640	927 322	951 451	951 451	957 921	1 001 706	1 074 146
Expenditure by Vote to be appropriated									
Vote 01 - Summary Council	14 956	20 155	18 112	19 937	20 098	20 098	21 292	22 415	23 633
Vote 02 - Summary Municipal Manager	22 466	27 048	22 172	22 917	24 933	24 933	26 383	27 834	29 396
Vote 03 - Summary Budget And Treasury Office	59 812	64 433	94 176	90 559	98 436	98 436	105 674	111 193	117 108
Vote 04 - Summary Corporate Services	89 586	80 035	90 554	86 586	101 761	101 761	103 751	108 929	114 581
Vote 05 - Summary Social Services & Development Planning	48 105	51 282	50 486	75 394	76 876	76 876	87 668	90 270	95 304
Vote 06 - Summary Infrastructure Services	97 107	125 480	122 016	128 353	119 275	119 275	123 798	145 156	158 983
Vote 07 - Summary Water Services	243 677	272 284	236 914	260 408	265 200	265 200	237 693	250 786	264 473
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	575 710	640 717	634 430	684 154	706 578	706 578	706 258	756 582	803 478
Surplus/(Deficit) for the year	243 837	219 708	213 210	243 167	244 872	244 872	251 663	245 124	270 669

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote									
Vote 06 - Summary Infrastructure Services	305 438	318 640	308 606	354 861	371 574	371 574	343 279	349 729	387 042
Vote 07 - Summary Water Services	87 377	132 868	89 467	83 613	77 462	77 462	82 933	93 294	97 865
Total Revenue by Vote	392 815	451 509	398 073	438 474	449 036	449 036	426 212	443 023	484 907
Expenditure by Vote to be appropriated									
Vote 06 - Summary Infrastructure Services	97 107	125 480	122 016	128 353	119 275	119 275	123 798	145 156	158 983
Vote 07 - Summary Water Services	243 677	272 284	236 914	260 408	265 200	265 200	237 693	250 786	264 473
Total Expenditure by Vote	340 784	397 765	358 930	388 762	384 475	384 475	361 490	395 942	423 455
Surplus/(Deficit) for the year	52 030	53 744	39 143	49 712	64 561	64 561	64 722	47 081	61 452

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	54 003	49 353	64 525	61 123	53 721	53 721	34 884	56 944	65 272	68 471
Service charges - Waste Water Management	13 762	12 207	13 149	15 069	13 445	13 445	9 010	14 252	15 107	15 847
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	517	417	741	876	585	585	169	683	693	727
Agency services										
Interest										
Interest earned from Receivables	10 100	11 221	14 117	11 960	15 713	15 713	11 579	16 655	17 654	18 519
Interest earned from Current and Non Current Assets	3 011	5 104	10 858	5 713	19 570	19 570	16 187	17 435	16 552	17 378
Dividends										
Rent on Land										
Rental from Fixed Assets										
Licences and permits										
Operational Revenue	261	402	810	388	388	388	287	404	420	441
Non-Exchange Revenue										
Property rates	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes										
Fines, penalties and forfeits	-	2 453	-	-	-	-	-	-	-	-
Licences or permits										
Transfer and subsidies - Operational	430 342	453 939	452 460	493 840	479 090	479 090	357 191	532 623	571 788	609 441
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Gains	-	688	3 755	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)	511 997	535 784	560 414	588 970	582 513	582 513	429 308	638 975	687 485	730 823
Expenditure										
Employee related costs	217 969	238 376	245 707	256 783	256 783	256 783	164 603	273 170	289 581	306 848
Remuneration of councillors	7 813	7 239	6 988	8 119	8 119	8 119	4 701	8 606	9 122	9 670
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	28 432	35 344	35 344	-	36 543	38 224	40 097
Debt impairment	30 921	7 533	(1 202)	28 300	28 300	28 300	-	(4 908)	(4 658)	(4 886)
Depreciation and amortisation	79 359	81 505	93 063	97 007	97 007	97 007	63 199	101 865	106 866	112 102
Interest	995	307	113	100	104	104	2	142	150	158
Contracted services	129 575	172 985	134 263	140 220	150 085	150 085	82 127	148 034	169 715	184 435
Transfers and subsidies	17 000	15 100	15 290	2 500	2 500	2 500	-	4 718	4 737	4 969
Irrecoverable debts written off	812	7 614	34 790	30 418	30 418	30 418	-	31 908	33 472	35 112
Operational costs	56 900	63 458	69 121	92 277	98 016	98 016	65 400	106 180	109 393	114 973
Losses on disposal of Assets	6 496	1 940	2 875	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	547 842	596 056	601 009	684 155	706 676	706 676	380 032	706 258	756 582	803 478
Surplus/(Deficit)	(35 845)	(60 272)	(40 595)	(95 186)	(124 164)	(124 164)	49 276	(67 283)	(69 097)	(72 655)
Transfers and subsidies - capital (monetary allocations)	302 857	311 860	283 338	321 352	351 938	351 938	233 507	318 947	314 221	343 324
Transfers and subsidies - capital (in-kind)	4 693	12 781	3 888	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	271 706	264 369	246 631	226 166	227 774	227 774	282 783	251 663	245 124	270 669
Income Tax										
Surplus/(Deficit) after income tax	271 706	264 369	246 631	226 166	227 774	227 774	282 783	251 663	245 124	270 669
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality	271 706	264 369	246 631	226 166	227 774	227 774	282 783	251 663	245 124	270 669
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions	-	-	-	17 000	17 000	17 000	-	-	-	-
Surplus/(Deficit) for the year	271 706	264 369	246 631	243 166	244 774	244 774	282 783	251 663	245 124	270 669

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

Total operating revenue is R638, 9million in 2024/25 and escalates to R687, 4million by 2025/26. This represents an increase of 10 per cent for the 2024/25 financial year and an increase of 8 per cent for the 2025/26 and 6 % in 2026/27 financial year.

The revenue on the system generated A Schedule is R957, 9million which is R20million higher than the actual Draft budget. The R20 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.

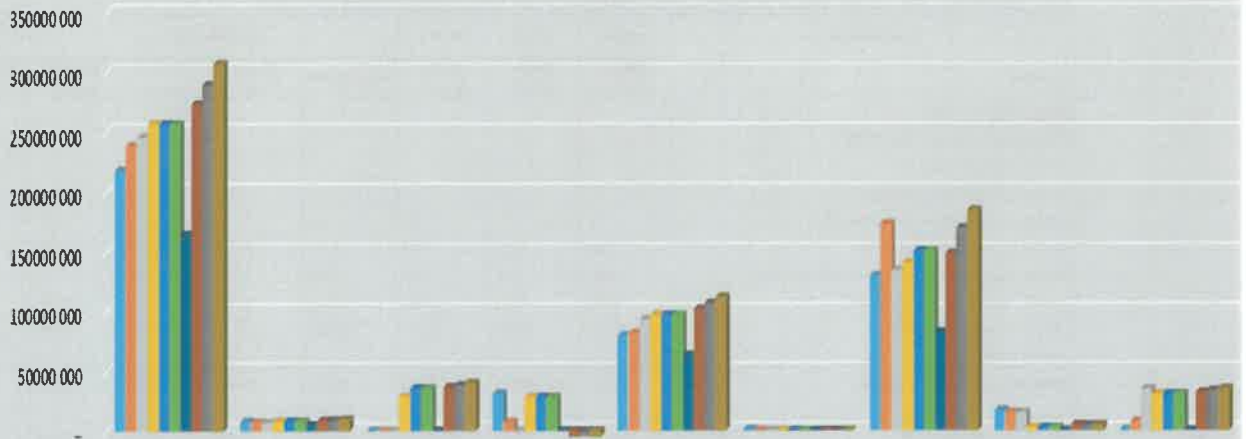
Services charges relating to water and sanitation constitutes the biggest component of the own revenue basket of the district totaling R71, 1million for the 2024/25 financial year and increasing to R80, 3million by 2025/26. For the 2024/25 financial year services charges amount to 7% of the total revenue and 10 per cent 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 33, 5m or 11% in 2024/2025 and by 7 per cent in 2025/2026 and 7 per cent in the 2026/2027 financial year. There is a R 20m operating transfers and grants transferred to Development agency that appears under district municipality which overstate grants by R20m.

The following graph illustrates the major expenditure items per type.

Figure 2 Expenditure by major type

EXPENDITURE BY TYPE



(50000 000)

	Employee related costs	Remuneration of councillors	Inventory consumed	Debt impairment	Depreciation and amortisation	Interest	Contracted services	Transfers and subsidies	Irrecoverable debts written off
2020/21	217969 203	7812 670	-	30921 423	79358 826	995 437	129575 463	17000 000	812 464
2021/22	238375 670	7238 604	-	7533 316	81504 774	306 520	172985 077	15100 000	7613 554
2022/23	245707 455	6987 876	-	(1201 543)	93063 085	112 875	134262 759	15290 000	34789 639
Original Budget	256782 713	8118 813	28432 379	28300 000	97007 006	100 000	140219 705	2500 000	30417 956
Adjusted Budget	256782 714	8118 813	35344 403	28300 000	97007 006	104 306	150085 213	2500 000	30417 956
Full Year Forecast	256782 714	8118 813	35344 403	28300 000	97007 006	104 306	150085 213	2500 000	30417 956
Pre-audit outcome	164602 786	4701 064	-	-	63198 841	2 153	82126 878	-	-
Budget Year 2024/25	273170 322	8605 929	36542 626	(4908 156)	101864 656	142 163	148033 662	4718 000	31908 435
Budget Year +1 2025/26	289560 542	9122 282	38224 329	(4658 184)	106865 430	150 483	169715 407	4737 080	33471 949
Budget Year +2 2026/27	306847 829	9669 616	40097 320	(4886 434)	112101 833	157 856	184435 066	4969 196	35112 074

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
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	-	-	275	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	7 226	8 310	7 727	9 641	13 705	13 705	2 854	8 980	6 255	6 568
Vote 05 - Summary Social Services & Development Planning	7 355	47	408	2 267	2 267	2 267	-	1 515	970	1 017
Vote 06 - Summary Infrastructure Services	46 050	30 970	47 306	55 292	74 681	74 681	55 367	118 632	112 635	100 000
Vote 07 - Summary Water Services	235 826	251 678	213 402	238 941	226 215	226 215	157 125	178 560	177 925	216 733
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	296 457	290 905	269 118	306 141	316 868	316 868	215 346	307 686	297 785	324 318
Total Capital Expenditure - Vote	296 457	290 905	269 118	306 141	316 868	316 868	215 346	307 686	297 785	324 318
Capital Expenditure - Functional										
Governance and administration	7 226	8 310	8 002	10 308	14 372	14 372	2 854	9 826	7 152	7 508
Executive and council										
Finance and administration	7 226	8 310	8 002	10 308	14 372	14 372	2 854	9 826	7 152	7 508
Internal audit										
Community and public safety	7 355	47	270	1 600	1 600	1 600	-	600	-	-
Community and social services	7 355	47	270	1 600	1 600	1 600	-	600	-	-
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services	18 541	21 376	41 851	27 618	60 240	60 240	47 149	116 964	110 886	98 165
Planning and development	18 541	21 376	41 851	27 618	60 240	60 240	47 149	116 964	110 886	98 165
Road transport										
Environmental protection										
Trading services	263 335	261 172	218 995	266 615	240 656	240 656	165 344	180 297	179 747	218 644
Energy sources										
Water management	248 698	223 223	174 461	198 174	186 078	186 078	124 720	169 993	156 067	161 531
Waste water management	14 637	37 950	44 534	68 441	54 578	54 578	40 623	10 304	23 680	57 113
Waste management										
Other										
Total Capital Expenditure - Functional	296 457	290 905	269 118	306 141	316 868	316 868	215 346	307 686	297 785	324 318
Funded by:										
National Government	249 269	232 612	247 421	277 584	287 510	287 510	209 746	276 629	273 235	298 542
Provincial Government	18 739	41 236	3 888	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	69	73	77
Transfers recognised - capital	268 028	273 848	251 309	277 584	287 510	287 510	209 746	276 698	273 308	298 619
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	20 430	17 056	17 809	28 557	29 358	29 358	5 600	30 988	24 476	25 699
Total Capital Funding	296 457	290 905	269 118	306 141	316 868	316 868	215 346	307 686	297 785	324 318

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 2024/25 R307, 6million (Excl VAT) has been allocated of the total R307, 6million infrastructural budget, which totals 100 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 2024/25 capital transfers totals R276, 6million and R273, 3million by 2025/26 and then in 2026/27 increase to R298, 6million. 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents	51 862	50 226	124 641	84 290	144 133	144 133	259 509	166 644	183 801	203 562
Trade and other receivables from exchange transactions	26 856	27 668	32 136	28 499	30 274	30 274	45 523	29 605	28 970	28 303
Receivables from non-exchange transactions	2 336	2 336	2 318	2 336	2 311	2 311	2 313	2 304	2 297	2 289
Current portion of non-current receivables	-	-	-	-	-	-	-	-	-	-
Inventory	408	513	716	716	716	716	716	716	716	716
VAT	22 538	32 158	34 596	32 160	34 688	34 688	24 654	36 188	35 788	36 288
Other current assets	166	62	(5)	62	(5)	(5)	(158)	2	2	2
Total current assets	104 165	112 963	194 402	148 063	212 118	212 118	332 556	235 459	251 574	271 160
Non current assets										
Investments										
Investment property	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	2 551 394	2 759 364	2 926 773	2 954 832	3 146 517	3 146 517	3 079 055	3 352 171	3 554 609	3 780 467
Biological assets										
Living and non-living resources										
Heritage assets										
Intangible assets	578	384	515	972	1 103	1 103	381	1 522	1 961	2 422
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	2 551 972	2 759 748	2 927 288	2 955 803	3 147 620	3 147 620	3 079 436	3 353 694	3 556 570	3 782 889
TOTAL ASSETS	2 656 137	2 872 711	3 121 690	3 103 866	3 359 738	3 359 738	3 411 992	3 589 152	3 808 144	4 054 049
LIABILITIES										
Current liabilities										
Bank overdraft										
Financial liabilities	-	12 794	12 806	10 394	10 406	10 406	12 806	8 005	5 606	3 206
Consumer deposits	2 034	2 175	2 415	2 324	2 952	2 952	2 991	3 522	4 126	4 765
Trade and other payables from exchange transactions	78 030	77 578	91 868	75 527	97 619	97 619	68 796	96 542	92 424	87 376
Trade and other payables from non-exchange transactions	(0)	(0)	21 177	1 483	1 483	1 483	68 899	1 483	1 483	1 483
Provision	15 088	15 194	16 171	15 194	16 171	16 171	16 171	17 142	18 170	19 260
VAT	5 933	6 600	7 535	6 600	7 535	7 535	13 284	7 402	7 402	7 402
Other current liabilities										
Total current liabilities	101 084	114 341	151 972	111 522	136 167	136 167	182 948	134 097	129 211	123 493
Non current liabilities										
Financial liabilities	4 904	1 299	(0)	-	-	-	(0)	-	-	-
Provision	24 548	27 246	27 735	28 869	27 735	27 735	27 735	29 399	31 163	33 033
Long term portion of trade payables	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities										
Total non current liabilities	29 452	28 545	27 735	28 869	27 735	27 735	27 735	29 399	31 163	33 033
TOTAL LIABILITIES	130 536	142 886	179 707	140 391	163 902	163 902	210 683	163 496	160 374	156 526
NET ASSETS	2 525 601	2 729 825	2 941 983	2 963 475	3 195 836	3 195 836	3 201 309	3 425 656	3 647 770	3 897 523
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	2 525 601	2 729 825	2 941 983	2 963 475	3 195 836	3 195 836	3 201 309	3 425 656	3 647 770	3 897 523
Reserves and funds	-	-	-	-	-	-	-	-	-	-
Other										
TOTAL COMMUNITY WEALTH/EQUITY	2 525 601	2 729 825	2 941 983	2 963 475	3 195 836	3 195 836	3 201 309	3 425 656	3 647 770	3 897 523

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	-	-	18	-	-	-	5	7	7	-
Service charges	130 189	70 345	51 062	61 100	61 100	61 100	39 461	62 194	70 708	73 961
Other revenue	231 405	608 032	1 823 061	53 987	53 987	53 987	1 353 754	68 317	65 509	68 522
Transfers and Subsidies - Operational	3 896	8 071	128 367	493 840	493 840	493 840	356 421	512 493	551 650	577 026
Transfers and Subsidies - Capital	215 028	369 601	316 011	321 352	321 352	321 352	282 000	318 947	314 221	328 675
Interest	3 011	4 547	10 858	5 713	21 920	21 920	16 187	20 402	19 519	20 417
Dividends								-	-	-
Payments										
Suppliers and employees	(682 369)	(885 094)	(826 768)	(611 117)	(627 704)	(627 704)	(621 612)	(642 296)	(718 751)	(660 992)
Interest	-	-	-	(100)	-	-	-	(142)	(150)	(158)
Transfers and Subsidies	(352)	(135)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 192)	175 367	1 502 609	324 776	324 495	324 495	1 426 216	339 922	302 713	407 450
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)	(269 118)	(306 141)	(316 868)	(316 868)	(214 822)	(307 686)	(297 785)	(324 318)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(251 425)	(290 905)	(269 118)	(306 141)	(316 868)	(316 868)	(214 822)	(307 686)	(297 785)	(324 318)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing								-	-	-
Increase (decrease) in consumer deposits	-	-	-	149	149	149	526	569	604	631
Payments										
Repayment of borrowing	-	(400)	-	(2 400)	(2 400)	(2 400)	-	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(400)	-	(2 251)	(2 251)	(2 251)	526	(1 831)	(1 796)	(1 769)
NET INCREASE/ (DECREASE) IN CASH HELD	(350 618)	(115 938)	1 233 491	16 384	5 375	5 375	1 211 920	30 405	3 132	81 364
Cash/cash equivalents at the year begin:	40 671	51 862	50 226	67 907	139 006	139 006	-	136 239	166 644	169 776
Cash/cash equivalents at the year end:	(309 947)	(64 076)	1 283 718	84 290	144 381	144 381	1 211 920	166 644	169 776	251 140

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 2023/24 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 2024/25 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. Cash and cash equivalents totals R166, 6million as at the end of the 2024/25 financial year and escalates to R183, 8million by 2025/26 and R203, 5m at the end of 2026/2027 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash and investments available										
Cash/cash equivalents at the year end	(309 947)	(64 076)	1 283 718	84 290	144 381	144 381	1 211 920	166 644	169 776	167 376
Other current investments > 90 days	361 809	114 302	(1 159 077)	-	(248)	(248)	(962 411)	-	14 025	36 186
Non-current investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	51 862	50 226	124 641	84 290	144 133	144 133	259 509	166 644	183 801	203 562
Application of cash and investments										
Unspent conditional transfers	(0)	(0)	21 177	1 483	1 483	1 483	68 899	1 483	1 483	1 483
Unspent borrowing										
Statutory requirements	(16 605)	(25 557)	(27 061)	(25 560)	(27 153)	(27 153)	(11 369)	(28 787)	(28 387)	(28 887)
Other working capital requirements	(73 086)	(179 724)	(683 560)	30 832	44 107	44 107	(1 386 721)	28 909	36 159	91 536
Other provisions	15 088	15 194	16 171	15 194	16 171	16 171	16 171	17 142	18 170	19 260
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	(74 603)	(190 088)	(673 273)	21 949	34 608	34 608	(1 313 020)	18 748	27 425	83 394
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	126 466	240 314	797 914	62 341	109 525	109 525	1 572 529	147 896	156 376	120 168
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	126 466	240 314	797 914	62 341	109 525	109 525	1 572 529	147 896	156 376	120 168

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 R147, 8million then R 156, 3million in 2025/26 then a surplus of R120, 1million and in 2026/27. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2024/25 Draft Budget MTREF is funded.

As part of the budgeting and planning guidelines that informed the compilation of the 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	267 136	246 557	257 265	276 603	300 268	300 268	284 911	280 310	320 250
<i>Roads Infrastructure</i>	-	1 242	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	237 781	196 052	203 327	191 477	228 755	228 755	260 019	246 189	252 155
<i>Sanitation Infrastructure</i>	7 958	37 950	44 534	70 568	55 778	55 778	12 304	25 772	59 310
<i>Infrastructure</i>	245 738	235 244	247 862	262 045	284 533	284 533	272 323	271 941	311 464
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Investment properties</i>	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>	1 610	1 138	-	-	-	-	-	-	-
<i>Housing</i>	-	-	-	-	-	-	-	-	-
<i>Other Assets</i>	1 610	1 138	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>	-	-	270	804	804	804	845	888	932
<i>Intangible Assets</i>	-	-	270	804	804	804	845	888	932
<i>Computer Equipment</i>	1 566	1 412	410	742	1 060	1 060	1 657	1 735	1 822
<i>Furniture and Office Equipment</i>	1 768	1 387	1 293	2 602	3 461	3 461	4 505	4 712	4 947
<i>Machinery and Equipment</i>	9 099	7 376	7 430	8 810	8 810	8 810	4 982	1 034	1 085
<i>Transport Assets</i>	7 355	-	-	1 600	1 600	1 600	600	-	-
<i>Land</i>	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	15 142	42 411	6 259	20 336	7 159	7 159	21 907	16 565	3 113
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	982	9 560	-	14 802	-	-	870	912	957
<i>Sanitation Infrastructure</i>	7 128	28 455	-	-	-	-	16 075	13 599	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Infrastructure</i>	8 110	38 015	-	14 802	-	-	16 945	14 512	957
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Intangible Assets</i>	-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>	-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>	-	-	-	-	-	-	-	-	-
<i>Machinery and Equipment</i>	-	-	-	135	135	135	80	84	88
<i>Transport Assets</i>	7 032	4 396	6 259	5 400	7 025	7 025	4 863	1 969	2 068
<i>Land</i>	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	14 179	1 936	5 594	9 202	9 441	9 441	868	910	955
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	8 814	1 936	5 594	8 129	9 441	9 441	868	910	955
<i>Sanitation Infrastructure</i>	5 365	-	-	1 073	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Infrastructure</i>	14 179	1 936	5 594	9 202	9 441	9 441	868	910	955
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	296 457	290 905	269 118	306 141	316 868	316 868	307 686	297 785	324 318
<i>Roads Infrastructure</i>	-	1 242	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	247 576	207 548	208 921	214 407	238 196	238 196	261 756	247 991	254 066
<i>Sanitation Infrastructure</i>	20 452	66 405	44 534	71 641	55 778	55 778	28 379	39 372	59 310
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Infrastructure</i>	268 028	275 195	253 455	286 048	293 974	293 974	290 135	287 363	313 376
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Investment properties</i>	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>	1 610	1 138	-	-	-	-	-	-	-
<i>Housing</i>	-	-	-	-	-	-	-	-	-
<i>Other Assets</i>	1 610	1 138	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>	-	-	270	804	804	804	845	888	932
<i>Intangible Assets</i>	-	-	270	804	804	804	845	888	932
<i>Computer Equipment</i>	1 566	1 412	410	742	1 060	1 060	1 657	1 735	1 822
<i>Furniture and Office Equipment</i>	1 768	1 387	1 293	2 602	3 461	3 461	4 505	4 712	4 947
<i>Machinery and Equipment</i>	9 099	7 376	7 430	8 945	8 945	8 945	5 062	1 117	1 173
<i>Transport Assets</i>	14 387	4 396	6 259	7 000	8 625	8 625	5 483	1 969	2 068
TOTAL CAPITAL EXPENDITURE - Asset class	296 457	290 905	269 118	306 141	316 868	316 868	307 686	297 785	324 318

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
ASSET REGISTER SUMMARY - PPE (WDV)	1 820 137	1 949 818	2 209 283	2 145 873	2 429 615	2 429 615	2 635 688	2 838 565	3 064 884
<i>Roads Infrastructure</i>	197	193	188	188	188	188	184	179	174
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>	10 480	9 250	7 586	7 600	5 936	5 936	4 213	2 406	1 976
<i>Water Supply Infrastructure</i>	1 588 157	1 672 212	1 946 095	1 814 995	2 112 667	2 112 667	2 299 155	2 456 552	2 612 320
<i>Sanitation Infrastructure</i>	149 945	197 959	190 739	262 365	239 283	239 283	260 608	304 219	371 239
<i>Solid Waste Infrastructure</i>									
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>	136	101	296	63	259	259	222	182	141
Infrastructure	1 748 914	1 879 714	2 144 905	2 085 212	2 358 333	2 358 333	2 564 382	2 763 539	2 985 852
Community Assets	2 617	2 998	1 759	2 834	1 595	1 595	1 428	1 253	1 163
Heritage Assets									
Investment properties	-	-	-	-	-	-	-	-	-
Other Assets	37 594	37 577	36 372	36 090	34 884	34 884	33 184	31 396	29 520
Biological or Cultivated Assets									
Intangible Assets	578	384	515	972	1 103	1 103	1 522	1 961	2 422
Computer Equipment	5 025	6 322	4 392	(413)	2 722	2 722	1 642	414	(873)
Furniture and Office Equipment	2 636	1 603	1 739	4 330	5 324	5 324	9 529	13 930	18 555
Machinery and Equipment	2 220	2 238	1 772	10 529	10 063	10 063	14 270	14 373	14 477
Transport Assets	20 554	18 981	17 831	6 318	15 590	15 590	9 730	11 700	13 767
Land									
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 820 137	1 949 818	2 209 283	2 145 873	2 429 615	2 429 615	2 635 688	2 838 565	3 064 884
EXPENDITURE OTHER ITEMS	114 605	126 793	145 531	148 998	145 696	145 696	151 140	158 411	166 173
Depreciation	79 359	81 505	93 063	97 007	97 007	97 007	101 865	106 865	112 102
Repairs and Maintenance by Asset Class	35 246	45 289	52 468	51 991	48 689	48 689	49 276	51 545	54 071
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	32 973	28 248	45 120	46 093	43 410	43 410	42 567	44 525	46 707
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	32 973	28 248	45 120	46 093	43 410	43 410	42 567	44 525	46 707
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	86	78	63	73	73	73	77	80	84
Community Assets	86	78	63	73	73	73	77	80	84
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 267	1 548	4 008	5 459	5 046	5 046	6 212	6 501	6 819
Housing	-	-	-	-	-	-	-	-	-
Other Assets	1 267	1 548	4 008	5 459	5 046	5 046	6 212	6 501	6 819
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	497	9	17	125	50	50	70	73	77
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	319	15 329	3 055	-	-	-	-	-	-
Transport Assets	83	78	204	241	109	109	350	366	384
Land	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	114 605	126 793	145 531	148 998	145 696	145 696	151 140	158 411	166 173
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	9,9%	15,2%	4,4%	9,6%	5,2%	5,2%	7,4%	5,9%	1,3%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	36,9%	54,4%	12,7%	30,4%	17,1%	17,1%	22,4%	16,4%	3,6%
<i>R&M as a % of PPE & Investment Property</i>	1,9%	2,3%	2,4%	2,4%	2,0%	2,0%	1,9%	1,8%	1,8%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	3,5%	4,6%	2,9%	3,8%	2,7%	2,7%	2,7%	2,4%	1,9%

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.

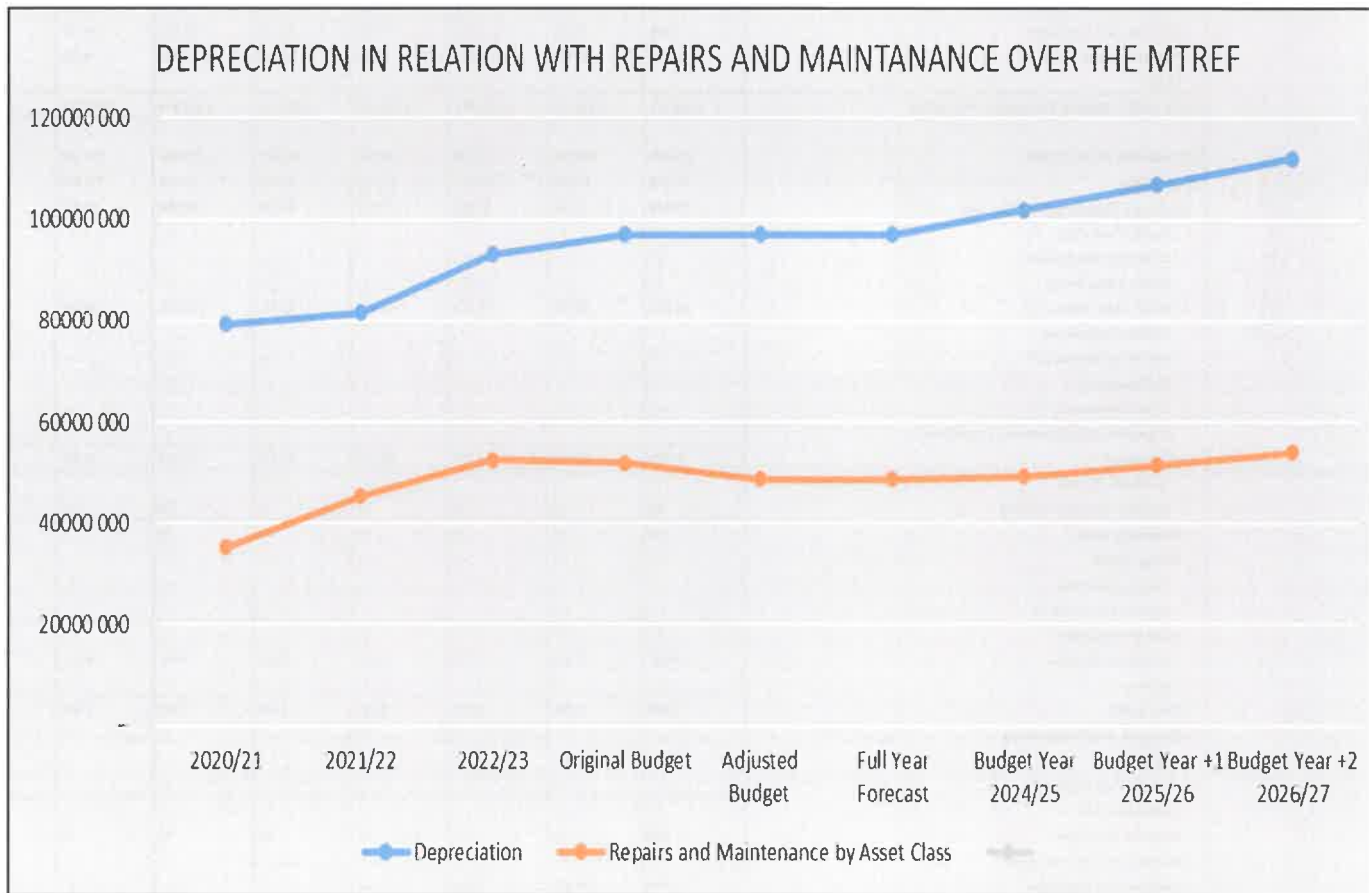


Table 24 MBRR Table A10 - Basic Service Delivery Measurement

DC43 Hary Gwala - Table A10 Consolidated basic service delivery measurement

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets									
Water:									
Piped water inside dwelling	51 803	52 292	54 854	59 311	59 311	59 311	63 166	67 272	70 367
Piped water inside yard (but not in dwelling)	21 178	21 261	22 303	24 115	24 115	24 115	25 682	27 352	28 610
Using public tap (at least min.service level)	31 978	37 292	39 119	42 298	42 298	42 298	45 047	47 975	50 182
Other water supply (at least min.service level)	32 112	30 936	32 452	35 089	35 089	35 089	37 369	39 798	41 629
<i>Minimum Service Level and Above sub-total</i>	137 071	141 781	148 728	160 812	160 812	160 812	171 264	182 397	190 787
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	32 112	30 936	32 452	35 088	35 088	35 088	37 369	39 798	41 629
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	32 112	30 936	32 452	35 088	35 088	35 088	37 369	39 798	41 629
Total number of households	169 183	172 717	181 180	195 900	195 900	195 900	208 633	222 195	232 416
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	75 205	81 649	85 650	92 608	92 608	92 608	98 628	105 039	109 871
Flush toilet (with septic tank)	13 112	13 164	13 809	14 931	14 931	14 931	15 901	16 935	17 714
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	48 755	46 969	49 270	53 273	53 273	53 273	56 736	60 424	63 204
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	137 072	141 782	148 729	160 813	160 813	160 813	171 265	182 398	190 788
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	137 072	141 782	148 729	160 813	160 813	160 813	171 265	182 398	190 788
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	303	642	1 775	(683)	(683)	(683)	(724)	(683)	(717)
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)	-	-	-	7	7	7	-	-	-
Total cost of FBS provided	303	642	1 775	(676)	(676)	(676)	(724)	(683)	(717)

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 2024/25, 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

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 R thousand	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional									
Governance and administration	422 901	397 365	449 558	471 282	484 808	484 808	510 213	537 182	566 449
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	422 901	397 365	449 558	471 282	484 808	484 808	510 213	537 182	566 449
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	-	33	32	16	16	16	17	17	18
Community and social services	-	33	32	16	16	16	17	17	18
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	8 568	24 384	3 888	-	-	-	-	-	-
Planning and development	8 568	24 384	3 888	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	388 078	438 642	394 162	438 386	448 988	448 988	426 161	442 969	484 851
Energy sources	-	-	-	-	-	-	-	-	-
Water management	358 853	392 285	381 035	423 735	434 477	434 477	409 956	426 664	467 747
Waste water management	29 226	46 357	13 126	14 651	14 511	14 511	16 205	16 305	17 104
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	819 547	860 424	847 640	909 684	933 813	933 813	936 391	980 168	1 051 318
Expenditure - Functional									
Governance and administration	233 276	236 425	284 782	279 353	300 537	300 537	313 738	329 918	347 436
Executive and council	27 920	37 102	29 054	32 960	35 339	35 339	37 177	39 133	41 256
Finance and administration	195 853	189 223	244 498	236 499	255 506	255 506	266 063	279 668	294 406
Internal audit	9 503	10 100	11 230	9 894	9 692	9 692	10 497	11 116	11 774
Community and public safety	17 672	19 479	17 993	20 592	20 082	20 082	23 182	24 291	25 688
Community and social services	17 672	19 479	17 993	20 592	20 082	20 082	23 182	24 291	25 688
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	123 312	148 516	152 099	164 782	157 695	157 695	168 449	190 374	206 817
Planning and development	123 312	148 516	152 099	164 782	157 695	157 695	168 449	190 374	206 817
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	201 451	236 297	179 556	201 412	210 248	210 248	181 433	191 640	202 181
Energy sources	-	-	-	-	-	-	-	-	-
Water management	200 589	216 091	177 046	200 518	209 364	209 364	180 497	190 648	201 129
Waste water management	862	20 206	2 509	893	884	884	937	993	1 052
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	575 710	640 717	634 430	666 138	688 562	688 562	686 803	736 224	782 122
Surplus/(Deficit) for the year	243 837	219 708	213 210	243 546	245 251	245 251	249 589	243 944	269 196

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 R thousand	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year + 2026/27
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	422 192	396 921	449 162	470 822	484 388	484 388	509 775	536 725	565 97
Vote 04 - Summary Corporate Services	665	359	372	372	372	372	387	403	42
Vote 05 - Summary Social Services & Development Planning	3 875	11 636	32	16	16	16	17	17	1
Vote 06 - Summary Infrastructure Services	305 438	318 640	308 606	354 861	371 574	371 574	343 279	349 729	387 04
Vote 07 - Summary Water Services	87 377	132 868	89 467	83 613	77 462	77 462	82 933	93 294	97 86
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	819 547	860 424	847 640	909 684	933 813	933 813	936 391	980 168	1 051 31
Expenditure by Vote to be appropriated									
Vote 01 - Summary Council	14 956	20 155	18 112	19 937	20 098	20 098	21 292	22 415	23 63
Vote 02 - Summary Municipal Manager	22 466	27 048	22 172	22 917	24 933	24 933	26 383	27 834	29 39
Vote 03 - Summary Budget And Treasury Office	59 812	64 433	94 176	90 559	98 436	98 436	105 674	111 193	117 10
Vote 04 - Summary Corporate Services	89 586	80 035	90 554	86 586	101 761	101 761	103 751	108 929	114 58
Vote 05 - Summary Social Services & Development Planning	48 105	51 282	50 486	57 377	58 860	58 860	68 213	69 911	73 94
Vote 06 - Summary Infrastructure Services	97 107	125 480	122 016	128 353	119 275	119 275	123 798	145 156	158 98
Vote 07 - Summary Water Services	243 677	272 284	236 914	260 408	265 200	265 200	237 693	250 786	264 47
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	575 710	640 717	634 430	666 138	688 562	688 562	686 803	736 224	782 12
Surplus/(Deficit) for the year	243 837	219 708	213 210	243 546	245 251	245 251	249 589	243 944	269 19

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

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

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	54 003	49 353	64 525	61 123	53 721	53 721	34 884	56 944	65 272	68 471
Service charges - Waste Water Management	13 762	12 207	13 149	15 069	13 445	13 445	9 010	14 252	15 107	15 847
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	517	417	741	856	565	565	169	663	693	727
Agency services										
Interest										
Interest earned from Receivables	10 100	11 221	14 117	11 960	15 713	15 713	11 579	16 655	17 654	18 519
Interest earned from Current and Non Current Assets	3 011	5 104	10 858	5 095	18 952	18 952	16 187	16 035	15 152	15 894
Dividends										
Rent on Land										
Rental from Fixed Assets										
Licence and permits										
Operational Revenue	261	402	810	388	388	388	267	404	420	441
Non-Exchange Revenue										
Property rates	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes										
Fines, penalties and forfeits	-	2 453	-	-	-	-	-	-	-	-
Licences or permits										
Transfer and subsidies - Operational	430 342	453 939	452 460	493 840	479 090	479 090	357 191	512 493	551 650	588 096
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Gains	-	688	3 755	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)	511 997	535 784	560 414	588 332	581 875	581 875	429 308	617 445	665 948	707 994
Expenditure										
Employee related costs	217 969	238 376	245 707	250 266	250 266	250 266	164 603	265 764	281 710	298 613
Remuneration of councillors	7 813	7 239	6 988	8 119	8 119	8 119	4 701	8 606	9 122	9 670
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	28 432	35 344	35 344	-	36 543	38 224	40 097
Debt impairment	30 921	7 533	(1 202)	28 300	28 300	28 300	-	(4 908)	(4 658)	(4 888)
Depreciation and amortisation	79 359	81 505	93 053	96 292	96 292	96 292	63 199	101 010	105 959	111 151
Interest	995	307	113	10	14	14	2	15	16	16
Contracted services	129 575	172 985	134 263	134 685	144 551	144 551	82 127	145 013	166 514	181 077
Transfers and subsidies	17 000	15 100	15 290	-	-	-	-	-	-	-
Irrecoverable debts written off	812	7 614	34 790	30 418	30 418	30 418	-	31 908	33 472	35 112
Operational costs	56 900	63 458	69 121	89 717	95 456	95 456	65 400	102 904	105 921	111 331
Losses on disposal of Assets	6 496	1 940	2 875	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	547 842	596 056	601 009	666 239	688 760	688 760	380 032	686 856	736 280	782 180
Surplus/(Deficit)	(35 845)	(60 272)	(40 595)	(77 907)	(106 886)	(106 886)	49 276	(69 411)	(70 332)	(74 186)
Transfers and subsidies - capital (monetary allocations)	302 857	311 860	283 338	321 352	351 938	351 938	233 507	318 947	314 221	343 324
Transfers and subsidies - capital (in-kind)	4 693	12 781	3 888	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	271 706	264 369	246 631	243 445	245 053	245 053	282 783	249 536	243 888	269 137
Income Tax										
Surplus/(Deficit) after Income tax	271 706	264 369	246 631	243 445	245 053	245 053	282 783	249 536	243 888	269 137
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality	271 706	264 369	246 631	243 445	245 053	245 053	282 783	249 536	243 888	269 137
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	271 706	264 369	246 631	243 445	245 053	245 053	282 783	249 536	243 888	269 137

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 R thousand	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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	-	-	275	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	7 226	8 310	7 727	9 641	13 705	13 705	2 854	8 980	6 255	6 568
Vote 05 - Summary Social Services & Development Planning	7 355	47	408	1 600	1 600	1 600	-	600	-	-
Vote 06 - Summary Infrastructure Services	46 060	30 970	47 306	55 292	74 681	74 681	55 367	118 632	112 635	100 000
Vote 07 - Summary Water Services	235 826	251 578	213 402	238 941	226 215	226 215	157 125	178 560	177 925	216 733
Capital multi-year expenditure sub-total	296 457	290 905	269 118	305 474	316 201	316 201	215 346	306 772	296 815	323 301
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote	296 457	290 905	269 118	305 474	316 201	316 201	215 346	306 772	296 815	323 301
Capital Expenditure - Functional										
Governance and administration	7 226	8 310	8 002	9 641	13 705	13 705	2 854	8 980	6 255	6 568
Executive and council										
Finance and administration	7 226	8 310	8 002	9 641	13 705	13 705	2 854	8 980	6 255	6 568
Internal audit										
Community and public safety	7 355	47	270	1 600	1 600	1 600	-	600	-	-
Community and social services	7 355	47	270	1 600	1 600	1 600	-	600	-	-
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services	18 541	21 376	41 851	27 618	60 240	60 240	47 149	116 895	110 813	98 088
Planning and development	18 541	21 376	41 851	27 618	60 240	60 240	47 149	116 895	110 813	98 088
Road transport										
Environmental protection										
Trading services	263 335	261 172	218 995	266 615	240 656	240 656	165 344	180 297	179 747	218 644
Energy sources										
Water management	248 698	223 223	174 461	198 174	186 078	186 078	124 720	169 993	156 067	161 531
Waste water management	14 637	37 950	44 534	68 441	54 578	54 578	40 623	10 304	23 680	57 113
Waste management										
Other										
Total Capital Expenditure - Functional	296 457	290 905	269 118	305 474	316 201	316 201	215 346	306 772	296 815	323 301
Funded by:										
National Government	249 289	232 612	247 421	277 584	287 510	287 510	209 746	276 629	273 235	298 542
Provincial Government	18 739	41 236	3 888	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	268 028	273 848	251 309	277 584	287 510	287 510	209 746	276 629	273 235	298 542
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	28 430	17 056	17 809	27 890	28 691	28 691	5 600	30 143	23 580	24 758
Total Capital Funding	296 457	290 905	269 118	305 474	316 201	316 201	215 346	306 772	296 815	323 301

MBRR Table A6 - Budgeted Financial Position

DC43 Harry Gwala - Table A6 Budgeted Financial Position

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents	51 862	50 226	124 641	69 925	129 768	129 768	259 509	152 279	169 436	188 578
Trade and other receivables from exchange transactions	26 856	27 668	32 136	28 499	30 274	30 274	45 523	29 605	28 970	28 303
Receivables from non-exchange transactions	2 336	2 336	2 318	2 336	2 311	2 311	2 313	2 304	2 297	2 289
Current portion of non-current receivables	-	-	-	-	-	-	-	-	-	-
Inventory	408	513	716	716	716	716	716	716	716	716
VAT	22 538	32 158	34 596	32 160	34 688	34 688	24 654	36 188	35 788	36 288
Other current assets	166	62	(5)	62	(5)	(5)	(158)	2	2	2
Total current assets	104 165	112 963	194 402	133 697	197 752	197 752	332 556	221 093	237 208	256 177
Non current assets										
Investments										
Investment property	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	2 551 394	2 759 364	2 926 773	2 953 654	3 145 339	3 145 339	3 079 055	3 350 763	3 553 164	3 778 989
Biological assets										
Living and non-living resources										
Heritage assets										
Intangible assets	578	384	515	690	821	821	381	1 223	1 644	2 080
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	2 551 972	2 759 748	2 927 288	2 954 344	3 146 160	3 146 160	3 079 436	3 351 986	3 554 808	3 781 079
TOTAL ASSETS	2 656 137	2 872 711	3 121 690	3 088 041	3 343 913	3 343 913	3 411 992	3 573 079	3 792 016	4 037 256
LIABILITIES										
Current liabilities										
Bank overdraft										
Financial liabilities	-	12 794	12 806	10 394	10 406	10 406	12 806	8 006	5 606	3 206
Consumer deposits	2 034	2 175	2 415	2 324	2 952	2 952	2 991	3 522	4 126	4 765
Trade and other payables from exchange transactions	78 030	77 578	91 868	56 690	78 782	78 782	68 796	75 934	70 966	85 343
Trade and other payables from non-exchange transactions	(0)	(0)	21 177	-	-	-	68 899	-	-	-
Provision	15 088	15 194	16 171	15 194	16 171	16 171	16 171	17 142	18 170	19 280
VAT	5 933	6 600	7 535	6 600	7 535	7 535	13 284	7 402	7 402	7 402
Other current liabilities										
Total current liabilities	101 084	114 341	151 972	91 202	115 847	115 847	182 948	112 006	106 269	119 977
Non current liabilities										
Financial liabilities	4 904	1 299	(0)	-	-	-	(0)	-	-	-
Provision	24 548	27 246	27 735	28 869	27 735	27 735	27 735	29 399	31 163	33 033
Long term portion of trade payables	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities										
Total non current liabilities	29 452	28 545	27 735	28 869	27 735	27 735	27 735	29 399	31 163	33 033
TOTAL LIABILITIES	130 536	142 886	179 707	120 071	143 582	143 582	210 683	141 405	137 432	153 009
NET ASSETS	2 525 601	2 729 825	2 941 983	2 967 970	3 200 331	3 200 331	3 201 309	3 431 675	3 654 584	3 884 247
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	2 540 141	2 774 486	2 975 404	2 950 439	3 182 711	3 182 711	3 224 737	3 410 267	3 633 319	3 882 824
Reserves and funds	-	-	-	-	-	-	-	-	-	-
Other										
TOTAL COMMUNITY WEALTH/EQUITY	2 540 141	2 774 486	2 975 404	2 950 439	3 182 711	3 182 711	3 224 737	3 410 267	3 633 319	3 882 824

MBRR Table A7 - Budgeted Cash Flow Statement

DC43 Harry Gwala - Table A7 Consolidated Budgeted Cash Flows

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	-	-	18	-	-	-	5	7	7	-
Service charges	130 189	70 345	51 062	61 100	61 100	61 100	39 461	62 194	70 708	73 961
Other revenue	231 405	608 032	1 823 061	53 987	53 987	53 987	1 353 754	68 317	65 509	68 522
Transfers and Subsidies - Operational	3 896	8 071	128 367	493 840	493 840	493 840	356 421	512 493	551 650	577 026
Transfers and Subsidies - Capital	215 028	369 601	316 011	321 352	321 352	321 352	282 000	318 947	314 221	328 675
Interest	3 011	4 547	10 858	5 713	21 920	21 920	16 187	20 402	19 519	20 417
Dividends								-	-	-
Payments										
Suppliers and employees	(682 369)	(885 094)	(826 768)	(611 117)	(627 704)	(627 704)	(621 612)	(642 296)	(718 751)	(660 992)
Interest	-	-	-	(100)	-	-	-	(142)	(150)	(158)
Transfers and Subsidies	(352)	(135)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 192)	175 367	1 502 609	324 776	324 495	324 495	1 426 216	339 922	302 713	407 450
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)	(269 118)	(306 141)	(316 868)	(316 868)	(214 822)	(307 686)	(297 785)	(324 318)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(251 425)	(290 905)	(269 118)	(306 141)	(316 868)	(316 868)	(214 822)	(307 686)	(297 785)	(324 318)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing								-	-	-
Increase (decrease) in consumer deposits	-	-	-	149	149	149	526	569	604	631
Payments										
Repayment of borrowing	-	(400)	-	(2 400)	(2 400)	(2 400)	-	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(400)	-	(2 251)	(2 251)	(2 251)	526	(1 831)	(1 796)	(1 769)
NET INCREASE/ (DECREASE) IN CASH HELD	(350 618)	(115 938)	1 233 491	16 384	5 375	5 375	1 211 920	30 405	3 132	81 364
Cash/cash equivalents at the year begin:	40 671	51 862	50 226	53 541	124 641	124 641	-	121 874	152 279	155 411
Cash/cash equivalents at the year end:	(309 947)	(64 076)	1 283 718	69 925	130 016	130 016	1 211 920	152 279	155 411	236 775

MBRR Table A8 – Cash Backed reserves

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

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash and investments available										
Cash/cash equivalents at the year end	(309 947)	(64 076)	1 283 718	69 925	130 016	130 016	1 211 920	152 279	155 411	153 011
Other current investments > 90 days	361 809	114 302	(1 159 077)	-	(248)	(248)	(952 411)	-	14 025	35 568
Non current investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	51 862	50 226	124 641	69 925	129 768	129 768	259 509	152 279	169 436	188 578
Application of cash and investments										
Unspent conditional transfers	(0)	(0)	21 177	-	-	-	68 899	-	-	-
Unspent borrowing										
Statutory requirements	(16 605)	(25 557)	(27 061)	(25 560)	(27 153)	(27 153)	(11 369)	(28 787)	(28 387)	(28 887)
Other working capital requirements	(73 086)	(179 724)	(683 560)	11 984	25 255	25 255	(1 386 721)	8 301	14 701	89 500
Other provisions	15 088	15 194	16 171	15 194	16 171	16 171	16 171	17 142	18 170	19 260
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	(74 603)	(190 088)	(673 273)	1 618	14 273	14 273	(1 313 020)	(3 343)	4 484	79 677
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	126 466	240 314	797 914	68 307	115 495	115 495	1 572 529	155 622	164 952	108 701
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	126 466	240 314	797 914	68 307	115 495	115 495	1 572 529	155 622	164 952	108 701

MBRR Table A9 - Asset Management

DC43 Harry Gwala - Table A9 Asset Management

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	267 136	246 557	257 265	275 936	299 601	299 601	283 997	279 340	319 233
<i>Roads Infrastructure</i>	-	1 242	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	237 781	196 052	203 327	191 477	228 755	228 755	260 019	246 169	252 155
<i>Sanitation Infrastructure</i>	7 958	37 950	44 534	70 568	55 778	55 778	12 304	25 772	59 310
Infrastructure	245 738	235 244	247 862	262 045	284 533	284 533	272 323	271 941	311 464
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	-	-	270	522	522	522	546	571	600
Intangible Assets	-	-	270	522	522	522	546	571	600
Computer Equipment	1 586	1 412	410	682	1 000	1 000	1 500	1 569	1 647
Furniture and Office Equipment	1 768	1 387	1 293	2 602	3 461	3 461	4 505	4 712	4 947
Machinery and Equipment	9 099	7 376	7 430	8 485	8 485	8 485	4 523	547	574
Transport Assets	7 355	-	-	1 600	1 600	1 600	600	-	-
Land	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	15 142	42 411	6 259	20 336	7 159	7 159	21 907	16 565	3 113
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	982	9 560	-	14 802	-	-	870	912	957
<i>Sanitation Infrastructure</i>	7 128	28 455	-	-	-	-	16 075	13 599	-
Infrastructure	8 110	38 015	-	14 802	-	-	16 945	14 512	957
Machinery and Equipment	-	-	-	135	135	135	80	84	88
Transport Assets	7 032	4 396	6 259	5 400	7 025	7 025	4 883	1 969	2 068
Land	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	14 179	1 936	5 594	9 202	9 441	9 441	868	910	955
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	8 814	1 936	5 594	8 129	9 441	9 441	868	910	955
<i>Sanitation Infrastructure</i>	5 365	-	-	1 073	-	-	-	-	-
Infrastructure	14 179	1 936	5 594	9 202	9 441	9 441	868	910	955
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	296 457	290 905	269 118	305 474	316 201	316 201	306 772	296 815	323 301
<i>Roads Infrastructure</i>	-	1 242	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	247 576	207 548	208 921	214 407	238 196	238 196	261 756	247 991	254 066
<i>Sanitation Infrastructure</i>	20 452	66 405	44 534	71 641	55 778	55 778	28 379	39 372	59 310
Infrastructure	268 028	275 195	253 455	286 048	293 974	293 974	290 135	287 363	313 376
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	-	-	270	522	522	522	546	571	600
Intangible Assets	-	-	270	522	522	522	546	571	600
Computer Equipment	1 586	1 412	410	682	1 000	1 000	1 500	1 569	1 647
Furniture and Office Equipment	1 768	1 387	1 293	2 602	3 461	3 461	4 505	4 712	4 947
Machinery and Equipment	9 099	7 376	7 430	8 620	8 620	8 620	4 603	631	662
Transport Assets	14 387	4 396	6 259	7 000	8 625	8 625	5 483	1 969	2 068
Land	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	296 457	290 905	269 118	305 474	316 201	316 201	306 772	296 815	323 301

DC43 Harry Gwala - Table A9 Asset Management

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	1 820 137	1 949 818	2 209 283	2 144 413	2 428 155	2 428 155	2 633 981	2 836 803	3 063 074
<i>Roads Infrastructure</i>	197	193	188	188	188	188	184	179	174
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>	10 480	9 250	7 586	7 600	5 936	5 936	4 213	2 406	1 976
<i>Water Supply Infrastructure</i>	1 588 157	1 672 212	1 946 095	1 814 995	2 112 667	2 112 667	2 299 155	2 456 552	2 612 320
<i>Sanitation Infrastructure</i>	149 945	187 959	190 739	262 365	239 283	239 283	260 608	304 219	371 239
<i>Information and Communication Infrastructure</i>	136	101	296	63	259	259	222	162	141
Infrastructure	1 748 914	1 879 714	2 144 905	2 085 212	2 358 333	2 358 333	2 564 382	2 763 539	2 985 652
Community Assets	2 617	2 998	1 759	2 834	1 595	1 595	1 428	1 253	1 163
Heritage Assets									
Other Assets	37 584	37 577	36 372	36 090	34 884	34 884	33 184	31 396	29 520
Biological or Cultivated Assets									
Intangible Assets	578	384	515	690	821	821	1 223	1 644	2 090
Computer Equipment	5 025	6 322	4 392	(473)	2 662	2 662	1 485	247	(1 048)
Furniture and Office Equipment	2 636	1 603	1 739	3 538	4 532	4 532	8 737	13 137	17 763
Machinery and Equipment	2 220	2 238	1 772	10 204	9 738	9 738	13 811	13 887	13 967
Transport Assets	20 554	18 981	17 831	6 318	15 590	15 590	9 730	11 700	13 767
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 820 137	1 949 818	2 209 283	2 144 413	2 428 155	2 428 155	2 633 981	2 836 803	3 063 074
EXPENDITURE OTHER ITEMS	114 605	126 793	145 531	148 083	144 781	144 781	150 074	157 280	164 987
Depreciation	79 359	81 505	93 063	96 292	96 292	96 292	101 010	105 959	111 151
Repairs and Maintenance by Asset Class	35 246	45 289	52 468	51 791	48 489	48 489	49 064	51 321	53 835
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	32 973	28 248	45 120	46 093	43 410	43 410	42 567	44 525	46 707
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	32 973	28 248	45 120	46 093	43 410	43 410	42 567	44 525	46 707
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	86	78	63	73	73	73	77	80	84
Community Assets	86	78	63	73	73	73	77	80	84
Heritage Assets	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>	1 287	1 548	4 008	5 259	4 846	4 846	6 000	6 276	6 584
<i>Housing</i>	-	-	-	-	-	-	-	-	-
Other Assets	1 287	1 548	4 008	5 259	4 846	4 846	6 000	6 276	6 584
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	497	9	17	125	50	50	70	73	77
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	319	15 329	3 055	-	-	-	-	-	-
Transport Assets	83	78	204	241	109	109	350	366	384
TOTAL EXPENDITURE OTHER ITEMS	114 605	126 793	145 531	148 083	144 781	144 781	150 074	157 280	164 987
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	9,9%	15,2%	4,4%	9,7%	5,2%	5,2%	7,4%	5,9%	1,3%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	36,9%	54,4%	12,7%	30,7%	17,2%	17,2%	22,5%	16,5%	3,7%
<i>R&M as a % of PPE & Investment Property</i>	1,9%	2,3%	2,4%	2,4%	2,0%	2,0%	1,9%	1,8%	1,8%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	3,5%	4,6%	2,9%	3,8%	2,7%	2,7%	2,7%	2,4%	1,9%

MBRR Table A10 – Basic Service Delivery Measurement

DC43 Harry Gwala - Table A10 Basic service delivery measurement

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets									
Water:									
Piped water inside dwelling	51 803	52 292	54 854	59 311	59 311	59 311	63 166	67 272	70 367
Piped water inside yard (but not in dwelling)	21 178	21 261	22 303	24 115	24 115	24 115	25 682	27 352	28 610
Using public tap (at least min.service level)	31 978	37 292	39 119	42 298	42 298	42 298	45 047	47 975	50 182
Other water supply (at least min.service level)	32 112	30 936	32 452	35 089	35 089	35 089	37 369	39 798	41 629
<i>Minimum Service Level and Above sub-total</i>	137 071	141 781	148 728	160 812	160 812	160 812	171 264	182 397	190 787
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	32 112	30 936	32 452	35 088	35 088	35 088	37 369	39 798	41 629
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	32 112	30 936	32 452	35 088	35 088	35 088	37 369	39 798	41 629
Total number of households	169 183	172 717	181 180	195 900	195 900	195 900	208 633	222 195	232 416
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	75 205	81 649	85 650	92 608	92 608	92 608	98 628	105 039	109 871
Flush toilet (with septic tank)	13 112	13 164	13 809	14 931	14 931	14 931	15 901	16 936	17 714
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	48 755	46 969	49 270	53 273	53 273	53 273	56 736	60 424	63 204
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	137 072	141 782	148 729	160 813	160 813	160 813	171 265	182 398	190 788
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	137 072	141 782	148 729	160 813	160 813	160 813	171 265	182 398	190 788
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	303	642	1 775	(683)	(683)	(683)	(724)	(683)	(717)
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)	-	-	-	7	7	7	-	-	-
Total cost of FBS provided	303	642	1 775	(676)	(676)	(676)	(724)	(683)	(717)

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 2023) 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 2023. Key dates applicable to the process were:

- a) **August 2023** – 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 2024/25 MTREF;
- b) **November 2023** – 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 2024** - 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 2024** – Multi-year budget proposals are submitted to the Executive Committee for endorsement;
- e) **January 2024** - Council considers the 2023/24 Mid-year Review and Adjustments Budget;
- f) **February 2024** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2024/25 MTREF is revised accordingly;
- g) **March 2024** - Tabling in Council of the draft 2024/25 IDP and 2024/25 MTREF for public consultation;
- h) **April 2024** – Public consultation;
- i) **May 2024** - Closing date for written comments;
- j) **May 2024** – Draftisation of the 2024/25 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 2024** - Tabling of the 2024/25 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 2024/25 MTREF, based on the approved 2023/24 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 2024/25 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 2023/24 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 2024/25 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 2024/25 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 2023/24 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 2024/25 MTREF as tabled before Council on 26 March 2024 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 2023, 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 2024/25 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 2024/25 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 26 IDP Strategic Objectives

2023/24 Financial Year	2024/25 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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
FINANCIAL VIABILITY AND MANAGEMENT	422 192	396 921	449 162	470 822	484 388	484 388	509 775	536 725	565 970
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	3 875	11 603	–	17 638	17 638	17 638	21 530	21 538	22 829
BASIC SERVICE DELIVERY	85 265	126 868	110 848	117 122	97 098	97 098	107 266	128 802	141 584
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	665	359	372	372	372	372	387	403	422
CROSS-CUTTING	–	33	32	16	16	16	17	17	18
Allocations to other priorities									
Total Revenue (excluding capital transfers and grants)	511 997	535 784	560 414	605 970	599 513	599 513	638 975	687 485	730 823

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
GOOD GOVERNANCE	40 304	50 163	43 975	46 868	49 736	49 736	52 641	55 491	58 567
FINANCIAL VIABILITY AND MANAGEMENT	59 812	64 433	94 176	90 559	98 436	98 436	105 674	111 193	117 108
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	23 937	24 991	24 533	45 352	46 617	46 617	54 000	54 900	57 903
BASIC SERVICE DELIVERY	340 784	397 765	358 930	388 762	384 475	384 475	361 490	395 942	423 455
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	89 586	80 035	90 554	86 586	101 761	101 761	103 751	108 929	114 581
CROSS-CUTTING	21 287	23 331	22 263	26 029	25 554	25 554	28 702	30 128	31 863
Allocations to other priorities									
Total Expenditure	575 710	640 717	634 430	684 154	706 578	706 578	706 258	756 582	803 478

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
FINANCIAL VIABILITY AND MANAGEMENT	-	-	275	-	-	-	-	-	-
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	-	-	138	667	667	667	915	970	1 017
BASIC SERVICE DELIVERY	281 876	282 548	260 708	294 233	300 896	300 896	297 192	290 560	316 733
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	7 226	8 310	7 727	9 641	13 705	13 705	8 980	6 255	6 568
CROSS-CUTTING	7 355	47	270	1 600	1 600	1 600	600	-	-
Allocations to other priorities									
Total Capital Expenditure	296 457	290 905	269 118	306 141	316 868	316 868	307 686	297 785	324 318

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:

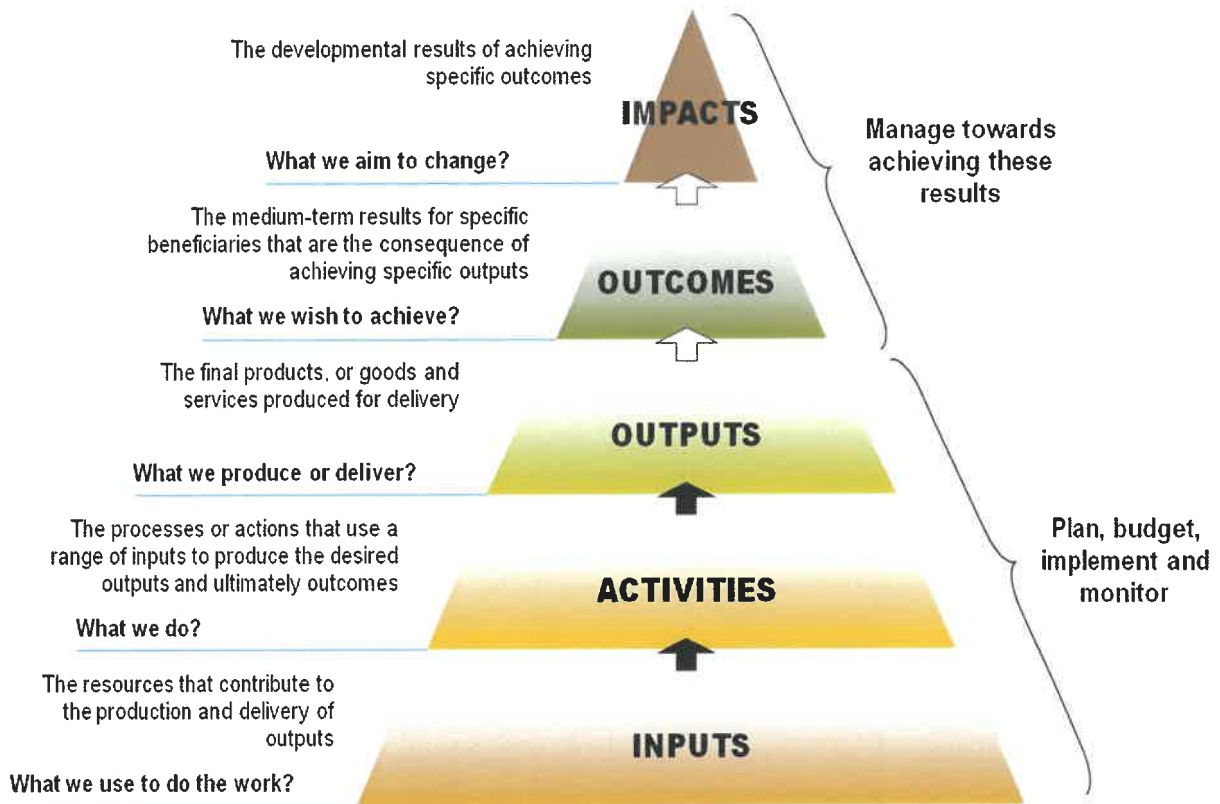


Figure 5 Definition of performance information concepts

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 Measureable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
06 - Summary Infrastructure Services										
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households	75 205	81 649	86 548	92 608	92 608	92 608	98 628	105 039	111 34
Flush Toilet (With Septic Tank)	Households	13 112	13 164	13 954	14 931	14 931	14 931	15 901	16 935	17 95
Pit Toilet (Ventilated)	Households	48 755	46 969	49 787	53 273	53 273	53 273	56 736	60 424	64 04
Water Management										
Water Distribution										
Informal Settlements (R000)	Rand Value				7 406	7 406	7 406			
Other Water Supply (< Min. Service Level)	Households	32 112	30 936	32 792	35 088	35 088	35 088	37 369	39 798	42 16
Other Water Supply (At Least Min. Service Level)	Households	32 112	30 936	32 792	35 089	35 089	35 089	37 369	39 798	42 16
Piped Water Inside Dwelling	Households	51 803	52 292	55 430	59 311	59 311	59 311	63 166	67 272	71 30
Piped Water Inside Yard (But Not In Dwelling)	Households	21 178	21 261	22 537	24 115	24 115	24 115	25 682	27 352	28 95
Using Public Tap (At Least Min. Service Level)	Households	31 978	37 292	39 530	42 298	42 298	42 298	45 047	47 975	50 85

The following table sets out the municipalities main performance objectives and benchmarks for the 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Borrowing Management											
Credit Rating		1,4%			0	0,6%	0,6%	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,2%	0,1%	0,0%	0,4%	0,4%	0,4%	0,0%	0,4%	0,3%	0,3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,2%	0,1%	0,0%	0,4%	0,4%	0,4%	0,0%	0,4%	0,4%	0,3%
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	1,0	1,0	1,3	1,3	1,6	1,6	1,8	1,8	1,9	2,2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,0	1,0	1,3	1,3	1,6	1,6	1,8	1,8	1,9	2,2
Liquidity Ratio	Monetary Assets/Current Liabilities	0,8	0,7	1,0	1,0	1,3	1,3	1,7	1,5	1,6	1,9
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0,0%	190,7%	113,5%	65,1%	79,3%	90,2%	90,2%	89,6%	86,6%	87,2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		190,7%	113,5%	65,1%	79,3%	90,2%	90,2%	89,6%	86,6%	87,2%	0,0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	4,9%	6,5%	6,7%	6,0%	6,5%	6,5%	6,4%	6,1%	5,6%	5,4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		-25,2%	-121,1%	7,2%	89,6%	67,6%	67,6%	5,7%	53,4%	37,5%	35,8%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kWh) non technical Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Water Volumes - System supply	Bulk Purchase Water treatment works Natural sources Total Volume Losses (kM)	22 023	24 010	20 000	19 977	19 977	19 977	-	20 935	21 919	0,0%
Water Distribution Losses (2)	Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated	5 105	4 792	6 829	6 500	6 500	6 500	-	6 812	7 132	0,0%
		-	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
		2 995	2 995	-	2 996	2 996	2 996	-	2 996	2 995	-
		6561224	0	0	6561224	6561224	6561224	0	6561224	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	42,6%	44,5%	43,8%	43,6%	44,1%	44,1%	38,3%	42,8%	42,1%	42,0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	44,1%	45,8%	45,1%	45,0%	45,5%	45,5%	65,6%	44,1%	43,4%	43,3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6,9%	8,5%	9,4%	8,8%	8,4%	8,4%	11,5%	7,7%	7,5%	7,4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15,7%	15,3%	16,6%	16,5%	16,7%	16,7%	14,7%	16,0%	15,6%	15,4%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	103,5	49,3	69,1	24,2	24,0	36,0	18,8	29,2	286,5	304,5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	37,0%	56,5%	48,0%	45,7%	55,7%	55,7%	62,8%	54,6%	47,9%	46,2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(8,7)	(1,6)	35,9	2,1	3,5	3,5	52,4	4,5	5,6	5,2

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 2024/25 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 2024/25 MTREF the current ratio is 1.8 and 1.9, 2.2 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 2024/25 financial year the ratio was 1.5 and it has been sitting to 1.6 in the 2025/26 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 2024/25 to 39 per cent in 2025/26. 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 2024/25 to at least 39 per cent by 2025/26.

Employee costs as a percentage of operating revenue remained the same at 42 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 2024/25 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 wastewater

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 wastewater 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 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 2024/25 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 90 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 May 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 2024/25 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 2023/24 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 2024/25 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 42 per cent of total operating expenditure in the 2024/25 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 87 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 Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. As per the circular 128, municipalities are advised to consider their financial sustainability when considering salary increases. In addition, municipalities that could not afford such increases must apply for exemption as provided by SALGBC. Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. Municipalities should also avoid paying out leave in cash while having major financial challenges.

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)

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity	-		-		-		-	
Service charges - Water	53 721	9%	56 944	9%	65 272	9%	68 471	9%
Service charges - Waste Water Management	13 445	2%	14 252	2%	15 107	2%	15 847	2%
Sale of Goods and Rendering of Services	585	0%	663	0%	693	0%	727	0%
Interest earned from Receivables	15 713	3%	16 655	3%	17 654	3%	18 519	3%
Interest earned from Current and Non Current Assets	19 570	3%	17 435	3%	16 552	2%	17 378	2%
Operational Revenue	388	0%	404	0%	420	0%	441	0%
Non-Exchange Revenue								
Fines, penalties and forfeits	-		-		-		-	
Transfer and subsidies - Operational	479 090	82%	532 623	83%	571 788	83%	609 441	83%
Other Gains	-		-		-		-	
Total Revenue (excluding capital transfers and contributions)	582 513	100%	638 975	100%	687 485	100%	730 823	100%

The following graph is a breakdown of the operational revenue per main category for the 2024/25 financial year.

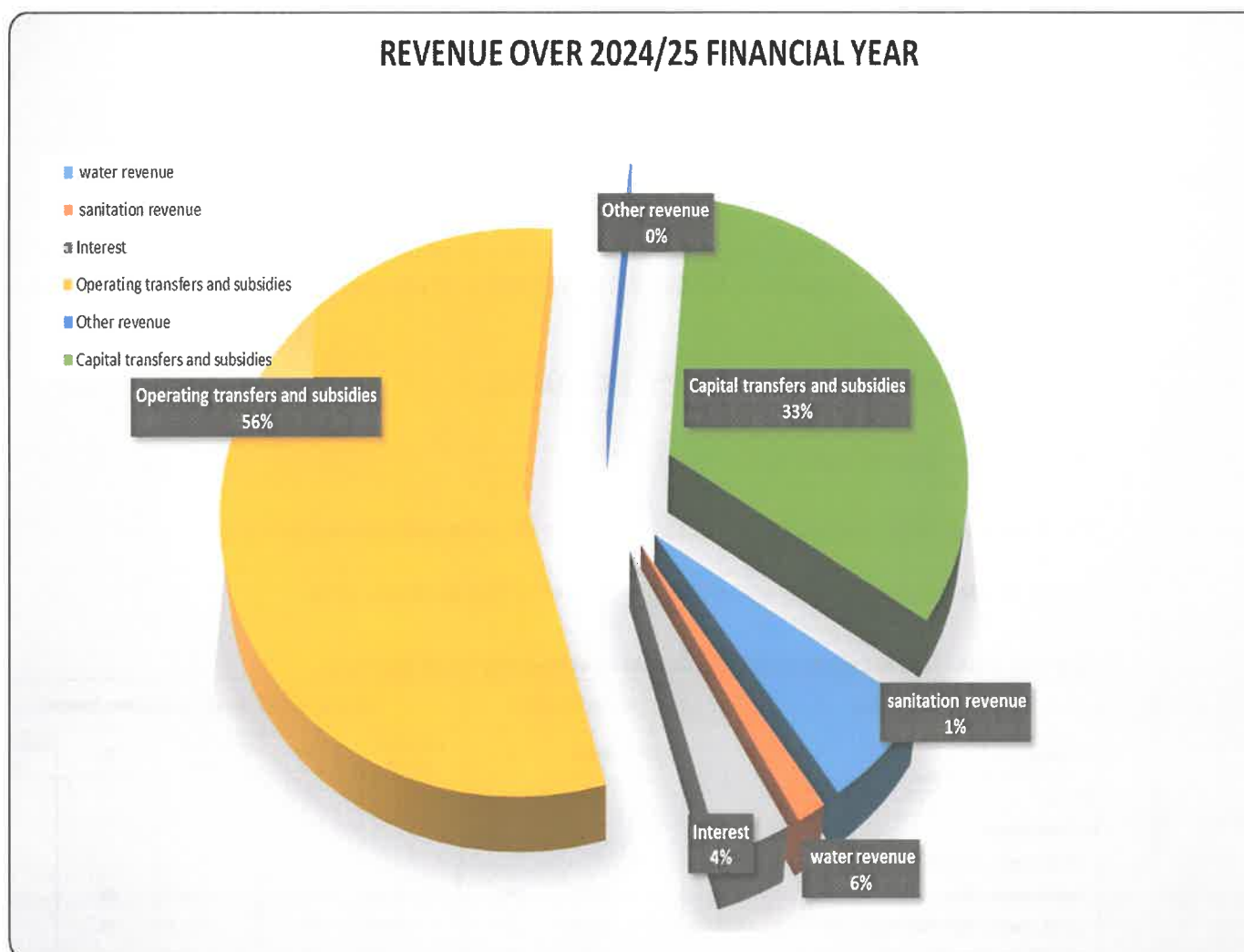


Figure 6 Breakdown of operating revenue over the 2024/25 MTREF

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 2024/25 MTREF on the different revenue categories are:

Table 31 Proposed tariff increases over the medium-term

Operational grants and subsidies amount to R532, 6million, R571, 7million and R609, 4million for each of the respective financial years of the MTREF, or 11%, 7% and 7 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 512, 4 million for the 2024/2025 financial year, R551, 6m in 2025/26 and R588m in 2026/27 however due to transfers and subsidies paid over to Harry Gwala District Municipality the amount of R20 million and R41, 2m 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 R146 million, R161, 2million and R178, 1million for the respective three financial years of the 2024/25 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 Name of institution & investment ID	Period of Investment	Type of Investment
	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 2024/25 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

Vote Description	2024/25 Medium Term Revenue & Expenditure Framework							
	Adjusted Budget	%	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Funded by:								
National Government	287 510	91%	276 629	90%	273 235	92%	298 542	92%
Provincial Government	-		-		-		-	
District Municipality	-		69	0%	73	0%	77	0%
Internally generated funds	29 358	9%	30 988	10%	24 476	8%	25 699	8%
Total Capital Funding	316 868	100%	307 686	100%	297 785	100%	324 318	100%

Capital grants and receipts equates to 90 per cent of the total funding source which represents R276, 6 million for the 2024/25 financial year and no improvement still sitting to 92 per cent which represents R298, 2million and increase to R298, 5million for 2026/27.

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 - Categorized by type R thousand	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Parent municipality									
Annuity and Bullet Loans	(0)	(0)	(0)	-	-	-	-	-	-
Long-Term Loans (non-annuity)	13 194	-	-	-	-	-	-	-	-
Local registered stock									
Instalment Credit									
Financial Leases	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	18 098	1 299	(0)	-	-	-	-	-	-
Entities									
Annuity and Bullet Loans									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases	-	-	-	-	-	-	-	-	-
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances									
Financial derivatives									
Other Securities									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	18 098	1 299	(0)	-	-	-	-	-	-

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

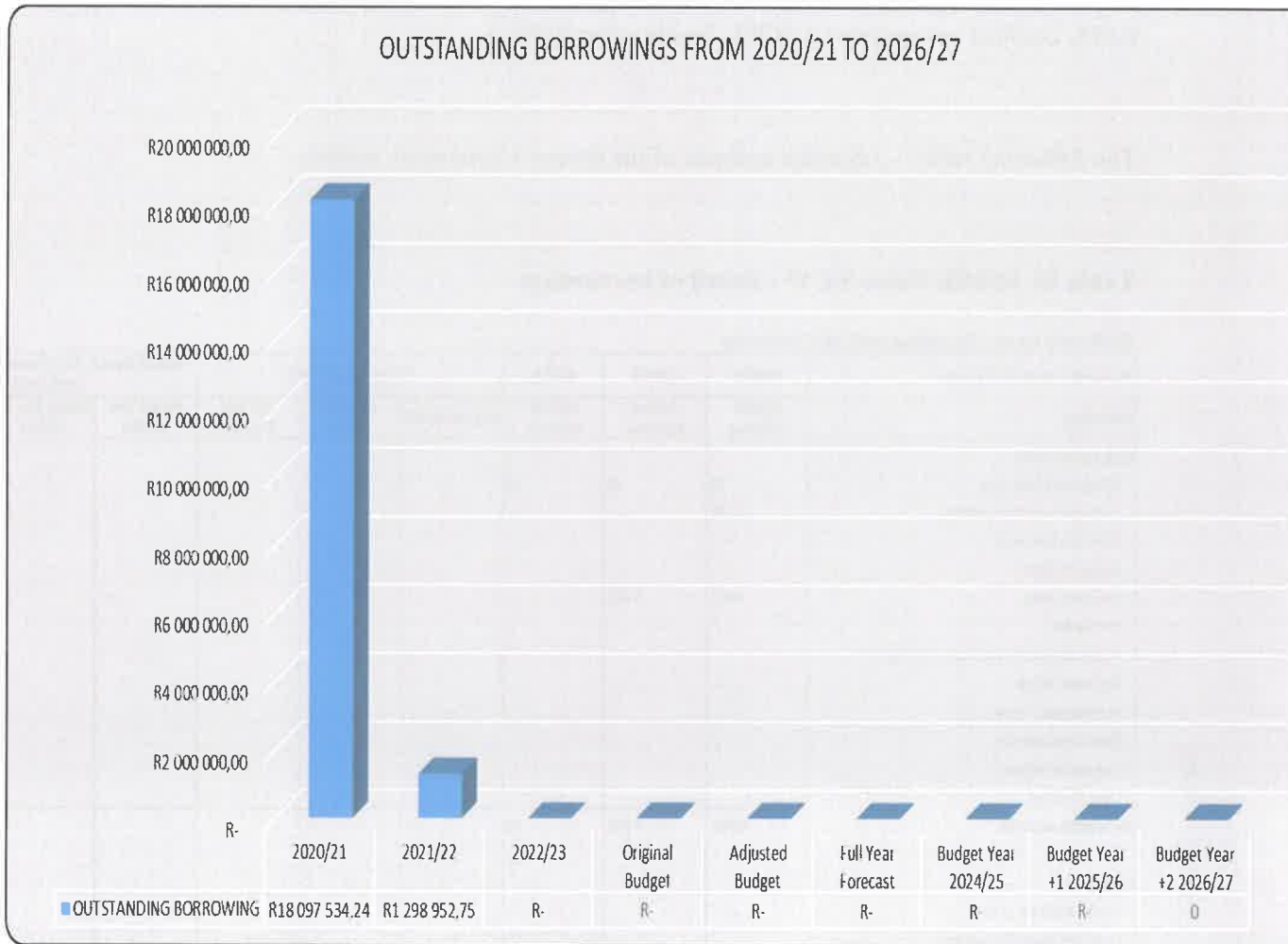


Figure 7 Growth in outstanding borrowing (long-term liabilities)

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	429 587	453 804	452 460	493 840	479 090	479 090	512 493	551 650	588 096
Local Government Equitable Share	417 623	387 013	432 161	463 631	463 631	463 631	491 837	519 538	547 904
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	5 195	4 596	5 221	6 168	5 823	5 823	4 460	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 000	1 200	1 200	1 200	1 200	1 200	1 200	1 300	1 400
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3 524	28 958	9 479	20 450	6 045	6 045	12 498	28 202	36 062
Rural Road Asset Management Systems Grant	2 245	2 275	2 381	2 391	2 391	2 391	2 498	2 610	2 730
Water Services Infrastructure Grant	-	29 762	2 018	-	-	-	-	-	-
Provincial Government:	352	135	-	-	-	-	130	138	145
Capacity Building and Other Grants	352	135	-	-	-	-	130	138	145
District Municipality:	-	-	-	-	-	-	20 000	20 000	21 200
<i>Specify (Add grant description)</i>	-	-	-	-	-	-	20 000	20 000	21 200
Other grant providers:	404	-	-	-	-	-	-	-	-
<i>Chemical Industry Seta</i>	404	-	-	-	-	-	-	-	-
<i>Parent Municipality</i>	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	430 342	453 939	452 460	493 840	479 090	479 090	532 623	571 788	609 441
Capital Transfers and Grants									
National Government:	287 857	277 860	283 338	321 352	351 938	351 938	318 124	314 221	343 324
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	205 476	191 922	200 355	221 352	261 938	261 938	218 124	214 221	228 324
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	22 381	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	60 000	85 938	82 982	100 000	90 000	90 000	100 000	100 000	115 000
Provincial Government:	19 693	46 781	3 888	-	-	-	823	-	-
Infrastructure Grant	19 693	46 781	3 888	-	-	-	823	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
<i>Specify (Add grant description)</i>	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>Human Settlement Re-development Programme</i>	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	307 550	324 641	287 226	321 352	351 938	351 938	318 947	314 221	343 324
TOTAL RECEIPTS OF TRANSFERS & GRANTS	737 892	778 580	739 686	815 192	831 028	831 028	851 570	886 009	952 765

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	-	-	18	-	-	-	5	7	7	-
Service charges	130 189	70 345	51 062	61 100	61 100	61 100	39 461	62 194	70 708	73 961
Other revenue	231 405	608 032	1 823 061	53 987	53 987	53 987	1 353 754	68 317	65 509	68 522
Transfers and Subsidies - Operational	3 896	8 071	128 367	493 840	493 840	493 840	356 421	512 493	551 650	577 026
Transfers and Subsidies - Capital	215 028	369 601	316 011	321 352	321 352	321 352	282 000	318 947	314 221	328 675
Interest	3 011	4 547	10 858	5 713	21 920	21 920	16 187	20 402	19 519	20 417
Dividends								-	-	-
Payments										
Suppliers and employees	(682 369)	(885 094)	(826 768)	(611 117)	(627 704)	(627 704)	(621 612)	(642 296)	(718 751)	(660 992)
Interest	-	-	-	(100)	-	-	-	(142)	(150)	(158)
Transfers and Subsidies	(352)	(135)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(99 192)	175 367	1 502 609	324 776	324 495	324 495	1 426 216	339 922	302 713	407 450
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)	(269 118)	(306 141)	(316 868)	(316 868)	(214 822)	(307 686)	(297 785)	(324 318)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(251 425)	(290 905)	(269 118)	(306 141)	(316 868)	(316 868)	(214 822)	(307 686)	(297 785)	(324 318)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing								-	-	-
Increase (decrease) in consumer deposits	-	-	-	149	149	149	526	569	604	631
Payments										
Repayment of borrowing	-	(400)	-	(2 400)	(2 400)	(2 400)	-	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(400)	-	(2 251)	(2 251)	(2 251)	526	(1 831)	(1 796)	(1 769)
NET INCREASE/ (DECREASE) IN CASH HELD	(350 618)	(115 938)	1 233 491	16 384	5 375	5 375	1 211 920	30 405	3 132	81 364
Cash/cash equivalents at the year begin:	40 671	51 862	50 226	67 907	139 006	139 006	-	136 239	166 644	169 776
Cash/cash equivalents at the year end:	(309 947)	(64 076)	1 283 718	84 290	144 381	144 381	1 211 920	166 644	169 776	251 140

With the 2023/24 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 2024/25 financial year will be R166, 6 million. For the 2024/25 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 R166, 6million and steadily increasing to R169, 7million by 2025/26 and 2026/2027 decrease to R 251, 1million.

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 are 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	(309 947)	(64 076)	1 283 718	84 290	144 381	144 381	1 211 920	166 644	169 776	167 37
Other current investments > 90 days	361 809	114 302	(1 159 077)	-	(248)	(248)	(952 411)	-	14 025	36 1
Non current Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	51 862	50 226	124 641	84 290	144 133	144 133	259 509	166 644	183 801	203 5
Application of cash and investments										
Unspent conditional transfers	(0)	(0)	21 177	1 483	1 483	1 483	68 899	1 483	1 483	1 4
Unspent borrowing										
Statutory requirements	(16 605)	(25 557)	(27 061)	(25 560)	(27 153)	(27 153)	(11 369)	(28 787)	(28 387)	(28 8
Other working capital requirements	(73 086)	(179 724)	(683 560)	30 832	44 107	44 107	(1 386 721)	28 909	36 159	91 5
Other provisions	15 088	15 194	16 171	15 194	16 171	16 171	16 171	17 142	18 170	19 2
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	(74 603)	(190 088)	(673 273)	21 949	34 608	34 608	(1 313 020)	18 748	27 426	83 3
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	126 466	240 314	797 914	62 341	109 525	109 525	1 572 529	147 896	156 376	120 1
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	126 466	240 314	797 914	62 341	109 525	109 525	1 572 529	147 896	156 376	120 1

From the above table it can be seen that the cash and investments available total R166, 6million in the 2024/25 financial year and progressively increase to R183, 8million by 2025/26, 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 2024/25 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 Hany Gwala Supporting Table SA10 Funding measurement

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funding measures										
Cash/cash equivalents at the year end - R'000	(309 947)	(64 076)	1 283 718	84 290	144 381	144 381	1 211 920	180 669	246 792	244 392
Cash + investments at the yr end less applications - R'000	126 466	240 314	797 914	62 341	109 525	109 525	1 572 529	137 896	152 376	124 328
Cash year end/monthly employee/supplier payments	(8,7)	(1,6)	35,9	2,1	3,5	3,5	52,4	4,5	5,6	5,2
Surplus/(Deficit) excluding depreciation offsets: R'000	271 706	264 369	246 631	226 166	227 774	227 774	282 783	251 663	245 124	270 669
Service charge rev % change - macro CPIX target exclusive	N.A.	(15,2%)	20,2%	(7,9%)	(17,8%)	(6,0%)	(40,6%)	(0,0%)	6,9%	(1,1%)
Cash receipts % of Ratepayer & Other revenue	517,7%	857,6%	2250,6%	145,0%	164,2%	164,2%	3042,7%	180,6%	167,2%	0,0%
Debt impairment expense as a % of total billable revenue	45,6%	12,2%	(1,5%)	37,1%	42,1%	42,1%	0,0%	(6,9%)	(5,8%)	(5,8%)
Capital payments % of capital expenditure	84,8%	100,0%	100,0%	100,0%	100,0%	100,0%	99,8%	100,0%	100,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	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								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	N.A.	2,8%	14,8%	(10,5%)	5,7%	0,0%	46,8%	(33,3%)	(2,0%)	(2,2%)
Long term receivables % change - incr(decr)	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	1,9%	2,3%	2,4%	2,4%	2,0%	2,0%	1,9%	1,8%	1,8%	0,0%
Asset renewal % of capital budget	5,1%	14,6%	2,3%	6,6%	2,3%	2,3%	0,0%	7,1%	5,6%	1,0%

DC43 Harry Gwala Supporting Table SA10 Funding measurement

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Supporting indicators										
% incr total service charges (incl prop rates)	0,0%	(9,2%)	26,2%	(1,9%)	(11,8%)	0,0%	(34,6%)	6,0%	12,9%	4,9%
% incr Property Tax	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Electricity	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Water	0,0%	(8,6%)	30,7%	(5,3%)	(12,1%)	0,0%	(35,1%)	6,0%	14,6%	4,9%
% incr Service charges - Waste Water Management	0,0%	(11,3%)	7,7%	14,6%	(10,8%)	0,0%	(33,0%)	6,0%	6,0%	4,9%
% incr Service charges - Waste Management	0,0%	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	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	67 765	61 560	77 674	76 192	67 165	67 165	43 895	71 195	80 379	84 317
Service charges	67 765	61 560	77 674	76 192	67 165	67 165	43 895	71 195	80 379	84 317
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	54 003	49 353	64 525	61 123	53 721	53 721	34 884	56 944	65 272	68 471
Service charges - sanitation revenue	13 762	12 207	13 149	15 069	13 445	13 445	9 010	14 252	15 107	15 847
Service charges - refuse removal	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding	28 430	17 056	17 809	28 557	29 358	29 358	5 600	30 988	24 476	25 699
Cash receipts from ratepayers	361 593	678 378	1 874 141	115 087	115 087	115 087	1 393 220	130 519	136 224	-
Ratepayer & Other revenue	69 850	79 104	83 272	79 398	70 080	70 080	45 788	72 262	81 492	85 485
Change in consumer debtors (current and non-current)	N/A	812	4 450	(3 620)	1 751	-	15 251	(15 927)	(642)	(674)
Operating and Capital Grant Revenue	733 200	765 799	735 797	815 192	831 028	831 028	590 698	851 570	886 009	952 765
Capital expenditure - total	296 457	290 905	269 118	306 141	316 868	316 868	215 346	307 686	297 785	324 318
Capital expenditure - renewal	15 142	42 411	6 259	20 336	7 159	7 159	21 907	16 565	16 565	3 113
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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Total Operating Revenue	511 997	535 784	560 414	588 970	582 513	582 513	429 308	638 975	687 485	730 823
Total Operating Expenditure	547 842	596 056	601 009	684 155	706 676	706 676	380 032	706 258	756 582	803 478
Operating Performance Surplus/(Deficit)	(35 845)	(60 272)	(40 595)	(95 186)	(124 164)	(124 164)	49 276	(67 283)	(69 097)	(72 655)
Cash and Cash Equivalents (30 June 2012)								180 669		
Revenue										
% Increase in Total Operating Revenue		4,6%	4,6%	5,1%	(1,1%)	0,0%	(26,3%)	9,7%	7,6%	6,3%
% 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		(9,2%)	26,2%	(1,9%)	(11,8%)	0,0%	(34,6%)	6,0%	12,9%	4,9%
Expenditure										
% Increase in Total Operating Expenditure	0,0%	8,8%	0,8%	13,8%	3,3%	0,0%	(46,2%)	(0,1%)	7,1%	6,2%
% Increase in Employee Costs	0,0%	9,4%	3,1%	4,5%	0,0%	0,0%	(35,9%)	6,4%	6,0%	6,0%
% Increase in Electricity Bulk Purchases	0,0%	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)	0	280441,965	557159,7611	505477,7815	608489,8436	5135654,28	324021,2327	537736,8543	582616,7847	6136956,58
Average Cost Per Councillor (Remuneration)	0	0	268764,4642	253712,9063	0	253712,9063	146908,2516	268935,2813	0	302175,5
R&M % of PPE	1,9%	2,3%	2,4%	2,4%	2,0%	2,0%	1,9%	1,9%	1,8%	1,8%
Asset Renewal and R&M as a % of PPE	3,5%	4,6%	2,9%	3,8%	2,7%	2,7%	2,7%	2,7%	2,4%	1,9%
Debt Impairment % of Total Billable Revenue	45,6%	12,2%	(1,5%)	37,1%	42,1%	42,1%	0,0%	(6,9%)	(5,8%)	(5,8%)
Capital Revenue										
Internally Funded & Other (R'000)	28 430	17 056	17 809	28 557	29 358	29 358	5 600	30 988	24 476	25 699
Borrowing (R'000)	-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)	268 028	273 848	251 309	277 584	287 510	287 510	209 746	276 698	273 308	298 619
Internally Generated funds % of Non Grant Funding	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding	90,4%	94,1%	93,4%	90,7%	90,7%	90,7%	97,4%	89,9%	91,8%	92,1%
Capital Expenditure										
Total Capital Programme (R'000)	296 457	290 905	269 118	306 141	316 868	316 868	215 346	307 686	297 785	324 318
Asset Renewal	29 321	44 348	11 853	29 538	16 600	16 600	-	22 775	17 475	4 067
Asset Renewal % of Total Capital Expenditure	9,9%	15,2%	4,4%	9,6%	5,2%	5,2%	0,0%	7,4%	5,9%	1,3%
Cash										
Cash Receipts % of Rate Payer & Other	517,7%	857,6%	2250,6%	145,0%	164,2%	164,2%	3042,7%	180,6%	167,2%	0,0%
Cash Coverage Ratio	(0)	(0)	0	0	0	0	0	0	0	0
Borrowing										
Most recent Credit Rating								0		
Capital Charges to Operating	0,2%	0,1%	0,0%	0,4%	0,4%	0,4%	0,0%	0,4%	0,3%	0,3%
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	126 466	240 314	797 914	62 341	109 525	109 525	1 572 529	137 896	152 376	124 328
Free Services										
Free Basic Services as a % of Equitable Share	0,1%	0,2%	0,4%	(0,1%)	(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%	0,0%
High Level Outcome of Funding Compliance										
Total Operating Revenue	511 997	535 784	560 414	588 970	582 513	582 513	429 308	638 975	687 485	730 823
Total Operating Expenditure	547 842	596 056	601 009	684 155	706 676	706 676	380 032	706 258	756 582	803 478
Surplus/(Deficit) Budgeted Operating Statement	(35 845)	(60 272)	(40 595)	(95 186)	(124 164)	(124 164)	49 276	(67 283)	(69 097)	(72 655)
Surplus/(Deficit) Considering Reserves and Cash Backing	126 466	240 314	797 914	62 341	109 525	109 525	1 572 529	137 896	152 376	124 328
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 2024/25 MTREF show R166, 6 million, R169, 7 million and R167, 3million 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 2023/24 then improved from 2023/24 adjusted budget, moving from 1.3 to 1.8 this ratio improve from 1.8 to 1.9 in the 2025/26 then show a great improvement from 2025/2026 to 1, 9 and then to 2, 2 again in the 2026/2027 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 2024/25 MTREF the indicative outcome is a surplus of R67, 2million, R69 million and R72, 6 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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
EXPENDITURE:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	487 128	573 921	560 559	581 732	602 278	602 278	615 563	661 077	703 164
Local Government Equitable Share	478 024	517 753	536 551	550 194	579 039	579 039	594 301	623 590	657 263
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	5 467	6 578	9 729	7 490	7 490	7 490	7 751	8 216	8 709
Local Government Financial Management Grant	836	995	847	1 207	1 208	1 208	1 012	1 069	1 129
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	849	20 737	9 606	20 450	12 150	12 150	12 498	28 202	36 062
Rural Road Asset Management Systems Grant	1 952	1 978	2 070	2 391	2 391	2 391	-	-	-
Water Services Infrastructure Grant	-	25 880	1 755	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	500	500	525
Capacity Building and Other Grants	-	-	-	-	-	-	500	500	525
District Municipality:	-	-	-	-	-	-	18 929	19 831	20 803
<i>Specify (Add grant description)</i>	-	-	-	-	-	-	18 929	19 831	20 803
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>Chemical Industry Seta</i>	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	487 128	573 921	560 559	581 732	602 278	602 278	634 992	681 408	724 491
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	249 289	232 612	247 421	277 584	287 510	287 510	276 629	273 235	298 542
Local Government Financial Management Grant	-	-	275	-	-	-	-	-	-
Municipal Infrastructure Grant	178 208	156 293	171 657	190 627	209 249	209 249	189 673	186 279	198 542
Regional Bulk Infrastructure Grant	19 682	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	51 399	76 319	75 489	86 957	78 261	78 261	86 957	86 957	100 000
Provincial Government:	18 739	41 236	3 888	-	-	-	-	-	-
Infrastructure Grant	18 739	41 236	3 888	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	69	73	77
<i>Specify (Add grant description)</i>	-	-	-	-	-	-	69	73	77
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	268 028	273 848	251 309	277 584	287 510	287 510	276 698	273 308	298 619
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	755 156	847 770	811 868	859 316	889 788	889 788	911 690	954 717	1 023 110

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	-	17 490	-	-	-	-	-	-
Current year receipts	(6 195)	(8 071)	(8 802)	(30 209)	(15 459)	(15 459)	(20 656)	(32 112)	(40 192)
Repayment of grants	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	(12 390)	(33 632)	(9 593)	(60 418)	(30 918)	(30 918)	(41 313)	(64 224)	(80 385)
Conditions still to be met - transferred to liabilities	6 195	25 561	18 281	30 209	15 459	15 459	20 656	32 112	40 192
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)	(314)	(314)	(314)	(314)
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	0	0	0	(314)	(314)	(314)	(314)	(314)	(314)
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue	(12 390)	(33 632)	(9 593)	(60 732)	(31 232)	(31 232)	(41 627)	(64 539)	(80 699)
Total operating transfers and grants - CTBM	6 195	25 561	18 281	30 209	15 459	15 459	20 656	32 112	40 192
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	-	(17 490)	-	(21 177)	(21 177)	-	-	-
Current year receipts	(293 626)	(336 580)	(316 011)	(321 352)	(330 762)	(330 762)	(318 124)	(314 221)	(343 324)
Conditions met - transferred to revenue	(587 252)	(655 670)	(618 856)	(642 704)	(703 876)	(703 876)	(636 247)	(628 442)	(686 647)
Conditions still to be met - transferred to liabilities	293 626	319 090	285 355	321 352	351 938	351 938	318 124	314 221	343 324
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	-	-	-	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue	(587 252)	(655 670)	(618 856)	(643 874)	(705 046)	(705 046)	(637 416)	(629 611)	(687 816)
Total capital transfers and grants - CTBM	293 626	319 090	285 355	321 352	351 938	351 938	318 124	314 221	343 324
TOTAL TRANSFERS AND GRANTS REVENUE	(599 642)	(689 302)	(628 449)	(704 605)	(736 278)	(736 278)	(679 043)	(694 149)	(768 515)
TOTAL TRANSFERS AND GRANTS - CTBM	299 821	344 651	303 636	351 561	367 397	367 397	338 780	346 333	383 516

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	5 324	4 470	3 902	4 394	4 394	4 394	4 658	4 937	5 234
Pension and UIF Contributions	498	473	469	545	545	545	578	612	649
Medical Aid Contributions	57	54	153	186	186	186	197	209	221
Cellphone Allowance	663	516	491	534	534	534	566	600	636
Other benefits and allowances	1 271	1 726	1 973	2 460	2 460	2 460	2 607	2 764	2 930
Sub Total - Councillors	7 813	7 239	6 988	8 119	8 119	8 119	8 606	9 122	9 670
% increase		(7,3%)	(3,5%)	16,2%	-	-	6,0%	6,0%	6,0%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 029	3 927	4 029	2 186	4 374	4 374	4 759	5 045	5 347
Pension and UIF Contributions	11	13	15	6	1	1	4	4	4
Medical Aid Contributions	171	170	66	35	48	48	51	54	57
Performance Bonus	106	106	81	117	55	55	181	192	204
Motor Vehicle Allowance	1 052	1 028	813	501	935	935	918	973	1 032
Cellphone Allowance	117	115	105	58	109	109	119	126	133
Housing Allowances	160	152	212	110	295	295	336	356	378
Other benefits and allowances	459	454	246	176	259	259	299	317	336
Payments in lieu of leave	-	25	332	576	-	-	384	407	432
Acting and post related allowance	-	42	53	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 105	6 030	5 950	3 785	6 077	6 077	7 052	7 475	7 923
% increase		(1,2%)	(1,3%)	(36,7%)	61,4%	-	16,0%	6,0%	6,0%
Other Municipal Staff									
Basic Salaries and Wages	126 617	136 625	142 683	147 894	145 582	145 582	154 317	163 576	173 391
Pension and UIF Contributions	18 955	22 037	21 654	22 732	22 732	22 732	24 096	25 542	27 074
Medical Aid Contributions	9 177	9 953	10 412	10 766	10 766	10 766	11 412	12 087	12 823
Overtime	15 879	18 500	19 197	20 962	20 962	20 962	22 092	23 418	24 823
Performance Bonus	8 464	11 195	10 259	10 291	10 291	10 291	10 909	11 563	12 257
Motor Vehicle Allowance	16 182	20 487	20 410	22 548	22 548	22 548	23 900	25 334	26 855
Cellphone Allowance	851	984	1 132	1 242	1 242	1 242	1 316	1 395	1 479
Housing Allowances	570	585	636	740	740	740	784	831	881
Other benefits and allowances	4 715	5 788	6 003	7 279	7 279	7 279	7 716	8 179	8 670
Payments in lieu of leave	3 207	1 581	1 418	620	620	620	857	696	738
Long service awards	981	1 023	1 547	1 205	1 205	1 205	1 277	1 354	1 435
Post-retirement benefit obligations	6 069	3 386	4 244	-	-	-	-	-	-
Acting and post related allowance	198	200	163	221	221	221	235	249	264
Sub Total - Other Municipal Staff	211 864	232 346	239 757	246 501	244 189	244 189	258 713	274 235	290 689
% increase		9,7%	3,2%	2,8%	(0,9%)	-	5,9%	6,0%	6,0%
Total Parent Municipality	225 782	245 614	252 695	258 385	258 385	258 385	274 370	290 832	308 282
		8,8%	2,9%	2,3%	0,0%	-	6,2%	6,0%	6,0%
Board Members of Entities									
Basic Salaries and Wages	-	-	-	150	150	150	382	404	424
Sub Total - Board Members of Entities	-	-	-	150	150	150	382	404	424
% increase		-	-	-	-	-	154,4%	6,0%	4,9%
Other Staff of Entities									
Basic Salaries and Wages	-	-	-	6 055	6 055	6 055	6 895	7 309	7 667
Pension and UIF Contributions	-	-	-	20	20	20	21	22	24
Payments in lieu of leave	-	-	-	242	242	242	55	59	61
Acting and post related allowance	-	-	-	50	50	50	53	56	59
Sub Total - Other Staff of Entities	-	-	-	6 367	6 367	6 367	7 025	7 446	7 811
Total Municipal Entities	-	-	-	6 517	6 517	6 517	7 406	7 851	8 235
TOTAL SALARY, ALLOWANCES & BENEFITS	225 782	245 614	252 695	264 902	264 902	264 902	281 776	298 683	316 517
% increase		8,8%	2,9%	4,8%	0,0%	-	6,4%	6,0%	6,0%
TOTAL MANAGERS AND STAFF	217 969	238 376	245 707	256 633	256 633	256 633	272 789	289 156	306 424

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
		1.				2.
Rand per annum						
Councillors						
Speaker	556 518	142 064	220 857			919 439
Chief Whip	346 817	28 008	147 115			521 940
Executive Mayor	844 205	51 467	262 547			1 158 219
Deputy Executive Mayor	593 565	117 932	222 852			934 349
Executive Committee	886 653	191 806	458 152			1 536 611
Total for all other councillors	1 430 178	243 060	1 862 133			3 535 371
Total Councillors	4 657 936	774 337	3 173 656			8 605 929
Senior Managers of the Municipality						
Municipal Manager (MM)	1 108 390	-	343 756			1 452 146
Chief Finance Officer	884 626	-	223 689			1 108 315
SM D01	749 876	50 880	376 281	57 820		1 234 857
SM D02	709 310	-	224 300	-		933 610
SM D03	796 528	2 371	533 752			1 332 651
SM D04	510 379	1 581	354 556	123 590		990 106
						-
Total Senior Managers of the Municipality	4 759 109	54 832	2 056 334	181 410		7 051 685
A Heading for Each Entity						
List each member of board by designation						
Harry Gwala Development Agency						-
BM D01	381 600					381 600
						-
Total for municipal entities	381 600	-	-	-		381 600
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	9 798 645	829 169	5 229 990	181 410		16 039 214

Table 46 MBRR SA24- Summary of personnel numbers

DC43 Harry Gwala - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	2022/23			Current Year 2023/24			Budget Year 2024/25		
	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

R thousand	Description	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
Revenue																	
Exchange Revenue																	
Service charges - Electricity	4 745	4 745	4 745	4 745	4 745	4 745	4 745	4 745	4 745	4 745	4 745	4 745	4 745	56 944	65 272	68 471	
Service charges - Water	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	1 188	14 252	15 107	15 847	
Service charges - Waste Water Management																	
Service charges - Waste Management	55	55	55	55	55	55	55	55	55	55	55	55	55	663	693	727	
Sale of Goods and Rendering of Services																	
Agency services																	
Interest																	
Interest earned from Receivables	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	1 388	16 655	17 654	18 519	
Interest earned from Current and Non-Current Assets	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	17 435	16 552	17 378	
Licence and permits																	
Operational Revenue	34	34	34	34	34	34	34	34	34	34	34	34	34	404	420	441	
Non-Exchange Revenue																	
Property rates																	
Surcharges and Taxes																	
Fines, penalties and forfeits																	
Licences or permits																	
Transfer and subsidies - Operational	44 385	44 385	44 385	44 385	44 385	44 385	44 385	44 385	44 385	44 385	44 385	44 385	44 385	532 623	571 788	609 441	
Interest																	
Total Revenue (excluding capital transfers and contributions)	53 248	53 248	53 248	53 248	53 248	53 248	53 248	53 248	53 248	53 248	53 248	53 248	53 248	638 975	687 495	730 823	
Expenditure																	
Employee related costs	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 764	273 170	289 561	306 848	
Remuneration of councilors	717	717	717	717	717	717	717	717	717	717	717	717	717	8 606	9 122	9 670	
Bulk purchases - electricity																	
Inventory consumed	3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	36 543	38 224	40 097	
Debt impairment	(409)	(409)	(409)	(409)	(409)	(409)	(409)	(409)	(409)	(409)	(409)	(409)	(409)	(4 908)	(4 658)	(4 886)	
Depreciation and amortisation	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 489	8 489	101 865	106 865	112 102	
Interest	12	12	12	12	12	12	12	12	12	12	12	12	12	142	150	158	
Contracted services	12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 336	148 034	169 715	184 435	
Transfers and subsidies	393	393	393	393	393	393	393	393	393	393	393	393	393	4 718	4 737	4 969	
Irrecoverable debts written off	2 659	2 659	2 659	2 659	2 659	2 659	2 659	2 659	2 659	2 659	2 659	2 659	2 659	31 908	33 472	35 112	
Operational costs	8 848	8 848	8 848	8 848	8 848	8 848	8 848	8 848	8 848	8 848	8 848	8 848	8 848	106 180	109 393	114 973	
Total Expenditure	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	706 259	756 582	803 478	
Surplus/(Deficit)	(5 607)	(5 607)	(5 607)	(5 607)	(5 607)	(5 607)	(5 607)	(5 607)	(5 607)	(5 607)	(5 607)	(5 607)	(5 607)	(67 283)	(69 087)	(72 655)	
Transfers and subsidies - capital (monetary allocations)	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	318 947	314 221	343 324	
Transfers and subsidies - capital (in-kind)																	
Surplus/(Deficit) after capital transfers & contributions	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	251 663	245 124	270 669	
Income Tax																	
Surplus/(Deficit) after Income tax	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	251 663	245 124	270 669	
Share of Surplus/Deficit attributable to Joint Venture																	
Share of Surplus/Deficit attributable to Minorities																	
Surplus/(Deficit) attributable to municipality	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	251 663	245 124	270 669	
Share of Surplus/Deficit attributable to Associate																	
Intercompany/Parent subsidiary transactions																	
Surplus/(Deficit) for the year	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	251 663	245 124	270 669	

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)

R thousand	Description	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27		
		Revenue by Vote																
	Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 03 - Summary Budget And Treasury Office	42 481	42 481	42 481	42 481	42 481	42 481	42 481	42 481	42 481	42 481	42 481	42 481	42 481	509 775	536 725	565 970	
	Vote 04 - Summary Corporate Services	32	32	32	32	32	32	32	32	32	32	32	32	32	387	403	422	
	Vote 05 - Summary Social Services & Development Planning	1 796	1 796	1 796	1 796	1 796	1 796	1 796	1 796	1 796	1 796	1 796	1 796	1 796	21 547	21 555	22 847	
	Vote 06 - Summary Infrastructure Services	28 607	28 607	28 607	28 607	28 607	28 607	28 607	28 607	28 607	28 607	28 607	28 607	28 607	343 279	349 729	387 042	
	Vote 07 - Summary Water Services	6 911	6 911	6 911	6 911	6 911	6 911	6 911	6 911	6 911	6 911	6 911	6 911	6 911	82 933	93 294	97 865	
	Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Revenue by Vote	79 827	79 827	79 827	79 827	79 827	79 827	79 827	79 827	79 827	79 827	79 827	79 827	79 827	957 921	1 001 706	1 074 146	
Expenditure by Vote to be appropriated																		
	Vote 01 - Summary Council	1 774	1 774	1 774	1 774	1 774	1 774	1 774	1 774	1 774	1 774	1 774	1 774	1 774	21 292	22 415	23 633	
	Vote 02 - Summary Municipal Manager	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	2 199	26 383	27 834	29 396	
	Vote 03 - Summary Budget And Treasury Office	8 806	8 806	8 806	8 806	8 806	8 806	8 806	8 806	8 806	8 806	8 806	8 806	8 806	105 674	111 193	117 108	
	Vote 04 - Summary Corporate Services	8 646	8 646	8 646	8 646	8 646	8 646	8 646	8 646	8 646	8 646	8 646	8 646	8 646	103 751	108 929	114 581	
	Vote 05 - Summary Social Services & Development Planning	7 306	7 306	7 306	7 306	7 306	7 306	7 306	7 306	7 306	7 306	7 306	7 306	7 306	87 668	90 270	95 304	
	Vote 06 - Summary Infrastructure Services	10 317	10 317	10 317	10 317	10 317	10 317	10 317	10 317	10 317	10 317	10 317	10 317	10 317	123 798	146 156	158 983	
	Vote 07 - Summary Water Services	19 808	19 808	19 808	19 808	19 808	19 808	19 808	19 808	19 808	19 808	19 808	19 808	19 808	237 683	250 786	264 473	
	Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Expenditure by Vote	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	58 855	706 258	756 582	803 478	
	Surplus/(Deficit) before assoc.	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	251 663	245 124	270 669	
	Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Share of Surplus/Deficit attributable to Minorities Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Surplus/(Deficit)	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	20 972	251 663	245 124	270 669	

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

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

Description	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
	R thousand														
DC43 Harry Swala - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)															
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	748	748	748	748	748	748	748	748	748	748	748	748	8 980	6 255	6 568
Vote 05 - Summary Social Services & Development Planning	126	126	126	126	126	126	126	126	126	126	126	126	1 515	970	1 017
Vote 06 - Summary Infrastructure Services	9 886	9 886	9 886	9 886	9 886	9 886	9 886	9 886	9 886	9 886	9 886	9 886	118 632	112 635	100 000
Vote 07 - Summary Water Services	14 880	14 880	14 880	14 880	14 880	14 880	14 880	14 880	14 880	14 880	14 880	14 880	178 560	177 925	216 733
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 640	307 686	297 765	324 318
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	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 640	307 686	297 765	324 318

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

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

R thousand	Description	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27		
	Capital Expenditure - Functional Governance and administration	819	819	819	819	819	819	819	819	819	819	819	819	819	819	9 826	7 152	7 508
	Executive and council																	
	Finance and administration	819	819	819	819	819	819	819	819	819	819	819	819	819	819	9 826	7 152	7 508
	Internal audit																	
	Community and public safety	50	50	50	50	50	50	50	50	50	50	50	50	50	50	600		
	Community and social services	50	50	50	50	50	50	50	50	50	50	50	50	50	50	600		
	Sport and recreation																	
	Public safety																	
	Housing																	
	Health																	
	Economic and environmental services	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	116 964	110 886	98 165
	Planning and development	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	9 747	116 964	110 886	98 165
	Road transport																	
	Environmental protection																	
	Trading services	15 025	15 025	15 025	15 025	15 025	15 025	15 025	15 025	15 025	15 025	15 025	15 025	15 025	15 025	180 297	179 747	218 644
	Energy sources																	
	Water management	14 166	14 166	14 166	14 166	14 166	14 166	14 166	14 166	14 166	14 166	14 166	14 166	14 166	14 166	169 993	156 067	161 531
	Waste water management	859	859	859	859	859	859	859	859	859	859	859	859	859	859	10 304	23 680	57 113
	Waste management																	
	Other																	
	Total Capital Expenditure - Functional	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	307 686	297 785	324 318
	Funded by:																	
	National Government	23 052	23 052	23 052	23 052	23 052	23 052	23 052	23 052	23 052	23 052	23 052	23 052	23 052	23 052	276 629	273 235	298 542
	Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	District Municipality	6	6	6	6	6	6	6	6	6	6	6	6	6	6	69	73	77
	Transfers recognised - capital	23 058	23 058	23 058	23 058	23 058	23 058	23 058	23 058	23 058	23 058	23 058	23 058	23 058	23 058	276 688	273 308	298 619
	Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Internally generated funds	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	30 988	24 476	25 899
	Total Capital Funding	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	307 686	297 785	324 318

Table 52 MBRR SA30- Budgeted monthly cash flow

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

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
Cash Receipts By Source																
Property rates	1	1	1	1	1	1	1	1	1	1	1	1	1	7	7	-
Service charges - electricity revenue																
Service charges - water revenue	4 136	4 136	4 136	4 136	4 136	4 136	4 136	4 136	4 136	4 136	4 136	4 136	48 632	57 392		
Service charges - sanitation revenue	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	1 047	12 562	13 316		
Rental of facilities and equipment																
Interest earned - external investments	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	1 700	20 402	19 619		
Agency services																
Transfers and Subsidies - Operational	42 708	42 708	42 708	42 708	42 708	42 708	42 708	42 708	42 708	42 708	42 708	42 708	512 463	551 650		
Other revenue	5 693	5 693	5 693	5 693	5 693	5 693	5 693	5 693	5 693	5 693	5 693	5 693	68 317	65 509		
Cash Receipts by Source	55 284	55 284	55 284	55 284	55 284	55 284	55 284	55 284	55 284	55 284	55 284	55 285	663 414	707 393		
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	26 579	318 947	314 221		
Proceeds on Disposal of Fixed and Intangible Assets																
Short term loans																
Borrowing long term/refinancing																
Increase (decrease) in consumer deposits	47	47	47	47	47	47	47	47	47	47	47	47	569	604		
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	81 911	81 911	81 911	81 911	81 911	81 911	81 911	81 911	81 911	81 911	81 911	81 911	982 930	1 022 218		
Cash Payments by Type																
Employee related costs	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 764	22 762	273 171	273 171		
Remuneration of councillors	717	717	717	717	717	717	717	717	717	717	717	717	8 606	9 122		
Interest	12	12	12	12	12	12	12	12	12	12	12	12	142	150		
Bulk purchases - electricity																
Acquisitions - water & other inventory	2 590	2 590	2 590	2 590	2 590	2 590	2 590	2 590	2 590	2 590	2 590	2 590	31 081	32 510		
Contracted services	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	14 212	170 542	185 737		
Transfers and subsidies - other municipalities																
Transfers and subsidies - other																
Other expenditure	13 323	13 323	13 323	13 323	13 323	13 323	13 323	13 323	13 323	13 323	13 323	13 322	159 871	160 220		
Cash Payments by Type	53 618	53 618	53 618	53 618	53 618	53 618	53 618	53 618	53 618	53 618	53 618	53 615	643 413	670 911		
Other Cash Flow/Payments by Type																
Capital assets	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	25 641	307 686	287 795		
Repayment of borrowing	200	200	200	200	200	200	200	200	200	200	200	200	2 400	2 400		
Other Cash Flow/Payments	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(1 250)	(15 000)	(15 000)		
Total Cash Payments by Type	78 209	78 209	78 209	78 209	78 209	78 209	78 209	78 209	78 209	78 209	78 209	78 205	938 500	956 095	2 400	
NET INCREASE(DECREASE) IN CASH HELD	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 702	3 706	44 430	66 122	(2 400)	
Cash/cash equivalents at the monthly/year begin:	136 239	139 941	143 644	147 346	151 048	154 750	158 453	162 155	165 857	169 559	173 262	176 964	186 669	180 669	246 792	244 392
Cash/cash equivalents at the monthly/year end:	139 941	143 644	147 346	151 048	154 750	158 453	162 155	165 857	169 559	173 262	176 964	180 669	180 669	246 792	244 392	

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 Services	Vote 06 - Summary Infrastructure	Vote 07 - Summary Water Services	Total
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity								-
Service charges - Water						1 352	55 592	56 944
Service charges - Waste Water Management						4 347	9 904	14 252
Service charges - Waste Management								-
Sale of Goods and Rendering of Services			663		-			663
Agency services								-
Interest								-
Interest earned from Receivables			41				16 614	16 655
Interest earned from Current and Non Current Assets			16 035		1 400			17 435
Dividends								-
Rent on Land								-
Rental from Fixed Assets								-
Licence and permits								-
Operational Revenue			-	387	17		-	404
Non-Exchange Revenue								
Property rates								-
Surcharges and Taxes								-
Fines, penalties and forfeits			-		-			-
Licences or permits								-
Transfer and subsidies - Operational			493 037	-	20 130	19 456	-	532 623
Interest								-
Fuel Levy								-
Operational Revenue								-
Gains on disposal of Assets			-	-	-	-	-	-
Other Gains			-					-
Discontinued Operations								-
Total Revenue (excluding capital transfers and contributions)	-	-	509 775	387	21 547	25 156	82 110	638 975
Expenditure								
Employee related costs	1 650	17 001	40 058	27 010	40 911	26 604	119 937	273 170
Remuneration of councillors	8 606							8 606
Bulk purchases - electricity								-
Inventory consumed			9 516				27 027	36 543
Debt impairment							(4 908)	(4 908)
Depreciation and amortisation			62	13 641	2 602	84 058	1 502	101 865
Interest				15	127			142
Contracted services	6 503	5 730	20 375	32 646	9 459	12 028	61 293	148 034
Transfers and subsidies	-	-	-	-	4 718	-	-	4 718
Irrecoverable debts written off			31 908					31 908
Operational costs	4 534	3 652	13 271	30 375	27 899	1 108	25 342	106 180
Losses on disposal of Assets			-	-	-	-	-	-
Other Losses			-					-
Total Expenditure	21 292	26 383	115 190	103 688	85 715	123 798	230 193	706 258
Surplus/(Deficit)	(21 292)	(26 383)	394 585	(103 301)	(64 168)	(98 642)	(148 082)	(67 283)
Transfers and subsidies - capital (monetary allocations)						318 124	823	318 947
Transfers and subsidies - capital (in-kind)						-		-
Surplus/(Deficit) after capital transfers & contributions	(21 292)	(26 383)	394 585	(103 301)	(64 168)	219 482	(147 259)	251 663

Table 43 Water Services Department – Performance objectives and indicators

DC43 Harry Gwala - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
06 - Summary Infrastructure Services										
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households	75 205	81 649	86 548	92 608	92 608	92 608	98 628	105 039	111
Flush Toilet (With Septic Tank)	Households	13 112	13 164	13 954	14 931	14 931	14 931	15 901	16 935	17
Pit Toilet (Ventilated)	Households	48 755	46 969	49 787	53 273	53 273	53 273	56 736	60 424	64
Water Management										
Water Distribution										
Informal Settlements (R000)	Rand Value				7 406	7 406	7 406			
Other Water Supply (< Min. Service Level)	Households	32 112	30 936	32 792	35 088	35 088	35 088	37 369	39 798	42
Other Water Supply (At Least Min. Service Level)	Households	32 112	30 936	32 792	35 089	35 089	35 089	37 369	39 798	42
Piped Water Inside Dwelling	Households	51 803	52 292	55 430	59 311	59 311	59 311	63 166	67 272	71
Piped Water Inside Yard (But Not In Dwelling)	Households	21 178	21 261	22 537	24 115	24 115	24 115	25 682	27 352	28
Using Public Tap (At Least Min. Service Level)	Households	31 978	37 292	39 530	42 298	42 298	42 298	45 047	47 975	50

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 2024/25 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 R49, 2 million, R51, 5 million and R54 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 2024/25 financial year is R71, 1 million and increases to R80, 3million by 2025/26 by the 2024/25 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 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	245 738	235 244	247 862	262 045	284 533	284 533	272 323	271 941	311 464
Roads Infrastructure	-	1 242	-	-	-	-	-	-	-
Roads	-	1 242	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	237 781	196 052	203 327	191 477	228 755	228 755	260 019	246 169	252 155
Dams and Weirs	24 469	7 606	18 068	45 242	44 037	44 037	55 786	66 764	84 057
Boreholes	23 814	69 041	37 187	33 539	6 230	6 230	-	-	-
Reservoirs	870	3 315	-	-	-	-	-	-	-
Pump Stations	30 873	24 379	3 716	4 935	7 348	7 348	29 516	-	-
Water Treatment Works	4 539	8 400	267	-	-	-	-	-	-
Bulk Mains	77 052	15 699	45 795	16 056	50 695	50 695	95 999	96 352	97 185
Distribution	76 164	67 612	98 295	91 705	120 445	120 445	78 718	83 053	70 913
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	7 958	37 950	44 534	70 568	55 778	55 778	12 304	25 772	59 310
Pump Station	1 580	15 010	-	6 488	5 488	5 488	1 739	-	-
Reticulation	6 378	22 940	44 534	41 814	49 090	49 090	5 217	8 696	37 420
Waste Water Treatment Works	-	-	-	10 761	1 200	1 200	2 000	2 092	2 197
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	-	-	11 505	-	-	3 348	14 985	19 693
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	-	-	270	804	804	804	845	888	932
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	270	804	804	804	845	888	932
Computer Software and Applications	-	-	270	804	804	804	845	888	932
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	1 566	1 412	410	742	1 060	1 060	1 657	1 735	1 622
Computer Equipment	1 566	1 412	410	742	1 060	1 060	1 657	1 735	1 622
Furniture and Office Equipment	1 768	1 387	1 293	2 602	3 461	3 461	4 505	4 712	4 947
Furniture and Office Equipment	1 768	1 387	1 293	2 602	3 461	3 461	4 505	4 712	4 947
Machinery and Equipment	9 099	7 376	7 430	8 810	8 810	8 810	4 982	1 034	1 085
Machinery and Equipment	9 099	7 376	7 430	8 810	8 810	8 810	4 982	1 034	1 085
Transport Assets	7 355	-	-	1 600	1 600	1 600	600	-	-
Transport Assets	7 355	-	-	1 600	1 600	1 600	600	-	-
Total Capital Expenditure on new assets	267 136	246 557	257 265	276 603	300 268	300 268	284 911	280 310	320 250

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	8 110	38 015	-	14 802	-	-	16 945	14 512	957
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	982	9 560	-	14 802	-	-	870	912	957
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works									
Bulk Mains	-	-	-	3 880	-	-	-	-	-
Distribution	982	9 560	-	10 911	-	-	870	912	957
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations									
Capital Spares									
Sanitation Infrastructure	7 128	28 455	-	-	-	-	16 075	13 599	-
Pump Station									
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	7 128	28 455	-	-	-	-	16 075	13 599	-
Machinery and Equipment	-	-	-	135	135	135	80	84	88
Machinery and Equipment	-	-	-	135	135	135	80	84	88
Transport Assets	7 032	4 396	6 259	5 400	7 025	7 025	4 883	1 969	2 068
Transport Assets	7 032	4 396	6 259	5 400	7 025	7 025	4 883	1 969	2 068
Total Capital Expenditure on renewal of existing assets	15 142	42 411	6 259	20 336	7 159	7 159	21 907	16 565	3 113
Renewal of Existing Assets as % of total capex	5,1%	14,6%	2,3%	6,6%	2,3%	2,3%	7,1%	5,6%	1,0%
Renewal of Existing Assets as % of deprecn"	19,1%	52,0%	6,7%	21,0%	7,4%	7,4%	21,5%	15,5%	2,8%

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	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	32 973	28 248	45 120	46 093	43 410	43 410	42 567	44 525	46 707
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	32 973	28 248	45 120	46 093	43 410	43 410	42 567	44 525	46 707
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	16 174	12 215	26 400	23 439	23 556	23 556	21 800	22 803	23 920
Pump Stations	10 291	9 037	11 207	12 402	10 402	10 402	10 880	11 381	11 938
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-	-	-
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	6 508	6 996	7 514	10 252	9 452	9 452	9 887	10 342	10 848
Community Assets	86	78	63	73	73	73	77	80	84
Community Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	86	78	63	73	73	73	77	80	84
Indoor Facilities	86	78	63	73	73	73	77	80	84
Other assets	1 287	1 548	4 008	5 459	5 046	5 046	6 212	6 501	6 819
Operational Buildings	1 287	1 548	4 008	5 459	5 046	5 046	6 212	6 501	6 819
Municipal Offices	1 287	1 548	4 008	5 459	5 046	5 046	6 212	6 501	6 819
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Computer Equipment	497	9	17	125	50	50	70	73	77
Computer Equipment	497	9	17	125	50	50	70	73	77
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	319	15 329	3 055	-	-	-	-	-	-
Machinery and Equipment	319	15 329	3 055	-	-	-	-	-	-
Transport Assets	83	78	204	241	109	109	350	366	384
Transport Assets	83	78	204	241	109	109	350	366	384
Total Repairs and Maintenance Expenditure	35 246	45 289	52 468	51 991	48 689	48 689	49 276	51 545	54 071
<i>R&M as a % of PPE & Investment Property</i>	<i>1,9%</i>	<i>2,3%</i>	<i>2,4%</i>	<i>2,4%</i>	<i>2,0%</i>	<i>2,0%</i>	<i>1,9%</i>	<i>1,8%</i>	<i>1,8%</i>
<i>R&M as % Operating Expenditure</i>	<i>6,4%</i>	<i>7,6%</i>	<i>8,7%</i>	<i>7,6%</i>	<i>6,9%</i>	<i>6,9%</i>	<i>13,0%</i>	<i>7,3%</i>	<i>7,1%</i>

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	2024/25 Medium Term Revenue & Expenditure Framework		
	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand			
Capital expenditure			
Vote 01 - Summary Council	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-
Vote 04 - Summary Corporate Services	8 980	6 255	6 568
Vote 05 - Summary Social Services & Development Planing	1 515	970	1 017
Vote 06 - Summary Infrastructure Services	118 632	112 635	100 000
Vote 07 - Summary Water Services	178 560	177 925	216 733
Vote 15 - Other	-	-	-
<i>List entity summary if applicable</i>			
Total Capital Expenditure	307 686	297 785	324 318
Future revenue by source			
Exchange Revenue	35 156	35 318	37 064
Service charges - Electricity			
Service charges - Water	56 944	65 272	68 471
Service charges - Waste Water Management	14 252	15 107	15 847
Service charges - Waste Management			
Agency services			
<i>List other revenues sources if applicable</i>	851 570	886 009	952 765
<i>List entity summary if applicable</i>			
Total future revenue	957 921	1 001 706	1 074 146
Net Financial Implications	(650 235)	(703 922)	(749 829)

Table 59 MBRR SA36- Detailed capital budget per municipal vote

Function	Project Description	Project Number	Type	BTSF Strategic Outcomes	IUFS	One Strategic Objective	Asset Class	Asset Sub-Class	Ward Location	2024/25 Medium Term Revenue & Expenditure Framework				
										Audited Outcome 2022/23	Current Year 2023/24 Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Parent municipality: List of capital projects proposed by Function														
Administrative And Corporate Support	Vehicle New - Mayor	PO0202001010_0001	RENEWAL	An efficient, effective and development-oriented public service	Governance	CIPAL STRATEGIC OBJECTIVE	Transport Assets	Transport Assets	RAIMONOH HEAD OFFICE	6 252	5 225	3 000	-	-
Administrative And Corporate Support	Computers	PO0202003005_0001	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	RAIMONOH HEAD OFFICE	286	1 411	1 500	1 588	1 647
Administrative And Corporate Support	New Furniture	PO0202003005_0002	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	RAIMONOH HEAD OFFICE	-	1 326	2 000	2 032	2 197
Administrative And Corporate Support	Office Equipment	PO0202003005_0003	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	RAIMONOH HEAD OFFICE	394	296	700	732	769
Administrative And Corporate Support	Bonnettes & Drone	PO0202003005_0005	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Mechinery And Equipment	Mechinery And Equipment	RAIMONOH HEAD OFFICE	-	3 385	-	-	-
Administrative And Corporate Support	Machinery	PO0202003005_0003	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Mechinery And Equipment	Mechinery And Equipment	RAIMONOH HEAD OFFICE	40	-	-	-	-
District Management	Desktop Management Comm System	PO02020030070204_0003	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Licence And Rights	Computer Software And Applications	RAIMONOH HEAD OFFICE	270	-	-	-	-
District Management	Drone Turrets	PO0202003010_0001	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Transport Assets	Transport Assets	RAIMONOH HEAD OFFICE	-	1 000	600	-	-
Economic Development/Planning	GIS Equipment	PO0202003005_0005	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Mechinery And Equipment	Mechinery And Equipment	RAIMONOH HEAD OFFICE	138	-	-	-	-
Finance	Computers	PO0202003005_0001	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	RAIMONOH HEAD OFFICE	275	-	-	-	-
Information Technology	File Encoders	PO0202001005_0002	RENEWAL	An efficient, effective and development-oriented public service	Governance	CIPAL STRATEGIC OBJECTIVE	Mechinery And Equipment	Mechinery And Equipment	RAIMONOH HEAD OFFICE	-	135	80	84	88
Information Technology	Server & Desktop Backup	PO0202003004_0001	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Computer Equipment	Computer Equipment	RAIMONOH HEAD OFFICE	410	1 000	1 500	1 588	1 647
Information Technology	New Projector & Microphones	PO0202003005_0004	NEW	An efficient, effective and development-oriented public service	Growth	CIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	RAIMONOH HEAD OFFICE	336	358	700	209	220
Project Management Unit	Mitiga Sanitasi Project	PO02010101020020_0011	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	CIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Waste Water Treatment Works	R-GRATER KOKSTAD	-	16 075	16 075	13 558	-
Project Management Unit	Bonnettes & Equipment (Donnad)	PO0102004002_0002	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bonnettes	RAIMONOH HEAD OFFICE	3 888	-	-	-	-
Project Management Unit	Bongora Water Supply	PO0102004006_0015	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Meas	R-GRATER KOKSTAD	-	-	28 238	29 621	31 073
Project Management Unit	Coruh Nyasoran Water Supply	PO0102004006_0022	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Meas	RAIMONOH HEAD OFFICE	-	-	435	456	478
Project Management Unit	Duduh - Marawan Water Supply	PO0102004006_0013	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Meas	RONGERWA SAN	-	-	455	456	478
Project Management Unit	Enzash Water Supply	PO0102004006_0011	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Meas	RONGERWA SAN	12 581	20 617	1 387	1 455	1 526
Project Management Unit	Hotok-Monawa Water Supply	PO0102004006_0012	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Meas	RONGERWA SAN	9 617	20 578	1 203	1 356	1 422
Project Management Unit	Marcumun Water Supply	PO0102004006_0009	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Meas	RONGERWA SAN	595	3 000	9 334	9 160	10 229
Project Management Unit	Maraha Water Supply	PO0102004006_0023	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Meas	R-UBIHELEME	-	-	11 600	12 079	8 612
Project Management Unit	Mikobwa Marawa Water Supply	PO0102004006_0021	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Meas	RONGERWA SAN	-	-	7 826	8 210	8 612
Project Management Unit	Shangaya Water Supply	PO0102004006_0020	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Meas	R-GRATER KOKSTAD	-	-	35 481	32 559	43 356
Project Management Unit	Relatubung Bhang-Gulicung Scheme	PO0102004007_0002	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Mechinery And Equipment	Mechinery And Equipment	RAIMONOH HEAD OFFICE	7 440	12 044	821	861	903
Project Management Unit	Mechinery	PO0202003005_0005	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Mechinery And Equipment	Mechinery And Equipment	RAIMONOH HEAD OFFICE	7 253	4 000	4 000	-	-
Sewerage	Uncemihulu Sanitation Project	PO010102005002_0004	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	CIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Sanitation Infrastructure	RAIMONOH HEAD OFFICE	-	-	-	-	-
Sewerage	Horseshoe Sanitation Project Pump Station	PO0102005001_0001	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Pump Station	R-GRATER KOKSTAD	-	5 488	1 739	-	-
Sewerage	Hiravale Sanitation Project Sewer Pipes	PO0102005002_0004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Relocation	RONGERWA SAN	-	1 304	8 896	-	-
Sewerage	Bali housing Rehabilitation Sewer Pipes	PO0102005002_0006	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Relocation	RONGERWA SAN	3 496	17 957	-	-	-
Sewerage	Reah & Uggod Of Farwah & Xopo Sewer	PO0102005002_0009	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Relocation	R-UBIHELEME	3 571	13 565	-	-	-
Sewerage	Umumbulu Hygiene Phase 2 Sewer Pipes	PO0102005002_0007	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Relocation	RAIMONOH HEAD OFFICE	37 498	17 568	-	-	-
Sewerage	Mudulezane Water & Sanitation Emergency	PO0102005003_0002	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Waste Water Treatment Works	R-UBIHELEME	-	-	-	-	-
Sewerage	Universal Sanitation Nk, Toilet Facility	PO0102005005_0003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Toilet Facilities	R-UBIHELEME	-	-	3 348	14 595	19 663
Water Distribution	Comoder Rehabilitation Bulk Meas	PO0101010104005_0004	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Meas	R-GRATER KOKSTAD	-	-	-	-	-
Water Distribution	Kempele Rehabilitation Project Dams & Weirs	PO0102004001_0004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Dams And Weirs	R-GRATER KOKSTAD	-	18 000	4 198	56 629	64 665
Water Distribution	Lane Acquisition - Kempele	PO0102004001_0004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Dams And Weirs	R-GRATER KOKSTAD	1 488	-	-	-	-
Water Distribution	Mugumani & Sanitation Wk Phs 4, Dema-Sikha	PO0102004001_0006	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Dams And Weirs	RAIMONOH HEAD OFFICE	16 570	26 436	11 589	9 925	19 391
Water Distribution	Water Irrigated Village In Ndz Bonhole	PO0102004002_0004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bonnettes	RONGERWA SAN	4510	720	-	-	-
Water Distribution	Water Irrigated Village In Ndz Borehole	PO0102004002_0005	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bonnettes	RAIMONOH HEAD OFFICE	15 444	2 468	-	-	-
Water Distribution	Water Irrigated Village In Ndz Borehol	PO0102004002_0007	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bonnettes	R-UBIHELEME	5 794	864	-	-	-
Water Distribution	Water Supply Irrigated Village New Borehole	PO0102004002_0006	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bonnettes	R-GRATER KOKSTAD	7 562	2 178	-	-	-
Water Distribution	Greater Summehd Suppi Pump Station	PO0102004004_0003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Pump Station	RAIMONOH HEAD OFFICE	2 436	7 348	29 516	-	-
Water Distribution	Relatubung Ndz Bulk Water Pump Station	PO0102004004_0005	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	CIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Pump Station	RAIMONOH HEAD OFFICE	-	-	-	-	-

DC43 Harry Gwela - Supporting Table SAAS Consolidated detailed capital budget

Function	Project Description	Project Number	Type	MTSF Service Outcome	IDDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	2024/25 Medium Term Revenue & Expenditure Framework					
										Audited Outcome 2023/24	Current Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26		
										Budget Year +2 2026/27					
Parent municipality: Water Distribution	W/ Interim Fygarie (New) 2 amp Stain	PC01010200400_0007	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Pump Stations	R-GBEETER KONGSAD	1 280	-	-	-	-	
	Bleker Dam Newborn Water Bulk Pipe Lin	PC01010200400_00014	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-KINGENWA SANI	3 711	-	-	-	-	
	On Development Relationship New Bulk P	PC01010200400_00012	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-GBEETER KONGSAD	500	-	-	-	-	
	Greater Nkomozi W/ Phase 2 Bulk Pipe	PC01010200400_00015	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-KINGENWA SANI	11 375	-	-	-	-	
	Hlyubane Town Water Bulk Pipe Line	PC01010200400_00010	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-KUBULLEBEZEMBE	7 576	-	-	-	-	
	Orphan Water Supply Pipes	PC01010200400_00022	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-KINGENWA SANI	663	34 429	17 895	-	-
	Old Donjonk Water Supply Pipes	PC01010200400_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-KINGENWA SANI	1 873	-	-	-	-
	Greater Mbulweni W/ Supply Pipe Line	PC01010200400_00034	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-KINGENWA SANI	28 885	39 994	9 412	18 398	57 272
	Greater Summerfield W/ Supply Pipe Lin	PC01010200400_00008	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	924	5 584	5 586	5 778	6 047
	Installation Of Bulk Water Meters	PC01010200400_00001	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-ADMIN OR HEAD OFFICE	-	6 000	6 076	-	6 590
	Installation Of Smart Water	PC01010200400_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-KINGENWA SANI	31 732	17 433	18 862	33 372	-
	Mbulweni Water Supply Pipes	PC01010200400_00040	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	1 638	2 061	1 739	-	-
	Kweneyi Thekoko Water Supply Pipe Line	PC01010200400_00040	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-KUBULLEBEZEMBE	6 004	850	-	-	-
	Mbulweni Water Supply Net Pipe Line	PC01010200400_00030	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-KUBULLEBEZEMBE	16 290	2 739	2 698	-	-
	Mqumbane Scheme Phase 2B3 Pipe Line	PC01010200400_00047	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	2 821	1 866	-	-	-
	Purchase Of Mobile Ww	PC01010200400_00044	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Sanitation Infrastructure	Waste Water Treatment Works	R-ADMIN OR HEAD OFFICE	1 200	2 000	2 002	2 092	2 197
	Underpass Ww	PC01010200400_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Sanitation Infrastructure	Waste Water Treatment Works	R-KINGENWA SANI	-	-	-	-	-
	Vehicle New Major	PC02000200100_00001	RENEWAL	Guarantee	Guarantee	OWN MUNICIPAL STRATEGIC OBJECTIVE	Transport Assets	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	1 800	1 800	1 800	1 888	2 068
	Office Equipment	PC020003005_00003	NEW	An efficient, effective and development-oriented public service	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	100	105	105	109	115
	Call Centre Software	PC020003005_00065	NEW	An efficient, effective and development-oriented public service	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Computer Software And Applications	Computer Software And Applications	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	522	546	546	571	600
	Diress Tents	PC020003005_00005	NEW	Inclusive and Access	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	500	523	523	547	574
	Kwaxingizakazi Relationship Upgrade	PC020101010104007_00010	RENEWAL	Inclusive and Access	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	435	456	456	478
	Mdamile Cabare Water Supply	PC020101010104007_00011	RENEWAL	Inclusive and Access	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	435	456	456	478
	Actonw/Manum Community Water Supply	PC020101010200405_00004	UPGRADING	Inclusive and Access	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Supply Infrastructure	Water Treatment Works	R-KUBULLEBEZEMBE	5 584	9 441	868	970	965
Greater Mbulweni W/ Treatment Plant	PC02010200400_00003	NEW	Growth	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Treatment Works	Water Treatment Works	R-KINGENWA SANI	267	-	-	-	-	
Udeleberg Bulk Water Sup. Upgrade Phase 2	PC02010200400_00001	NEW	Growth	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	Bulk Mains	R-KINGENWA SANI	-	5 000	-	-	-	
Parent Capital expenditure										265 118	316 291	388 772	268 915	323 361	
Entity:															
List all capital projects grouped by Entity															
Harry Gwela Development Agency															
Economic Development/Planning	Machinery	PC020003005_00003	NEW	Growth	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	-	69	75	77	
Finance	Computers	PC020003004_00002	NEW	An efficient, effective and development-oriented public service	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	-	80	157	166	174	
Finance	Software (Integrable Asset)	PC0200030070200_00001	NEW	An efficient, effective and development-oriented public service	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	License And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	-	262	259	317	332	
Finance	Machinery	PC020003005_00000	NEW	Growth	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	325	-	-	-	
Finance	Mobile Generator	PC020003008_00007	NEW	Growth	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	R-WHOLE OF THE DISTRICT	-	350	413	413	464	
Entity Capital expenditure										269 118	667	915	970	1 017	
Total Capital expenditure										534 236	322 958	390 687	270 785	324 378	

Table 61 MBRR SA38 - Consolidated detailed operational projects

DC33 Harry Gwela - Supporting Table SA38 Consolidated detailed operational projects

Function	Project Description	Project Number	Type	MITSF Service Outcome	IUF	Asset Class	Asset Sub-Class	Ward Location	2024/25 Medium Term Revenue & Expenditure Framework						
									Priority year outcomes		Budget Year 2024/25	Budget Year+1 2025/26	Budget Year+2 2026/27		
									Audited Outcome 2022/23	Current Year 2022/24 Full Year Forecast					
Parent municipality: List all operational projects grouped by function															
Administrative And Corporate Support															
Administrative And Corporate Support	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	61 546	59 233	65 307	68 286	72 614		
Administrative And Corporate Support	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	-	4	4	5	5		
Administrative And Corporate Support	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	(3)	3	3	4	4		
Administrative And Corporate Support	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	471	548	800	837	873		
Administrative And Corporate Support	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	26 050	34 426	36 211	38 187	40 286		
Administrative And Corporate Support	Capacity Building Local Municipalities (District Boundaries)	P000304003_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RADWIN OR HEAD OFFICE	16	16	17	18	18		
Administrative And Corporate Support	Human Resources Management	P000302003_0004	Work Streams	Responsive, accountable, effective and efficient local government	Governance			RADWIN OR HEAD OFFICE	-	31	25	25	27		
Administrative And Corporate Support	Q_The Capacity Build Train & Day Workshops, Seminars & Subject Matter Train	P000304010_0005	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RADWIN OR HEAD OFFICE	35	240	251	262	275		
Administrative And Corporate Support	Q_The Capacity Build Train & Day Workshops, Seminars & Subject Matter Train	P000304010_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RADWIN OR HEAD OFFICE	369	199	300	314	329		
Administrative And Corporate Support	Capital Spares	P0001001002007010_0001	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Capital Spares	RADWIN OR HEAD OFFICE	7 514	9 452	9 887	10 342	10 846		
Administrative And Corporate Support	Mechanical Equipment	P000100100200703007_0001	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Pump Stations	RADWIN OR HEAD OFFICE	11 207	10 402	10 880	11 381	11 833		
Administrative And Corporate Support	Pipe Work	P000100100200703010_0003	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Reservoirs	RADWIN OR HEAD OFFICE	19 452	12 000	10 307	11 297	11 851		
Governance Function	Capital Spares	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	11 052	9 572	10 317	10 928	11 516		
Governance Function	Risk Management	P000304015_0001	Work Streams	Responsive, accountable, effective and efficient local government	Inclusion and Access			RADWIN OR HEAD OFFICE	158	120	180	188	198		
Mayor And Council	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	19 351	19 934	20 980	22 000	23 211		
Mayor And Council	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	445	487	527	559	592		
Mayor And Council	Capacity Building Councils	P000304002_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RADWIN OR HEAD OFFICE	53	271	250	262	274		
Mayor And Council	Capacity Building Local Municipalities (District Boundaries)	P000304003_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RADWIN OR HEAD OFFICE	1 015	1 000	1 000	1 046	1 087		
Mayor And Council	Government Information System (GIS) Project And Support	P000304007_0010	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			RADWIN OR HEAD OFFICE	-	100	105	110	115		
Mayor And Council	Government Information System (GIS) Project And Support	P000304007_0007	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			RADWIN OR HEAD OFFICE	130	-	-	-	-		
Mayor And Council	Holiday Program	P000307012_0001	Work Streams	A comprehensive, responsive and sustainable social protection system	Inclusion and Access			RADWIN OR HEAD OFFICE	14	120	150	157	165		
Mayor And Council	Mayor/Candidate Mayor Campaigns	P000306002_0001	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access			RADWIN OR HEAD OFFICE	4	163	150	157	165		
Mayor And Council	Mayor/Candidate Mayor Campaigns	P000306002_0003	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access			RADWIN OR HEAD OFFICE	92	150	300	314	329		
Mayor And Council	Mayor/Candidate Mayor Campaigns	P000306002_0004	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access			RADWIN OR HEAD OFFICE	-	50	50	52	55		
Mayor And Council	Newspapers	P000306002_0002	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access			RADWIN OR HEAD OFFICE	-	105	200	209	219		
Mayor And Council	Q_The Capacity Build Train & Day Workshops, Seminars & Subject Matter Train	P000304010_0008	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RADWIN OR HEAD OFFICE	73	325	450	471	494		
Mayor And Council	Q_The Capacity Build Train & Day Workshops, Seminars & Subject Matter Train	P000304010_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RADWIN OR HEAD OFFICE	230	653	750	765	823		
Municipal Manager, Town Secretary And Chief Executive	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	5 733	6 726	6 971	7 418	8 006		
Municipal Manager, Town Secretary And Chief Executive	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	2 871	3 108	3 220	3 413	3 617		
Municipal Manager, Town Secretary And Chief Executive	Capacity Building Local Municipalities (District Boundaries)	P000304002_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RADWIN OR HEAD OFFICE	25	96	70	73	77		
Municipal Manager, Town Secretary And Chief Executive	Government Information System (GIS) Project And Support	P000304007_0010	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			RADWIN OR HEAD OFFICE	-	100	105	109	115		
Municipal Manager, Town Secretary And Chief Executive	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	15 392	20 900	23 039	24 239	25 456		
Finance	Q_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			RADWIN OR HEAD OFFICE	56	59	62	65	68		
Finance	Other And Long Learning Programmes	P00030401_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RADWIN OR HEAD OFFICE	94	552	361	377	386		

DC43 Harry Gwala - Supporting Table SA38 Consolidated detailed operational projects

Function	Project Description	Project Number	Type	MTEF Service Outcomes	IUDF	Asset Class	Asset Sub-Class	Ward Location	Prior year outcomes		2024/25 Medium Term Revenue & Expenditure Framework	
									2023/24 Full Year Forecast	2023/24 Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25
Parent municipality: List of operational projects grouped by function												
Finance	Assistance To Local Municipalities (Capacity Building)	PO00301001_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access	Computer Equipment		RAMUINI OR HEAD OFFICE	410	416	400	435
Finance	Financial Systems	PO00306002_0001	Work Streams	Responsive, accountable, effective and efficient local government	Governance	Computer Equipment		RAMUINI OR HEAD OFFICE	4843	5268	5035	5598
Finance	Financial Systems	PO00306002_0002	Work Streams	Responsive, accountable, effective and efficient local government	Governance	Computer Equipment		RAMUINI OR HEAD OFFICE	-	-	-	-
Finance	Government Information System (GIS) Project And Support	PO00304002_0008	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	Computer Equipment		RAMUINI OR HEAD OFFICE	259	314	300	329
Human Resources	O_Municipal Training Cost	PO02_0000	Municipal Training Cost	Sustainable human settlements and improved quality of household life	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	9353	10411	9355	11024
Human Resources	Disaster Relief	PO00301403_0001	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	-	-	-	-
Human Resources	Employee Assistance Programme	PO00302002_0003	Work Streams	Responsive, accountable, effective and efficient local government	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	26	30	30	33
Human Resources	Government Information System (GIS) Project And Support	PO00304002_0012	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	Transport Assets		RAMUINI OR HEAD OFFICE	2345	2735	4000	4389
Human Resources	Human Resources Management	PO00302002_0002	Work Streams	Responsive, accountable, effective and efficient local government	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	72	27	28	30
Human Resources	O_The Capacity Build Team & Dev Workshops, Seminars & Subject Matter Train	PO00304010_0002	Work Streams	Responsive, accountable, effective and efficient local government	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	215	107	200	219
Human Resources	O_The Capacity Build Team & Dev Workshops, Seminars & Subject Matter Train	PO00304010_0014	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	372	389	407	427
Information Technology	O_Municipal Training Cost	PO02_0000	Municipal Training Cost	Sustainable human settlements and improved quality of household life	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	59527	61646	63746	69729
Information Technology	Employee Assistance Programme	PO00302002_0001	Work Streams	Responsive, accountable, effective and efficient local government	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	1817	1882	1994	2163
Information Technology	Government Information System (GIS) Project And Support	PO00304002_0007	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	Transport Assets		RAMUINI OR HEAD OFFICE	312	410	600	658
Information Technology	Government Information System (GIS) Project And Support	PO00304002_0008	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	Transport Assets		RAMUINI OR HEAD OFFICE	426	359	500	523
Information Technology	Government Information System (GIS) Project And Support	PO00304002_0010	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	Transport Assets		RAMUINI OR HEAD OFFICE	759	1117	1188	1222
Information Technology	Government Information System (GIS) Project And Support	PO00304002_0014	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	Transport Assets		RAMUINI OR HEAD OFFICE	1254	535	595	614
Information Technology	Government Information System (GIS) Project And Support	PO00304002_0015	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	Transport Assets		RAMUINI OR HEAD OFFICE	3533	2023	1000	1046
Information Technology	O_The Capacity Build Team & Dev Workshops, Seminars & Subject Matter Train	PO00304010_0013	Work Streams	Responsive, accountable, effective and efficient local government	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	300	466	500	523
Information Technology	Computer Equipment	PO00302002_0010_0001	Corrective Maintenance	An efficient, effective and development-oriented public service	Governance	Computer Equipment		RAMUINI OR HEAD OFFICE	46	46	50	55
Information Technology	Computer Equipment	PO00302002_0010_0002	Corrective Maintenance	An efficient, effective and development-oriented public service	Governance	Computer Equipment		RAMUINI OR HEAD OFFICE	2	10	20	21
Information Technology	Computer Equipment	PO00302002_0010_0003	Preventative Maintenance	A long and healthy life for all South Africans	Inclusion and Access	Computer Equipment		RAMUINI OR HEAD OFFICE	52	73	77	80
Information Technology	Transport Assets	PO00302002_0010_0001	Preventative Maintenance	A long and healthy life for all South Africans	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	294	109	350	384
Information Technology	O_Municipal Training Cost	PO02_0000	Municipal Training Cost	Sustainable human settlements and improved quality of household life	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	1325	2352	2174	2443
Marketing, Customer Relations, Publicity And Media Co-Ordination	O_Municipal Training Cost	PO02_0000	Municipal Training Cost	Sustainable human settlements and improved quality of household life	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	30	20	21	23
Marketing, Customer Relations, Publicity And Media Co-Ordination	O_Municipal Training Cost	PO02_0000	Municipal Training Cost	Sustainable human settlements and improved quality of household life	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	278	291	2214	2402
Marketing, Customer Relations, Publicity And Media Co-Ordination	Municipal Training Cost	PO00304001_0004	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	Transport Assets		RAMUINI OR HEAD OFFICE	24	30	31	34
Marketing, Customer Relations, Publicity And Media Co-Ordination	O_The Capacity Build Team & Dev Workshops, Seminars & Subject Matter Train	PO00304010_0015	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	1492	11371	12218	13703
Supply Chain Management	O_Municipal Training Cost	PO02_0000	Municipal Training Cost	Sustainable human settlements and improved quality of household life	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	16	63	70	77
Supply Chain Management	Directly Billing Local Municipalities (District Boundaries)	PO00304002_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	-	159	-	-
Supply Chain Management	O_The Capacity Build Team & Dev Workshops, Seminars & Subject Matter Train	PO00304010_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	368	637	600	660
Supply Chain Management	O_The Capacity Build Team & Dev Workshops, Seminars & Subject Matter Train	PO00304010_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	15972	17099	18497	20541
Supply Chain Management	O_Municipal Training Cost	PO02_0000	Municipal Training Cost	Sustainable human settlements and improved quality of household life	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	1486	1559	1635	1726
Disaster Management	O_Municipal Training Cost	PO02_0000	Municipal Training Cost	Sustainable human settlements and improved quality of household life	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	365	1078	1300	1406
Disaster Management	Disaster Management	PO00304002_0003	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	86	92	100	105
Disaster Management	Disaster Management	PO003011_0001	Work Streams	A long and healthy life for all South Africans	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	71	130	1500	1569
Disaster Management	Disaster Management	PO00301504_0002	Work Streams	Predict and enhance environmental assets and relief resources	Inclusion and Access	Transport Assets		RAMUINI OR HEAD OFFICE	-	153	150	157
Corporate Web Strategic Planning (Info, Lead)	O_Municipal Training Cost	PO02_0000	Municipal Training Cost	Sustainable human settlements and improved quality of household life	Governance	Transport Assets		RAMUINI OR HEAD OFFICE	2865	3322	3519	3851

DC43 Harry Gwala - Supporting Table SK38 Consolidated enabled operational projects

Function	Project Description	Project Number	Type	MITSF Status Outcome	IUDF	Asset Class	Asset Sub-Class	Ward Location	2024/25 Medium Term Revenue & Expenditure Framework				
									Prior year outcomes		Budget Year 2024/25		
									Audited Outcome 2022/23	Current Year Full Year Forecast	Budget Year 2024/25	Budget Year 21 2025/26	
Parent municipality: List of operational projects grouped by Function													
Corporate Wide Strategic Planning (Ops, Leads)	Op Planning And Revision	PO0304003_0003	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			RAMWIM OR HEAD OFFICE	821	1 353	1 447	1 513	1 587
Economic Development/Planning	Municipal Planning Cost	PO02_0000	Municipal Planning Cost	Sustainable human settlements and improved quality of household life	Governance			RAMWIM OR HEAD OFFICE	8 915	26 068	26 333	31 720	32 021
Economic Development/Planning	Municipal Planning Cost	PO02_0000	Municipal Planning Cost	Sustainable human settlements and improved quality of household life	Governance			RAMWIM OR HEAD OFFICE	15 394	104	108	115	120
Economic Development/Planning	Air Quality Management	PO0304003_0001	Work Streams	Protect and enhance our environmental assets and natural resources	Spatial Integration			RAMWIM OR HEAD OFFICE	218	690	150	157	165
Economic Development/Planning	Capacity Building Local Municipalities (District Boundaries)	PO0304003_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RAMWIM OR HEAD OFFICE	19	21	221	201	242
Economic Development/Planning	Disaster Management	PO0304002_0002	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance			RAMWIM OR HEAD OFFICE	-	120	500	523	546
Economic Development/Planning	Environmental Health	PO0304004_0001	Work Streams	Protect and enhance our environmental assets and natural resources	Spatial Integration			RAMWIM OR HEAD OFFICE	-	350	300	314	325
Economic Development/Planning	O_The Capacity Build Train & Dev_ Workshops, Seminars & Subject Matter Train	PO0304010_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RAMWIM OR HEAD OFFICE	255	471	998	1 013	1 052
Economic Development/Planning	Workshop And Sessions	PO0304010_0003	Work Streams	Responsive, accountable, effective and efficient local government	Inclusion and Access			RAMWIM OR HEAD OFFICE	20	-	-	-	-
Project Management Unit	O_Municipal Planning Cost	PO02_0000	Municipal Planning Cost	Sustainable human settlements and improved quality of household life	Governance			RAMWIM OR HEAD OFFICE	99 718	186 201	189 713	129 284	142 217
Project Management Unit	Clean-Up Actions	PO0303001_0001	Work Streams	Protect and enhance our environmental assets and natural resources	Inclusion and Access			RAMWIM OR HEAD OFFICE	9 729	7 490	7 751	8 216	8 708
Project Management Unit	Government Information System (GIS) Project And Support	PO0304007_0000	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			RAMWIM OR HEAD OFFICE	-	100	105	108	115
Project Management Unit	O_The Capacity Build Train & Dev_ Workshops, Seminars & Subject Matter Train	PO0304010_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RAMWIM OR HEAD OFFICE	201	280	650	688	933
Project Management Unit	Buildings	PO010200100000010002_0001	Preventative Maintenance	An efficient, competitive and development oriented public service	Governance	Operational Buildings	Municipal Offices	RAMWIM OR HEAD OFFICE	4 008	4 946	6 000	6 276	6 584
Project Management Unit	Toll Facilities	PO04020005_0001	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Toll Facilities	RAMWIM OR HEAD OFFICE	5 949	-	-	-	-
Support To Local Municipalities	O_Municipal Planning Cost	PO02_0000	Municipal Planning Cost	Sustainable human settlements and improved quality of household life	Governance			RAMWIM OR HEAD OFFICE	3 229	3 929	3 991	4 205	4 445
Support To Local Municipalities	Municipal Planning Cost	PO02_0000	Municipal Planning Cost	Sustainable human settlements and improved quality of household life	Governance			RAMWIM OR HEAD OFFICE	2	2	2	2	3
Support To Local Municipalities	Awareness Campaign	PO0303001_0002	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access			RAMWIM OR HEAD OFFICE	158	150	150	157	165
Support To Local Municipalities	Elderly	PO0304007_0001	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			RAMWIM OR HEAD OFFICE	-	881	900	941	988
Support To Local Municipalities	Government Information System (GIS) Project And Support	PO0304007_0002	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access			RAMWIM OR HEAD OFFICE	39	533	700	732	768
Support To Local Municipalities	Mayor/Executive Mayor Campaigns	PO0304009_0005	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			RAMWIM OR HEAD OFFICE	7	-	-	-	-
Support To Local Municipalities	O_The Sport Development, Mentoring, Sport And Recreation	PO0304002_0004	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access			RAMWIM OR HEAD OFFICE	-	300	350	356	384
Support To Local Municipalities	Social Development Programmes (Welfare)	PO0303016_0004	Work Streams	An efficient, effective and development oriented public service	Inclusion and Access			RAMWIM OR HEAD OFFICE	30	53	150	157	165
Support To Local Municipalities	Youth Development	PO0303016_0004	Work Streams	A comprehensive, responsive and sustainable social protection system	Inclusion and Access			RAMWIM OR HEAD OFFICE	463	900	1 950	1 256	1 317
Water Treatment	O_Municipal Planning Cost	PO02_0000	Municipal Planning Cost	Sustainable human settlements and improved quality of household life	Governance			RAMWIM OR HEAD OFFICE	112 448	117 491	122 384	129 194	136 456
Water Treatment	Drinking Water Quality	PO0301_0001	Work Streams	A long and healthy life for all South Africans	Governance			RAMWIM OR HEAD OFFICE	5 069	4 172	4 043	4 229	4 437
Water Treatment	Government Information System (GIS) Project And Support	PO0304007_0001	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			RAMWIM OR HEAD OFFICE	9 413	5 069	3 300	3 452	3 521
Water Treatment	Government Information System (GIS) Project And Support	PO0304007_0004	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			RAMWIM OR HEAD OFFICE	427	700	732	766	803
Water Treatment	Policy Review	PO0304014_0001	Work Streams	Responsive, accountable, effective and efficient local government	Inclusion and Access			RAMWIM OR HEAD OFFICE	1 097	2 774	1 902	1 989	2 087
Water Treatment	Machinery And Equipment	PO010200100009_0001	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Governance	Machinery And Equipment	Machinery And Equipment	RAMWIM OR HEAD OFFICE	3 055	-	-	-	-
Sewerage	O_Municipal Planning Cost	PO02_0000	Municipal Planning Cost	Sustainable human settlements and improved quality of household life	Governance			RAMWIM OR HEAD OFFICE	755	684	637	690	1 022
Sewerage	Toll Facilities	PO04020005_0002	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	Sanitation Infrastructure	Toll Facilities	RAMWIM OR HEAD OFFICE	1 755	-	-	-	-
Water Distribution	O_Municipal Planning Cost	PO02_0000	Municipal Planning Cost	Sustainable human settlements and improved quality of household life	Governance			RAMWIM OR HEAD OFFICE	13 063	71 754	41 501	41 184	46 518
Water Distribution	Capacity Building Local Municipalities (District Boundaries)	PO0304003_0001	Work Streams	Sustainable human settlements and improved quality of household life	Governance			RAMWIM OR HEAD OFFICE	25 425	(4 540)	(4 848)	(5 157)	(5 520)
Water Distribution	Government Information System (GIS) Project And Support	PO0304007_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RAMWIM OR HEAD OFFICE	-	100	100	105	110
Water Distribution	O_The Capacity Build Train & Dev_ Workshops, Seminars & Subject Matter Train	PO0304010_0007	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			RAMWIM OR HEAD OFFICE	-	10	10	11	11
Water Distribution	O_The Capacity Build Train & Dev_ Workshops, Seminars & Subject Matter Train	PO0304010_0007	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance			RAMWIM OR HEAD OFFICE	53	205	215	225	236
Water Distribution	Buildings	PO0102001000070602_0002	Preventative Maintenance	A skilled and capable workforce to support an inclusive growth path	Governance			RAMWIM OR HEAD OFFICE	42	140	146	153	160
Water Distribution	Water Supply Infrastructure	PO0102001000070602_0002	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	Water Supply Infrastructure	Reservoirs	RAMWIM OR HEAD OFFICE	6 949	11 559	11 000	11 506	12 270
Parent Operational expenditure									634 439	689 962	688 883	738 224	782 122

DC&I Harry Gwala - Supporting Table S438 Consolidated detailed operational projects

Function	Project Description	Project Number	Type	MFS Service Outcome	IUDF	Asset Class	Asset Class-Code	Ward Location	Prior year outcomes			2024/25 Medium Term Revenue & Expenditure Framework		
									Included Outcome 2022/23	Current Year 2023/24 Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
Entity:														
List all Operational projects grouped by Entity														
Harry Gwala Development Agency														
Administrative And Corporate Support	O_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			R-ADMIN OR HEAD OFFICE	-	3 306	-	-	-	-
Administrative And Corporate Support	Assistance To Local Municipalities (Capacity Building)	P0003R10001_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access			R-ADMIN OR HEAD OFFICE	-	300	-	-	-	-
Administrative And Corporate Support	Disease Relief	P0003R1400_0001	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance			R-ADMIN OR HEAD OFFICE	-	-	15	16	17	17
Administrative And Corporate Support	Government Information System (GIS) Project And Support	P0003R4007_0008	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration			R-ADMIN OR HEAD OFFICE	-	-	43	46	48	48
Administrative And Corporate Support	Buildings	P00010220102000001010102_0001	Preventative Maintenance	An efficient, effective and development-oriented public service	Governance	Operational Buildings		R-ADMIN OR HEAD OFFICE	-	200	212	225	236	236
Municipal Manager, Town Secretary And Chief Executive	O_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			R-ADMIN OR HEAD OFFICE	-	6 918	-	-	-	-
Finance	O_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			R-ADMIN OR HEAD OFFICE	-	4 471	26	27	27	28
Economic Development/Planning	O_Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance			R-ADMIN OR HEAD OFFICE	-	-	13 453	14 220	14 656	14 656
Economic Development/Planning	Assistance To Local Municipalities (Capacity Building)	P0003R10001_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access			R-ADMIN OR HEAD OFFICE	-	-	318	337	354	354
Economic Development/Planning	Project Implementation	P0003R3302_0004	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration			R-ADMIN OR HEAD OFFICE	-	100	53	56	59	59
Economic Development/Planning	Project Implementation	P0003R3302_0005	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration			R-ADMIN OR HEAD OFFICE	-	-	400	400	420	420
Economic Development/Planning	Project Implementation	P0003R3302_0006	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration			R-GRANTER HOUSING	-	-	318	337	354	354
Economic Development/Planning	Project Implementation	P0003R3302_0007	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration			R-UBIHLERBEZWE	-	-	500	500	525	525
Economic Development/Planning	Project Implementation	P0003R3302_0008	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration			R-UBIHLERBEZWE	-	2 500	3 000	3 000	3 147	3 147
Economic Development/Planning	Project Implementation	P0003R3302_0009	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration			R-UBIHLERBEZWE	-	-	500	500	525	525
Economic Development/Planning	Tourism Development	P0003R6002_0002	Work Streams	An efficient, effective and development-oriented public service	Growth			R-ADMIN OR HEAD OFFICE	-	-	302	416	436	436
Economic Development/Planning	Tourism Development	P0003R6002_0003	Work Streams	An efficient, effective and development-oriented public service	Growth			R-ADMIN OR HEAD OFFICE	-	-	225	238	250	250
Tourism	Tourism Development	P0003R6002_0003	Work Streams	An efficient, effective and development-oriented public service	Growth			R-ADMIN OR HEAD OFFICE	-	212	-	-	-	-
Entity Operational expenditure										10 096	19 465	20 359	21 356	21 356
Total Operational expenditure										634 439	706 236	758 592	803 879	803 879

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 2024/25 MTREF in May 2024 directly aligned and informed by the 2024/25 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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
REVENUE ITEMS:										
Non-exchange revenue by source										
Exchange Revenue										
Total Property Rates										
<i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>										
Net Property Rates	-	-	-	-	-	-	-	-	-	-
Exchange revenue service charges										
Service charges - Electricity										
Total Service charges - Electricity										
<i>Less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>										
<i>Less Cost of Free Basis Services (50 kwh per indigent household per month)</i>										
Net Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water										
Total Service charges - Water	54 306	49 995	66 300	60 440	53 037	53 037	36 135	56 220	64 589	67 754
<i>Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>										
<i>Less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	303	642	1 775	(683)	(683)	(683)	1 251	(724)	(683)	(717)
Net Service charges - Water	54 003	49 353	64 525	61 123	53 721	53 721	34 884	56 944	65 272	68 471
Service charges - Waste Water Management										
Total Service charges - Waste Water Management	13 762	12 207	13 149	15 069	13 445	13 445	9 010	14 252	15 107	15 847
<i>Less Revenue Foregone (in excess of free sanitation service to indigent households)</i>										
<i>Less Cost of Free Basis Services (free sanitation service to indigent households)</i>	-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Water Management	13 762	12 207	13 149	15 069	13 445	13 445	9 010	14 252	15 107	15 847
Service charges - Waste Management										
Total refuse removal revenue										
Total landfill revenue										
<i>Less Revenue Foregone (in excess of one removal a week to indigent households)</i>										
<i>Less Cost of Free Basis Services (removed once a week to indigent households)</i>	-	-	-	-	-	-	-	-	-	-
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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	130 646	140 552	146 711	156 284	156 161	156 161	100 541	166 353	176 334	186 829
Pension and UIF Contributions	18 966	22 049	21 689	22 758	22 753	22 753	15 106	24 121	25 588	27 102
Medical Aid Contributions	9 349	10 123	10 478	10 801	10 814	10 814	7 213	11 463	12 151	12 880
Overtime	15 879	18 500	19 197	20 962	20 962	20 962	13 798	22 092	23 418	24 823
Performance Bonus	8 570	11 301	10 340	10 408	10 346	10 346	6 589	11 090	11 756	12 461
Motor Vehicle Allowance	17 234	21 515	21 223	23 049	23 483	23 483	13 836	24 819	26 308	27 886
Cellphone Allowance	968	1 099	1 237	1 300	1 351	1 351	792	1 435	1 521	1 612
Housing Allowances	730	737	847	850	1 035	1 035	657	1 121	1 188	1 259
Other benefits and allowances	5 174	6 242	6 249	7 456	7 538	7 538	4 125	8 015	8 496	9 006
Payments in lieu of leave	3 207	1 606	1 750	1 438	862	862	534	1 097	1 162	1 231
Long service awards	981	1 023	1 547	1 205	1 205	1 205	1 147	1 277	1 354	1 435
Post-retirement benefit obligations	6 069	3 386	4 244	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-
Scarcity	-	-	-	-	-	-	-	-	-	-
Acting and post related allowance	198	242	216	271	271	271	264	288	305	323
In kind benefits	-	-	-	-	-	-	-	-	-	-
sub-total	217 969	238 376	245 707	256 783	256 783	256 783	164 603	273 170	289 561	306 848
Less: Employees costs capitalised to PPE										
Total Employee related costs	217 969	238 376	245 707	256 783	256 783	256 783	164 603	273 170	289 561	306 848
Depreciation and amortisation										
Depreciation of Property, Plant & Equipment	75 941	78 474	92 074	96 591	96 591	96 591	63 064	101 439	106 417	111 631
Lease amortisation	298	193	134	416	416	416	135	426	449	471
Capital asset impairment	3 120	2 838	856	-	-	-	-	-	-	-
Total Depreciation and amortisation	79 359	81 505	93 063	97 007	97 007	97 007	63 199	101 865	106 865	112 102
Bulk purchases - electricity										
Electricity bulk purchases	-	-	-	-	-	-	-	-	-	-
Total bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants										
Cash transfers and grants	17 000	15 100	15 290	2 500	2 500	2 500	-	4 718	4 737	4 969
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Total transfers and grants	17 000	15 100	15 290	2 500	2 500	2 500	-	4 718	4 737	4 969
Contracted Services										
Outsourced Services	82 048	81 270	67 651	60 049	79 214	79 214	47 072	71 386	74 689	78 349
Consultants and Professional Services	11 691	14 698	9 378	12 028	14 037	14 037	5 978	19 427	20 117	21 103
Contractors	35 836	77 017	57 234	68 143	56 835	56 835	29 076	57 221	74 909	84 963
Total contracted services	129 575	172 985	134 263	140 220	150 085	150 085	82 127	148 034	169 715	184 435
Operational Costs										
Collection costs	-	411	418	450	555	555	283	808	845	886
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-
Audit fees	3 467	4 397	4 660	4 835	5 600	5 600	4 572	6 136	6 427	6 742
Other Operational Costs	53 433	58 650	64 044	86 992	91 881	91 881	60 545	99 236	102 121	107 345
Total Operational Costs	56 900	63 458	69 121	92 277	98 016	98 016	65 400	106 180	109 393	114 973
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Inventory Consumed (Project Maintenance)										
Contracted Services	34 926	29 960	49 412	51 991	48 689	48 689	28 904	49 276	51 545	54 071
Operational Costs	319	15 329	3 055	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	35 245	45 289	52 467	51 991	48 689	48 689	28 904	49 276	51 545	54 071
Inventory Consumed										
Inventory Consumed - Water	-	-	-	19 977	25 838	25 838	-	27 027	28 270	29 655
Inventory Consumed - Other	-	-	-	8 456	9 506	9 506	-	9 516	9 955	10 442
Total Inventory Consumed & Other Material	-	-	-	28 432	35 344	35 344	-	36 543	38 224	40 097

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.)

R thousand	Vote 01 - Summary Council	Vote 02 - Summary Municipal	Vote 03 - Summary Budget And	Vote 04 - Summary Corporate	Vote 05 - Summary Social Services	Vote 06 - Summary Infrastructure	Vote 07 - Summary Water Services	Total
Revenue								
Exchange Revenue								
Service charges - Electricity								-
Service charges - Water						1 352	55 592	56 944
Service charges - Waste Water Management						4 347	9 904	14 252
Service charges - Waste Management								-
Sale of Goods and Rendering of Services			663		-			663
Agency services								-
Interest								-
Interest earned from Receivables			41				16 614	16 655
Interest earned from Current and Non Current Assets			16 035		1 400			17 435
Licence and permits								-
Operational Revenue			-	387	17		-	404
Non-Exchange Revenue								
Property rates								-
Surcharges and Taxes								-
Fines, penalties and forfeits			-		-			-
Licences or permits								-
Transfer and subsidies - Operational			493 037	-	20 130	19 456	-	532 623
Interest								-
Operational Revenue								-
Gains on disposal of Assets			-	-	-	-	-	-
Other Gains			-					-
Discontinued Operations								-
Total Revenue (excluding capital transfers and contributions)	-	-	509 775	387	21 547	25 156	82 110	638 975
Expenditure								
Employee related costs	1 650	17 001	40 058	27 010	40 911	26 604	119 937	273 170
Remuneration of councillors	8 606							8 606
Bulk purchases - electricity								-
Inventory consumed			9 516				27 027	36 543
Debt impairment							(4 908)	(4 908)
Depreciation and amortisation			62	13 641	2 602	84 058	1 502	101 865
Interest				15	127			142
Contracted services	6 503	5 730	20 375	32 646	9 459	12 028	61 293	148 034
Transfers and subsidies	-	-	-	-	4 718	-	-	4 718
Irrecoverable debts written off			31 908					31 908
Operational costs	4 534	3 652	13 271	30 375	27 899	1 108	25 342	106 180
Losses on disposal of Assets								-
Other Losses								-
Total Expenditure	21 292	26 383	115 190	103 688	85 715	123 798	230 193	706 258
Surplus/(Deficit)	(21 292)	(26 383)	394 585	(103 301)	(64 168)	(98 642)	(148 082)	(67 283)
Transfers and subsidies - capital (monetary allocations)						318 124	823	318 947
Transfers and subsidies - capital (in-kind)								-
Surplus/(Deficit) after capital transfers & contributions	(21 292)	(26 383)	394 585	(103 301)	(64 168)	219 482	(147 259)	251 663

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	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
ASSETS										
<u>Trade and other receivables from exchange transactions</u>										
Electricity										
Water	159 325	164 819	178 639	163 509	177 334	177 334	185 492	170 482	163 767	156 724
Waste	-	-	-	-	-	-	-	-	-	-
Waste Water	70 561	73 638	63 018	69 051	61 789	61 789	66 657	63 064	64 485	65 976
Other trade receivables from exchange transactions	1 293	1 221	1 103	1 221	1 103	1 103	1 162	1 103	1 103	1 103
Gross: Trade and other receivables from exchange transactions	231 178	239 678	242 761	233 780	240 227	240 227	253 311	234 649	229 356	223 803
Less: Impairment for debt	(204 323)	(212 010)	(210 625)	(205 282)	(209 953)	(209 953)	(207 788)	(205 045)	(200 387)	(195 500)
Impairment for Electricity										
Impairment for Water	(124 900)	(129 533)	(135 177)	(123 748)	(140 627)	(140 627)	(132 951)	(134 596)	(128 688)	(122 489)
Impairment for Waste	(19 418)	(19 572)	(19 388)	(28 063)	(19 388)	(19 388)	(19 388)	(19 388)	(19 388)	(19 388)
Impairment for Waste Water	(59 338)	(62 276)	(55 457)	(52 842)	(49 336)	(49 336)	(54 854)	(50 458)	(51 709)	(53 020)
Impairment for other trade receivables from exchange transactions	(667)	(629)	(602)	(629)	(602)	(602)	(595)	(602)	(602)	(602)
Total net Trade and other receivables from Exchange Transactions	26 856	27 668	32 136	28 499	30 274	30 274	45 523	29 605	28 970	28 303
<u>Receivables from non-exchange transactions</u>										
Property rates	5 167	4 441	4 424	4 441	4 417	4 417	4 418	4 409	4 402	4 395
Less: Impairment of Property rates	(2 831)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)
Net Property rates	2 336	2 336	2 318	2 336	2 311	2 311	2 313	2 304	2 297	2 289
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	2 318	2 336	2 311	2 311	2 313	2 304	2 297	2 289
Inventory										
<u>Water</u>										
Opening Balance	267	408	513	716	716	716	716	716	716	716
System Input Volume	141	106	202	19 977	25 838	25 838	-	27 027	28 270	28 655
Water Treatment Works	141	106	-	-	-	-	-	-	-	-
Bulk Purchases	-	-	202	19 977	25 838	25 838	-	27 027	28 270	29 655
Natural Sources	-	-	-	-	-	-	-	-	-	-
Authorised Consumption	-	-	-	(19 977)	(25 838)	(25 838)	-	(27 027)	(28 270)	(29 655)
Billed Authorised Consumption	-	-	-	(19 977)	(25 838)	(25 838)	-	(27 027)	(28 270)	(29 655)
Billed Metered Consumption	-	-	-	(19 977)	(25 838)	(25 838)	-	(27 027)	(28 270)	(29 655)
Free Basic Water	-	-	-	-	-	-	-	-	-	-
Subsidised Water	-	-	-	-	-	-	-	-	-	-
Revenue Water	-	-	-	(19 977)	(25 838)	(25 838)	-	(27 027)	(28 270)	(29 655)
Non-revenue Water	-	-	-	-	-	-	-	-	-	-
Closing Balance Water	408	513	716	716	716	716	716	716	716	716
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	8 456	1 519	1 519	-	1 716	1 795	1 884
Issues	-	-	-	(8 456)	(1 519)	(1 519)	-	(1 716)	(1 795)	(1 884)
Adjustments	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
Zero Rated										
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	7 988	7 988	-	7 800	8 159	8 559
Issues	-	-	-	-	(7 988)	(7 988)	-	(7 800)	(8 159)	(8 559)
Adjustments	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
Closing Balance - Land	-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables	408	513	716	716	716	716	716	716	716	716

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

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
ASSETS										
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	3 175 877	3 456 912	3 706 233	3 763 042	4 023 090	4 023 090	3 921 579	4 330 151	4 627 074	4 950 487
Leases recognised as PPE										
Less: Accumulated depreciation	624 483	697 548	779 460	808 210	876 572	876 572	842 524	977 980	1 072 465	1 170 020
Total Property, plant and equipment (PPE)	2 551 394	2 759 364	2 926 773	2 954 832	3 146 517	3 146 517	3 079 055	3 352 171	3 554 609	3 780 467
LIABILITIES										
Current liabilities - Financial liabilities										
Short term loans (other than bank overdraft)	-	12 794	12 806	10 394	10 406	10 406	12 806	8 006	5 606	3 206
Current portion of long-term liabilities	-	-	-	-	-	-	-	-	-	-
Total Current liabilities - Financial liabilities	-	12 794	12 806	10 394	10 406	10 406	12 806	8 006	5 606	3 206
Trade and other payables from exchange transactions										
Trade and other payables from exchange transactions	78 030	77 578	91 868	75 527	97 619	97 619	68 796	96 542	92 424	87 376
Other trade payables from exchange transactions										
Trade payables from Non-exchange transactions: Unspent conditional Grants	(0)	(0)	21 177	1 483	1 483	1 483	68 899	1 483	1 483	1 483
Trade payables from Non-exchange transactions: Other										
VAT	5 933	6 600	7 535	6 600	7 535	7 535	13 284	7 402	7 402	7 402
Total Trade and other payables from exchange transactions	83 963	84 178	120 580	83 611	106 637	106 637	150 979	105 427	101 309	96 262
Non current liabilities - Financial liabilities										
Borrowing	4 904	1 299	(0)	-	-	-	(0)	-	-	-
Other financial liabilities										
Total Non current liabilities - Financial liabilities	4 904	1 299	(0)	-	-	-	(0)	-	-	-
Provisions										
Retirement benefits	12 701	14 612	14 923	16 235	14 923	14 923	14 923	15 818	16 787	17 774
Refuse landfill site rehabilitation										
Other	11 847	12 634	12 812	12 634	12 812	12 812	12 812	13 581	14 396	15 259
Total Provisions	24 548	27 246	27 735	28 869	27 735	27 735	27 735	29 399	31 163	33 033
CHANGES IN NET ASSETS										
Accumulated surplus/deficit										
Accumulated surplus/(deficit) - opening balance	2 260 606	2 510 028	2 729 825	2 720 105	2 950 964	2 950 964	2 941 983	3 174 036	3 402 735	3 626 991
GRAP adjustments	-	-	-	-	-	-	-	-	-	-
Restated balance	2 260 606	2 510 028	2 729 825	2 720 105	2 950 964	2 950 964	2 941 983	3 174 036	3 402 735	3 626 991
Surplus/(Deficit)	271 706	264 369	246 631	226 166	227 774	227 774	282 783	251 663	245 124	270 669
Transfers to/from Reserves	-	-	-	-	-	-	-	-	-	-
Depreciation offsets	-	-	-	-	-	-	-	-	-	-
Other adjustments	7 829	89	(1 052)	-	-	-	(29)	-	-	-
Accumulated Surplus/(Deficit)	2 540 141	2 774 486	2 975 404	2 946 271	3 178 738	3 178 738	3 224 737	3 425 699	3 647 859	3 897 660
Total Reserves	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 540 141	2 774 486	2 975 404	2 946 271	3 178 738	3 178 738	3 224 737	3 425 699	3 647 859	3 897 660

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	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics										
Population	-	-	-	687	728	761	810	859	910	965
Females aged 5 - 14	-	-	-	101	108	112	120	127	134	142
Males aged 5 - 14	-	-	-	86	92	96	102	108	114	121
Females aged 15 - 34	-	-	-	127	134	140	149	158	168	178
Males aged 15 - 34	-	-	-	108	114	119	127	135	143	151
Unemployment	-	-	-	172	182	190	203	215	228	241
Monthly household income (no. of households)										
No income	-	-	-	97 182	103 013	107 560	114 552	121 425	128 711	136 433
R1 - R1 600	-	-	-	162 882	172 655	180 277	191 995	203 515	215 726	228 669
R1 601 - R3 200	-	-	-	254 178	269 429	281 323	2 996 090	3 175 855	3 366 407	3 568 391
R3 201 - R6 400	-	-	-	58 343	61 844	64 574	68 771	72 897	77 271	81 907
R6 401 - R12 800	-	-	-	49 685	52 667	54 992	58 567	62 081	65 806	69 754
R12 801 - R25 600	-	-	-	38 462	40 770	42 570	45 337	48 057	50 941	53 997
R25 601 - R51 200	-	-	-	152	161	169	179	190	202	214
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

2024/03/26

