



nelson mandela bay

M U N I C I P A L I T Y

PORT ELIZABETH | UITENHAGE | DESPATCH

2024/25 – 2026/27 DRAFT BUDGET

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PART 1 – ANNUAL BUDGET

1.1 EXECUTIVE MAYOR'S FOREWORD – TABLING OF THE 2024/25 TO 2026/27 DRAFT BUDGET FOR NOTING

Section 16(2) of the Local Government: Municipal Finance Management Act (MFMA), (Act No. 56 of 2003) stipulates that the Mayor must table the budget in Council, at least 90 days before the start of the budget year.

The municipal budget is funded from various funding sources, including grants allocated by the Minister of Finance through the Division of Revenue Act (DORA). On 21 February 2024, the Minister of Finance tabled the 2024/25 to 2026/27 Budget in Parliament. The budget as tabled by the Minister of Finance, includes various grant allocations (conditional or unconditional) to municipalities, in terms of the DORA. The municipality's draft budget tabled to Council for noting includes the following grant allocations: -

ALLOCATION OF GRANTS in terms of THE DIVISION OF REVENUE BILL (2024/2025 to 2026/27)				
GRANT NAME	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2024/25	2025/26 (1st Outer Year Projections)	2026/27 (2nd Outer Year Projections)
OPERATING GRANTS				
		R'000	R'000	R'000
Equitable Share (Schedule 3)	Unconditional	1,523,361,000	1,643,573,000	1,775,087,000
Financial Management Grant	Conditional	1,000,000	1,000,000	1,200,000
Infrastructure Skills Development Grant	Conditional	13,800,000	13,800,000	14,000,000
EPWP	Conditional	3,480,000	-	-
City Led Public Employment Program (Included in the NDPG)	Conditional	15,000,000		
General Fuel Levy	Unconditional	824,005,000	860,980,000	900,487,000
Programme and Project Preparation Support Grant	Conditional	15,000,000	20,000,000	25,000,000
TOTAL - OPERATING		2,395,646,000	2,539,353,000	2,715,774,000
GRANT NAME	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2024/25	2025/26 (1st Outer Year Projections)	2026/27 (2nd Outer Year Projections)
CAPITAL GRANTS				
		R'000	R'000	R'000
Urban Settlements Development Grant (USDG) Annexure W5)	Conditional	635,473,000	663,817,000	786,561,000
Informal Settlement Upgrading Partnership Grant	Conditional	361,684,000	377,887,000	395,200,000
Neighbourhood Partnership Development Grant (NDPG)	Conditional	17,213,000	25,000,000	35,000,000
Public Transport Network Operations Grant	Conditional	339,948,000	333,476,000	323,165,000
Regional Bulk Infrastructure Grant (Page 312 of 336)	Conditional	250,000,000	390,000,000	
Energy Efficiency and Demand Side Management Grant	Conditional	7,000,000	7,000,000	8,500,000
TOTAL - CAPITAL		1,611,318,000	1,797,180,000	1,548,426,000
TOTAL GRANTS (OPERATING AND CAPITAL)		4,006,964,000	4,336,533,000	4,264,200,000

In terms of the above table, the total Operating Grants amount to R2.39 billion, R2.53 billion and R2.71 billion for the three financial years, whilst the total Capital Grants amount to R1.61 billion, R1.79 billion and R1.54 billion over the same period.

The above allocations include the Informal Settlements Upgrading Partnership Grant (ISUPG), which has been gazetted, amounting to R361.68 million, R377.88 million and R395.20 million over the three-year period. The Human Settlements Directorate, in conjunction with the affected Service Delivery Directorates must ensure that the projects to be funded from this grant, are in line with the Business Plan as approved by the National Department of Human Settlements, to enable final approval of the budget by Council by the end of May 2024, when the 2024/25-2026/27 Budget will be considered by Council.

The Regional Bulk Infrastructure Grant (RBIG) has been allocated to the municipality only for the two financial years (i.e. 2024/25 and 2025/26) as follows, R250 million and R390 million, respectively. This grant was firstly allocated to the city with effect from the 2023/24 MTREF period, to deal with water drought related issues that the city has been confronted with and will, with effect from the 2026/27 financial year be no longer made available to the City. The Infrastructure & Engineering Directorate (i.e. Water Services Sub Directorate) must ensure that the projects to be funded from this grant, are in line with the business plan as approved by the National Department of Water & Sanitation, and that allocations are correctly split to projects that are agreed upon with the transferring national department.

The budget is also informed by the consideration of tariff increases for various services, such as, Electricity, Water, Refuse and Sanitation and Property Rates. The proposed increases for electricity tariffs are dependent on the final outcomes of the ESKOM tariff application to NERSA, accordingly, the proposed increases for electricity are still subject to final approval by NERSA.

The budget has been prepared against the background of an escalation in arrear debt. The following table illustrates the arrear debt as at end of February 2024, compared to the position as at the end of June 2023: -

OVERDUE AMOUNTS			
Detail	June 2023	At the End of	Difference
		Feb-24	
Debtors Age Analysis by Revenue Source			
Trade and Other Receivables from Exchange Transactions - Water	R 8,136,133,033	R 6,503,636,046	-R 1,632,496,987
Trade and Other Receivables from Exchange Transactions - Electricity	R 653,630,400	R 722,678,379	R 69,047,979
Receivables from Non-exchange Transactions - Property Rates	R 1,335,540,279	R 1,565,638,546	R 230,098,267
Receivables from Exchange Transactions - Waste Water Management	R 1,163,788,465	R 1,124,812,457	-R 38,976,008
Receivables from Exchange Transactions - Waste Management	R 661,209,036	R 569,152,471	-R 92,056,565
Receivables from Exchange Transactions - Property Rental Debtors	R 40,177,773	R 44,020,451	R 3,842,678
Interest on Arrear Debtor Accounts	R 1,947,366,721	R 2,252,655,102	R 305,288,381
Other	R 399,930,189	R 383,161,952	-R 16,768,237
Total By Income Source	R 14,337,775,896	R 13,165,755,404	-R 1,172,020,492
Debtors Age Analysis by Customer Group			
Government	R 180,626,258	R 263,997,695	R 83,371,437
Business	R 1,693,956,774	R 1,931,167,397	R 237,210,623
Households	R 12,418,048,260	R 10,918,727,543	-R 1,499,320,717
Other (NMBM)	R 45,144,604	R 51,862,769	R 6,718,165
Total By Customer Group	R 14,337,775,896	R 13,165,755,404	-R 1,172,020,492

The table indicates that the arrear debt has decreased by R1.17 billion from R14.33 billion in June 2023 to R13.16 billion in February 2024. The biggest contributor to this reduction is the arrear water debt component, due to moving to Part C of the water tariff structure.

As previously reported to Council, it is important to note that the financial position of the Electricity Service is under immense pressure due to the extent of electricity losses, which impacts significantly on the financial sustainability of the municipality. This is supported by the fact that the budget for Electricity Bulk Purchases exceeds the total Electricity Service Charges budget. This means that the Electricity Service, which is a Trading Service, is operating at a significant deficit, requiring support from property rates.

It is to be noted that Salary and Wage Bill is a major cost driver. The current three-year Collective Agreement dated 15 September 2021, regarding salary increases for municipal employees came into effect from the 2021/22 financial year, covering the period from 1 July 2021 to 30 June 2024. To guide salary increases the projected average CPI, as indicated in the latest National Treasury Budget Circular, was considered.

Let me take this opportunity to sincerely thank all role players who assisted in ensuring that the draft budget is submitted to Council for noting, leading up to the final approval of the budget by the end of May 2024.

I therefore table the 2024/25-2026/27 Draft Budget and the accompanying documents before Council for NOTING.

Thank You / Enkosi / Baie Dankie!!!

**COUNCILLOR G. VAN NIEKERK
EXECUTIVE MAYOR**

1.2 COUNCIL RESOLUTIONS

THE EXECUTIVE MAYOR RECOMMENDS TO COUNCIL THAT:

1. The consolidated annual budget of the Nelson Mandela Bay Municipality for the financial year 2024/25 and the indicative allocations for the projected outer years 2025/26 and 2026/27, and the multi-year and single year capital appropriations, be ***noted*** for the purpose of complying with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA), read in conjunction with Municipal Budget and Reporting Regulations No.32141 (dated 17 April 2009), as set out in the following tables:
 - 1.1 Consolidated Budget Summary (revenue and expenditure by standard classification); [Page 51 to 53] (A1);
 - 1.2 Consolidated Budget Financial Performance (revenue and expenditure by municipal vote); [Page 53 to 55] (A2);
 - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type / municipal vote); [Page 55-56] (A3);
 - 1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source (A5); [Page 58 to 60];
 - 1.5 That the budgeted financial position, budgeted cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:
 - 1.6 Budgeted Financial Position (A6); [Page 60 to 61];
 - 1.7 Budgeted Cash Flows (A7); [Page 62 to 63];
 - 1.8 Cash backed reserves and accumulated surplus reconciliation (A8); [Page 63];
 - 1.9 Asset Management (A9); [Page 63 to 69]; and
 - 1.10 Basic service delivery measurement (A10). [Page 69 to 71].
2. That the consolidated budget that includes the financial impact of the municipal entity (i.e. Mandela Bay Development Agency) as well as Capital and Operating Contributions to the MBDA (including HURP) of R137.5 million (2024/25), R141.7 million (2025/26) and R145.9 million (2026/27) respectively, be noted.
3. That Council notes that transfer of grants to the entity (i.e. MBDA) will be undertaken on a quarterly basis, based on compliance with the required conditions as per the signed service delivery agreement (SDA).
4. That the proposed tariffs increase for the 2024/25 (1 July 2024) financial year are as follows:

Property rates	-	5%
Water	-	6.00%
Sanitation	-	6.00%
Refuse	-	6.00%
Electricity	-	15.7%

(On average, depending on the various customer categories, subject to NERSA's final approval).
5. That the indicative tariffs for 2025/26 and 2026/27 be increased as follows (considering the external factors impacting on Electricity and Water Services):

	2025/26	2026/27
Property Rates	5.50%	6.00%
Water	6.50%	7.00%
Sanitation	6.50%	7.00%
Refuse	6.50%	7.00%
Electricity	15.7%	15.7%

6. That Council **notes** the contents of **National Treasury MFMA Budget Circulars 126 and 128** (attached elsewhere to the Budget Report) for guiding the budgeting processes leading up to budget approval by the end of May 2024.
7. That in line with the requirements, relating to allocations of grants by the NMBM to any organisations/bodies referred to in section 67(1) of the MFMA, it be noted that the following allocations, with Council resolutions and/or Service Level Agreements (SLA's) are made under the Sports, Recreation, Arts and Culture (SRAC) Directorate, and further updates will be made leading up to the finalisation of the budget for Council's approval on or before end May 2024:

Vote Number	Project ID	Job Number	Job Description	2024/25	2025/26	2026/27	Status/ Authority	Comments
0064 6318	20182504	2018NSRA05835	Rugby Championship	6,900,000	6,900,00		Contract expires 25/ 26	Contract renewal upon expiry
0064 6318	20182505	2018NSRA05836	Soccer Championship	6,900,000	6,900,000		Contract expires 25/ 26	Contract renewal upon expiry
0064 6318	20182508	2018NSRA05837	Cricket Championship	6,096,840			Contract expires 24/ 25	Contract renewal upon expiry
0064 6318	20240024	2024NSRA42123	ABSA Run Your City - Stillwater Sports - Replaced COSAFA	1,700,000	1,700,000		Contract expires 25/ 26	Local development
0064 6318	20240018	2024NSRA42117	Professional Boxing in NMB	1,000,000	1,000,000		Contract expires 25/ 26	Contract renewal upon expiry
0064 6318	20240019	2024NSRA42118	ABC Motsepe League Teams	763,200	763,200	763,200	Mandate	Local development
0064 6318	20240020	2024NSRA42120	Nelson Mandela Bay Sports Summit	1,100,000	1,100,000	1,100,000	Mandate	Local development
0064 6318	20240021	2024NSRA42121	Nedbank Runified Race	1,955,000			Contract expires 24/ 25	Contract renewal upon expiry
0064 6318	20240023	2024NSRA42122	NMB Triathlon	920,000			Contract expires 24/ 25	Contract renewal upon expiry
0065 1589	20180124	2018NSRA05872	National Fresh Pro Series	1,190,250			Contract expires 24/ 25	Contract renewal upon expiry
0065 1589	20180124	2018NSRA05875	Opera House	7,242,000	7,242,000		Contract expires 25/ 26	Contract renewal upon expiry
0065 1589	20180119	2018NSRA00275/755	Repatriation - Reburials	500,000	500,000	500,000	Mandate	Local development
0065 1589	20180124	2018NSRA05868	Wrestling Extravaganza	940,750	997,195		Contract expires 25/ 26	Contract renewal upon expiry
0065 1589	20240244	2024NSRA42237	Mandela Bay Arts Festival	4,950,000	4,950,000		Contract expires 25/ 26	Contract renewal upon expiry
1114 4976	20181394	2018NSRA00381	Levies: Special Events	861,970	913,690	968,510	Mandate	Local development
1114 4976	20181394	2018NSRA05878	Splash Festival	4,500,000	4,770,000	5,086,200	Mandate	Local development
1114 4976	20181394	2018NSRA05879	Summer Season	5,750,000	5,750,000	5,750,000	Council resolution for 2024/25 only	CR – Awaiting contracting
1114 4976	20181394	2018NSRA05881	EP Athletics	6,360,000	6,714,600		Contract expires 25/ 26	Contract renewal upon expiry
1114 4976	20181393	2018NSRA00382	Levies: Memorial Lectures	750,000	795,000	842,700	Mandate	Local development
1114 4976	20181395	2018NSRA00379	Heritage Month	500,000	530,000	561,800	Mandate	Local development
1114 4976	20181394	2018NSRA05877	Ironman Triathlon	8,585,095	8,222,629		Contract expires 25/ 26	Contract renewal upon expiry

Vote Number	Project ID	Job Number	Job Description	2024/25	2025/26	2026/27	Status/ Authority	Comments
1114 4976	20181394	2024NSRA42131	Ebubeleni Music Festival	3,425,000			Contract expires 24/ 25	Contract renewal upon expiry
TOTAL				71,949,355	52,848,314	15,572,410		

8. That Council notes that payments made to the above organisations will be in line with the approved Service Level Agreements (SLA's) entered between the NMBM and the individual organisations.
9. That the Chief Financial Officer be authorised to implement any changes that may be identified, without them affecting the bottom-line, after the tabling of the 2024/25 MTREF Budget in Council for approval, prior to submission to National Treasury and publication on the municipal website.

THE 2024/25 TO 2026/27 DRAFT BUDGET REPORT

1.3 EXECUTIVE SUMMARY

The key service delivery priorities, as reflected in the Integrated Development Plan (IDP), informed the development of the Budget, including the need to maintain the Municipality's financial sustainability.

This budget has been prepared against the background of a declining Collection Rate. As previously reported to Council, the imposition of punitive water tariffs due to water drought situation, impacted negatively on the collection rate and the outstanding debtors for water service charges. In June 2022, Council resolved, inter alia, to move from Part C to Part D of the water tariff structure. In February 2023, Council resolved, inter alia, to revert to Part C of the water tariff structure.

Specific revenue collection strategies to improve the collection of outstanding consumer debt are continuously being implemented by the Municipality. Cost containment Regulations and Policy are also being implemented to curb costs and to improve operational efficiency, in line with the requirements of the Cost Containment Regulations (Number 42514 dated 7 June 2019), as well as the approved Cost Containment Policy of Council.

All National Treasury's MFMA Circulars were taken into consideration in guiding the compilation of the 2024/25 MTREF, including the latest MFMA Budget Circulars 126 and 128. These two MFMA Circulars (i.e. MFMA Circular 126 and 128) are attached elsewhere as Annexures to this budget report.

The Municipality is faced with the following significant challenges during the compilation of the 2024/25 MTREF which inter-alia include the following:

- The declining collection rate impacting on the financial sustainability of the municipality.
- Inability to budget for a surplus on the Operating Budget, due to prior year commitments with financial implications on the budget.
- The poor financial performance of the electricity service, as it now operates at a huge deficit.
- The escalating electricity and water losses that are at unacceptable high levels, despite external debt taken up recently, aimed at addressing the situation.
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of property rates and tariff increases.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Underfunded mandates negatively impacting on the municipality's budget, such as the Library Services.
- Financial commitments emanating from prior Council decisions, such as the insourcing of security guards, which become a permanent cost in the municipality's payroll.
- The required resources for systematic implementation of the Municipal Standard Chart of Accounts (MSCOA) reforms as regulated in terms of National Treasury's MSCOA Regulations.

The following budget principles and guidelines directly informed the compilation of the 2024/25 MTREF:

- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases, to ensure the delivery of services on a financially sustainable basis.
- In accordance with Section 19 of the Local Government: Municipal Finance Management Act (56 of 2003) (MFMA), the relevant Acting/Executive Directors must submit comprehensive reports in relation to new projects, inter alia, dealing with the total project costs, funding sources, future operating budget implications and associated tariff implications, before Council finally approves the implementation of any new projects.
- It is also a requirement that new projects in the budgeting process, must be accompanied by a Business Plan, Cash Flows and a Procurement Plan.

In view of the aforementioned, the following table represents a **consolidated overview** (which includes the MBDA) of the draft 2024/25 Medium-Term Revenue and Expenditure Framework:

TABLE 1 (CONSOLIDATED OVERVIEW OF THE 2024/25 MTREF)

R thousands	Original Budget 2023/24	Adjusted Budget 2023/24	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Total Operating Revenue (Including Fuel Levy)	16,055,279	16,421,777	17,856,596	19,444,285	21,280,495
Total Operating Expenditure	17,272,541	16,889,122	18,160,490	19,781,295	22,003,484
Actual Surplus/(Deficit)	(1,217,262)	(467,345)	(303,894)	(337,010)	(722,988)
Total Capital expenditure (Incl. Entity)	1,995,960	1,807,476	2,035,552	1,976,546	1,775,381

The above table indicates that the total revenue has increased from R16.05 billion in the 2023/24 original budget, R16.42 billion in the 2023/24 Adjustments Budget and is projected to range between R17.86 billion to R21.28 billion during the 2024/25 MTREF. The expenditure increased from R17.27 billion in the 2023/24 original budget, R16.89 billion in the 2023/24 Adjustments Budget and ranges between R18.16 billion to R22.0 billion during the 2024/25 MTREF. The projected deficits for the 2024/25 MTREF period are R303.9 million, R337.0 million and R722.9 million for the 2024/25, 2025/26 and 2026/27 financial years respectively.

To support the 2024/25 Operating Budget, the following increase in property rates and service charges are proposed, with effect from 1 July 2024:

Property rates	-	5%	
Water	-	6%	
Sanitation	-	6%	
Refuse	-	6%	
Electricity (Average)	-	15.7%	(On average depending on various customer categories, subject to NERSA's final approval).

1.3.1. Summary of the Capital Budget (2024/25 to 2026/27)

The capital budget for the 2024/25, 2025/26 and 2026/27 financial years amounts to R1.98 billion, R1.92 billion and R1.72 billion respectively. The Capital Budget is funded from various sources, such as grants and internal sources, which includes the Fuel Levy.

A high-level summary of the Capital Budget by Directorate, including percentage allocation is as follows:

TABLE 2 (2024/25 MEDIUM-TERM CAPITAL BUDGET PER VOTE / DIRECTORATE)

Directorate	2023/24 Approved Capital Adjustments Budget	Final 2024/25 Proposed Budget aligned to affordability limits	% Allocation vs Total Capital Budget	Final 2025/26 Proposed Budget aligned to affordability limits	Final 2026/27 Proposed Budget aligned to affordability limits
Budget & Treasury	5,712,000	31,490,000	1.59%	6,000,000	700,000
Corporate Services	36,943,240	30,791,760	1.56%	31,000,000	29,000,000
Economic Development, Tourism and Agriculture	6,279,566	7,200,000	0.36%	2,000,000	-
Sport and Recreation	26,246,080	65,610,000	3.31%	42,500,000	36,000,000
Human Settlements	134,311,780	465,707,826	23.53%	479,197,391	493,652,174
Electricity and Energy	304,382,680	181,762,971	9.18%	159,796,157	163,100,504
Roads, Stormwater, Transportation & Fleet	514,430,334	384,986,826	19.45%	398,239,130	424,545,783
Water Services	467,229,738	446,450,914	22.55%	547,946,607	201,900,000
Sanitation Services	141,896,048	209,831,289	10.60%	134,595,560	247,180,344
Public Health	79,221,290	85,800,000	4.33%	83,900,000	87,300,000
Safety & Security	36,416,600	69,880,350	3.53%	33,650,000	32,550,000
TOTAL NMBM CAPITAL BUDGET	1,753,069,357	1,979,511,936	100%	1,918,824,845	1,715,928,805

The above table gives a high-level breakdown of the Capital Budget per Vote / Directorate and percentage allocation per Vote / Directorate. Based on the above it can be seen that the Capital Budget is mainly utilised to fund projects that are implemented within the service delivery Directorates. The

details of the Capital budget per Directorate are found in the Capital Works Plan, which is attached as an Annexure to this Budget Report.

The following table provides a breakdown of the funding sources supporting the Capital Budget:

TABLE 3 (2024/25 MEDIUM-TERM CAPITAL BUDGET PER FUNDING SOURCE NMBM ONLY)

Sources of Finance	2022/23 Approved Capital Adjustments Budget	Final 2024/25 Proposed Budget aligned to affordability limits	% Allocation vs Total Capital Budget	Final 2025/26 Proposed Budget aligned to affordability limits	Final 2026/27 Proposed Budget aligned to affordability limits
Total CRR - 901	79,486,600	225,802,792	11.41%	125,685,728	124,172,440
Total Levies Replacement Grant Funding - 959	372,290,240	403,480,000	20.38%	415,320,000	419,720,000
Total Public Contributions Funding - 923	55,000,000	43,000,000	2.17%	43,000,000	43,000,000
Urban Settlements Development Grant - 951	493,533,016	536,007,661	27.08%	559,915,209	663,447,104
Informal Settlements Upgrading Partnership Grant - 972	305,333,377	314,507,826	15.89%	328,597,391	343,652,174
IPTS Grant - 918	88,039,000	88,039,000	4.45%	79,350,000	84,111,000
Neighbourhood Development Grant - 919	8,434,780	14,967,826	0.76%	21,739,130	30,434,783
External Finance Fund - 962	58,865,396	130,228,574	6.58%	-	-
Regional Bulk Infrastructure Grant - 973	285,356,520	217,391,300	10.98%	339,130,430	-
Energy Efficiency & Demand Side Management Grant - 976	6,730,428	6,086,957	0.31%	6,086,957	7,391,304
Total Capital Budget Funding	1,753,069,357	1,979,511,936	100%	1,918,824,845	1,715,928,805

The aforementioned table indicates that the Capital Budget is mainly funded from grants.

1.4. HISTORIC PROPERTY RATES AND TARIFFS INCREASES

The following table illustrates the historic increases for the various services:

TABLE 4 (HISTORIC PERCENTAGE INCREASES FOR SERVICES)

VARIOUS SERVICES	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
	%	%	%	%	%	%	%	%	%	%	%
Electricity	15.7 (average)	18.49 (average)	7.47 (average)	14.59 (average)	6.22 (average)	13.04	5.43 (average)	1.88	7.64	12.2	7.39
Water	6	6	5	6	6	7.5	8.5	9	9	13	12
Sanitation	6	6	5	6	6	7.5	8.5	9	9	12	12
Property Rates	5	5	5.5	6	6	7.77	5	4.4	9.5	9.5	9.5
Refuse	6	6	5	6	6	7.5	7.5	9	9	11	12

It is noted from the aforementioned table that all efforts are made to maintain tariff increases within the CPIX range, as projected by National Treasury, except for electricity tariff increases, which are influenced by NERSA tariff determinations.

1.5 OPERATING REVENUE FRAMEWORK

The continued provision and expansion of municipal services is largely dependent on the Municipality generating sufficient revenues. Efficient and effective revenue management is thus of critical importance in ensuring the ongoing financial sustainability of the Municipality. Furthermore, in accordance with section 18(1) (a) of the Local Government: Municipal Finance Management Act (56 of 2003) (MFMA), expenditure must be limited to the realistically anticipated revenues.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard in terms of the relevant Budget Circulars (i.e. Circulars 126 and 128).
- Tariff and Credit Control Policies of the municipality.
- The Municipal Property Rates Policy as amended every financial year.

- The ATTP Policy and provision of free basic services as funded from the Equitable Share allocated in terms of the Division of Revenue Act (DORA).
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to provide for the maintenance and replacement of infrastructure, including the expansion of services.
- Replenishing the Capital Replacement Reserve (CRR) to finance Capital projects, from internal funding sources.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Water bulk tariff increases as approved by the Department of Water and Sanitation.
- Efficient revenue management, targeting the budgeted collection rate for property rates and service charges of 80.57%.

1.5.1. Determination of the Average Collection Rate per service

Based on the current economic climate, the calculation of the average collection rate had to be re-assessed, considering the impact per service. This re-assessment resulted in a collection rate being determined per service, based on the revenue collection performance of the service.

In line with the aforementioned approach, the following debt impairment and collection rates per service were budgeted for:

TABLE 5 (BUDGETED DEBT % IMPAIRMENT & COLLECTION RATES PER SERVICE)

DETAILS / SERVICE	DEBT IMPAIRMENT PER SERVICE %	COLLECTION RATE PER SERVICE %
Property Rates	11	89
Electricity	3	97
Sanitation	28	72
Refuse (Waste Management)	46	54
Water	54	46

The table below indicates the budgeted debt impairment per service for the 2024/25 MTREF, which is based on the anticipated revenue that may not be collected as calculated above:

TABLE 6(a) (DEBT IMPAIRMENT PER SERVICE FOR THE 2024/25 MTREF - EXCL. TRAFFIC FINES)

Debt Impairment	2024/25	2025/26	2026/27
Impairment Loss: Receivables from Exchange Transactions: Wastewater Management	188,145,050	200,368,880	214,400,650
Impairment Loss: Receivables from Exchange Transactions: Waste Management	96,536,010	102,328,180	108,979,510
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Water	1,202,537,930	1,280,699,070	1,370,352,100
Impairment Loss: Other Receivables from Non-exchange Revenue: Property Rates	333,708,850	353,731,390	374,955,280
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Electricity	94,190,500	97,016,210	99,926,700
Total Impairment of Receivables (Excl. Traffic Fines Impairment)	1,915,118,340	2,034,143,730	2,168,614,240

TABLE 6(b) (BAD DEBTS PER SERVICE FOR THE 2024/25 MTREF - EXCL. TRAFFIC FINES)

Debt Impairment	2024/25	2025/26	2026/27
Bad Debts: Wastewater Management	69,587,900	74,109,040	79,298,870
Bad Debts: Waste Management	28,835,440	30,565,560	32,552,320
Bad Debts: Water	450,619,670	479,908,520	513,503,640
Bad Debts: Property Rates	13,455,550	13,859,220	14,275,000
Bad Debts: Electricity	20,496,860	21,111,770	21,745,120
Total Impairment of Receivables (Excl. Traffic Fines Impairment)	582,995,420	619,554,110	661,374,950

1.5.2. Summary of main revenue sources

The following table is a high-level summary of the main revenue sources:

TABLE 7 (SUMMARY OF MAIN REVENUE SOURCES)

Description	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue (Exchange & Non-Exchange)						
Service charges - Electricity	4,602,372,000	5,159,121,000	5,171,943,090	5,983,938,160	6,923,416,450	8,010,392,830
Service charges - Water	4,851,512,000	2,943,776,280	2,912,998,980	3,087,778,920	3,288,484,550	3,502,236,050
Service charges - Waste Water Management	790,170,000	837,553,460	868,502,020	920,474,770	980,278,280	1,048,926,860
Service charges - Waste Management	323,273,000	311,828,840	311,828,840	330,538,630	352,023,580	374,905,110
Sale of Goods and Rendering of Services	73,659,000	117,719,860	113,104,240	103,845,580	109,635,280	117,693,560
Agency services	4,329,000	3,715,510	3,870,400	4,063,920	4,287,440	4,518,970
Interest earned from Receivables	336,097,000	208,088,000	207,878,000	226,156,000	236,501,080	254,081,920
Interest earned from Current and Non-Current Assets	901,629,000	573,984,090	883,721,980	990,739,920	1,071,130,910	1,158,090,710
Rental from Fixed Assets	30,762,000	31,021,410	37,083,920	38,567,330	40,990,020	43,567,870
Licence and permits	21,438,000	18,157,000	18,221,000	20,137,320	21,458,630	22,861,830
Operational Revenue	33,182,000	38,583,000	32,796,000	32,550,370	34,272,050	36,493,300
Property rates	2,738,530,000	2,980,757,290	2,944,079,040	3,091,282,990	3,261,303,560	3,456,981,770
Fines, penalties, and forfeits	77,511,000	82,843,310	46,185,260	64,222,940	67,753,640	71,410,840
Licences or permits	1,000	1,000	1,000	1,000	1,000	1,000
Transfer and subsidies - Operational	1,554,247,000	1,964,652,000	2,085,586,000	2,138,293,430	2,181,768,340	2,278,283,950
Fuel Levy	754,473,000	783,478,000	783,478,000	824,005,000	870,980,000	900,048,700
Gains on disposal of Assets	360,000					
Total Revenue (excluding capital transfers and contributions)	17,093,544,000	16,055,280,050	16,421,277,770	17,856,596,280	19,444,284,810	21,280,495,270

The above table reflects the various revenue sources that are utilised to fund the municipality's budget from the 2022/23 audited outcomes, the 2023/24 MTREF period and the projected 2024/25 MTREF period.

The following table is a summary of the 2024/25 MTREF (classified by main revenue source indicating the level of % contribution per service:

TABLE 8 (MIX OF MAIN REVENUE SOURCES)

Description	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Revenue (Exchange & Non-Exchange)							
Service charges - Electricity	5,171,943,090	5,983,938,160	33.51	6,923,416,450	35.61	8,010,392,830	37.64
Service charges - Water	2,912,998,980	3,087,778,920	17.29	3,288,484,550	16.91	3,502,236,050	16.46

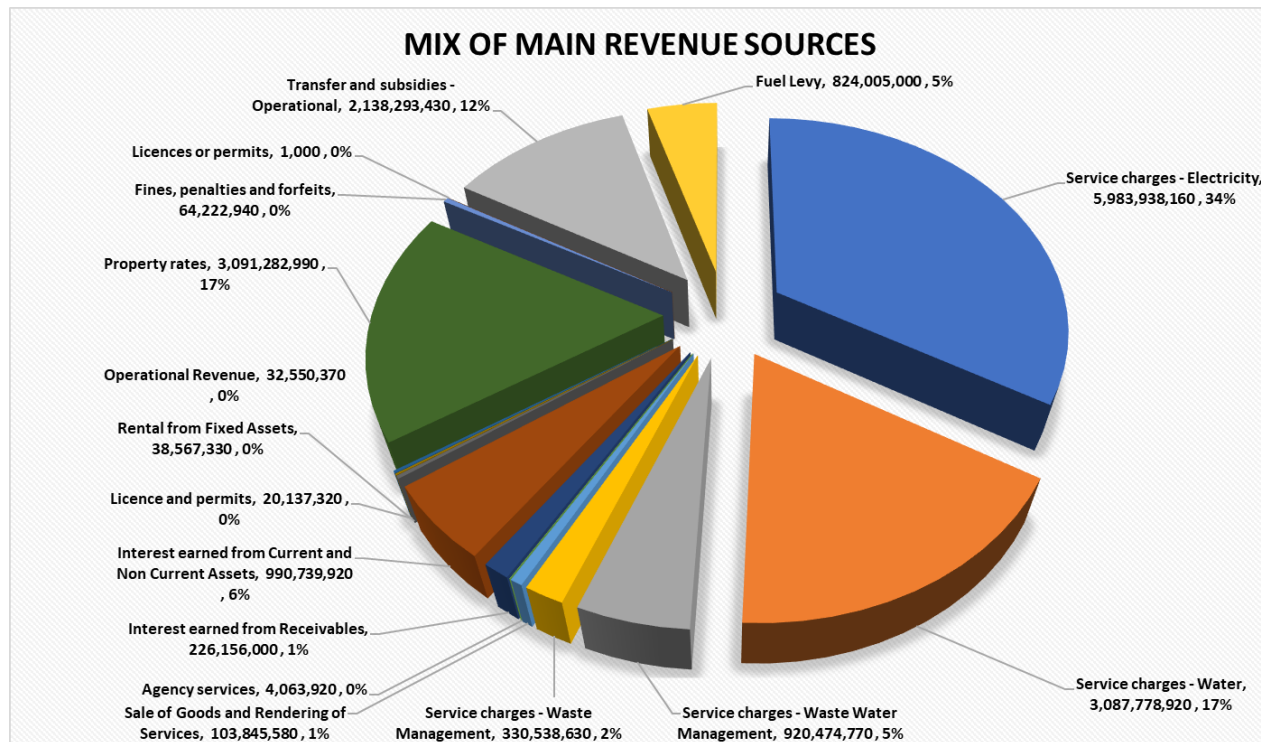
Service charges - Waste Water Management	868,502,020	920,474,770	5.15	980,278,280	5.04	1,048,926,860	4.93
Service charges - Waste Management	311,828,840	330,538,630	1.85	352,023,580	1.81	374,905,110	1.76
Sale of Goods and Rendering of Services	113,104,240	103,845,580	0.58	109,635,280	0.56	117,693,560	0.55
Agency services	3,870,400	4,063,920	0.02	4,287,440	0.02	4,518,970	0.02
Interest earned from Receivables	207,878,000	226,156,000	1.27	236,501,080	1.22	254,081,920	1.19
Interest earned from Current and Non-Current Assets	883,721,980	990,739,920	5.55	1,071,130,910	5.51	1,158,090,710	5.44
Rental from Fixed Assets	37,083,920	38,567,330	0.22	40,990,020	0.21	43,567,870	0.20
Licence and permits	18,221,000	20,137,320	0.11	21,458,630	0.11	22,861,830	0.11
Operational Revenue	32,796,000	32,550,370	0.18	34,272,050	0.18	36,493,300	0.17
Property rates	2,944,079,040	3,091,282,990	17.31	3,261,303,560	16.77	3,456,981,770	16.24
Fines, penalties, and forfeits	46,185,260	64,222,940	0.36	67,753,640	0.35	71,410,840	0.34
Licences or permits	1,000	1,000	0.00	1,000	0.00	1,000	0.00
Transfer and subsidies - Operational	2,085,586,000	2,138,293,430	11.97	2,181,768,340	11.22	2,278,283,950	10.71
Fuel Levy	783,478,000	824,005,000	4.61	870,980,000	4.48	900,048,700	4.23
Gains on disposal of Assets							-
Total Revenue (excluding capital transfers and contributions)	16,421,277,770	17,856,596,280	100.00	19,444,284,810	100.00	21,280,495,270	100.00

Based on the above during the 2024/25 financial year, rates and service charges are estimated to amount to R13.4 billion or 74.9% of the total revenue. This increases to R14.8 billion and R16.4 billion for the 2025/26 and 2026/27 financial years, respectively. Property rates represent the second largest revenue source, amounting to 17.31% or R3.09 billion in 2024/25, increasing to R3.26 billion in 2025/26 and R3.46 billion in 2026/27.

Operating grants and transfers amounted to R2.14 billion in the 2024/25 financial year, increases to R2.18 billion in 2025/26 and to R2.28 billion in the 2026/27 financial year.

The following graph indicates the various revenue sources of the Municipality:

FIGURE 1 – PERCENTAGE SPLIT OF VARIOUS REVENUE SOURCES (OPERATING)



The following table provides a breakdown of the various operating grants and subsidies allocated through the national fiscus to the Municipality over the 2024/25 medium term (NB: These are only grants allocated in terms of the Division of Revenue Act):

TABLE 9 (OPERATING TRANSFERS AND GRANT RECEIPTS (NB: Only DORA Grants))

ALLOCATION OF GRANTS in terms of THE DIVISION OF REVENUE BILL (2024/2025 to 2026/27)				
GRANT NAME	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2024/25	2025/26 (1st Outer Year Projections)	2026/27 (2nd Outer Year Projections)
OPERATING GRANTS				
		R'000	R'000	R'000
Equitable Share (Schedule 3)	Unconditional	1,523,361	1,643,573	1,775,087
Financial Management Grant	Conditional	1,000	1,000	1,200
Infrastructure Skills Development Grant	Conditional	13,800	13,800	14,000
EPWP	Conditional	3,480	-	-
City Led Public Employment Program (Included in the NDPG)	Conditional	15,000		
General Fuel Levy	Unconditional	824,005	860,980	900,487
Programme and Project Preparation Support Grant	Conditional	15,000	20,000	25,000
TOTAL - OPERATING		2,395,646	2,539,353	2,715,774

The above grants are utilised to fund operating expenditure in line with the conditions of the grant in terms of the Division of Revenue Act (DORA).

1.5.3. Property Rates

Property rates fund the costs associated with the provision of general services, such as recreational, library, safety & security, and roads and storm water services, etc.

The following provisions in the Property Rates Policy are highlighted:

- The first R15,000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).

- 100% rebate will be granted to registered indigents in terms of the Indigent Policy / Assistance to the Poor Policy, as approved by Council.
- Pensioners, physically and mentally disabled property owners of rateable property may on submission of an application be granted a rebate. The rebate will be granted on a sliding scale basis with the income levels and corresponding percentage reductions being determined by Council in its annual budget. In this regard the following stipulations are relevant to the applicant:
 - (a) must be a natural person.
 - (b) be the owner of the property.
 - (c) occupy the property as his or her normal residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
 - (d) produce certified copy/ies of owner/s' bar-coded identity document.
 - (e) - *pensioners*: be at least 60 years of age on 1 July of the financial year concerned; or if the owner turns 60 during the year the rebate will be granted on a pro rata basis from the date on which the applicant turned 60.
 - *disabled*: be in receipt of disability grant / pension and submit proof and nature of disability e.g. letter from doctor with application.
 - (f) be in receipt of a total gross annual income (as defined in Part 2 of the policy), excluding medical aid contributions and child support/grant not exceeding a value as determined by Council in its annual budget; submit pension statements, previous 3 months (or the number of months determined necessary by the Chief Financial Officer (CFO) bank statements from all bank and investment accounts of owner and spouse, and proof of total gross annual income of any other persons living on the property (not just rental received). All documents provided must clearly state who it is for – documents which do not reflect person's name or ID. No. will not be considered.
 - (g) not be in receipt of an indigent subsidy.
 - (h) provide a certified affidavit declaring any assistance from any other sources. Assistance received from family members not residing on property, will not however be included in the calculation of total household income.
 - (i) provide a certified affidavit to explain any once-off monies received e.g. gifts, donations, etc;
 - (j) ensure that his/her accounts are not in arrears (or arrangements made to pay all outstanding amounts) before applying for the rebate and continue to pay the rates account in full until rebate is granted as no interest will be reversed.
 - (k) a usufructuary will be regarded as the owner.
 - (l) the criteria of a natural person may be waived at the sole discretion of the municipality to allow for a property owned by a trust where the total number of beneficiaries meets all of the other requirements of this policy; and provided further that the gross monthly income of all persons residing on that property be added to the gross monthly income of the beneficiaries staying on that property.
 - (m) owners qualify for only one rebate per year, if financial circumstances change, they can only apply for future years.
- Sporting organisations, the sole purpose of which is to use the property owned/leased by them for sporting purposes, whether for gain or not, may qualify for a rebate, with amateur bodies being granted 100% and professional bodies 40%. Any profits earned must be invested in the betterment of the organisation and not be for private gain. Audited financial statement must be provided, if however, the sporting body does not have audited financial statement reasons therefore must be provided on the clubs' official letterhead.
- If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.
- All accounts of the applicant must be up to date or arrangements must be made to pay any outstanding balances before any rebate will be granted. The applicant must continue to pay the rates account in full until the rebate is granted as no interest will be reversed.

An average increase of 5% on the property rates revenue is proposed, with effect from 1 July 2024.

The property rates increase is mainly influenced by the following:

- Employee related costs increases.
- Creating a Provision for Long Service Awards and Long Service Bonuses based on an Actuarial assessment.
- Costs of servicing existing external borrowing to fund all loans taken by Council for various projects.
- Providing for debt impairment and repayment of long-term debt.
- Operationalisation of the previously approved commitments by Council, such as insourcing decisions of about 672 private security guards (Watchmen), etc., and
- Implementation of salary adjustments for municipal employees in line with the Collective Agreement, as well as TASK implementation, amongst others.

1.5.4. Sale of Water and Impact of Tariff Increases

In accordance with various National Treasury's MFMA Circulars, (e.g. 51, 55, 58, 66, 70, 74, 78, 79, 85, 86, 89, 91, 93, 94, 95, 98, 99, 107, 108, 112, 115, 122, 123, 126 and 128); Municipalities are encouraged to review the level and structure of their water tariffs to ensure the following:

- Fully cost reflective water tariffs – tariffs should include the costs associated with bulk water purchases, the maintenance and renewal of purification plants, water networks and water reticulation expansion.
- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In terms of paragraph 5.2 of the previously issued Circular, i.e. National Treasury Circular 78 municipalities were urged to ensure that water tariffs are fully cost reflective. In this regard in instances where tariffs are not cost recovery based, a phased-in approach must be undertaken to ensure that tariffs are fully cost reflective over the medium term.

A tariff increase of 6% is proposed, effective as from 1 July 2024. The proposed tariff increase is mainly influenced by the following:

- The increased employee related costs necessitated by the Collective Agreement.
- Year-to-year increases in the cost of bulk water purchases.
- Costs of servicing existing external borrowing to fund water infrastructure; and
- Providing for debt impairment.

It must be noted that the water tariff structure is designed in such a manner that higher levels of water consumption are progressively charged at a higher rate due to the prevailing drought conditions (i.e. punitive water tariff structure).

1.5.5. Sale of Electricity and Impact of Tariff Increases

NERSA has indicated that the Eskom bulk electricity tariff to municipalities would increase by 12.7% as from 1 July 2024. Considering the Eskom tariff increase, the Municipality's consumer tariffs have been set at 15.7% on average, whilst awaiting NERSA approval.

The tariff increases are mainly influenced by the following:

- The increased employee related costs necessitated by the Collective Agreement.
- Year-to-year increases in the cost of bulk electricity purchases as approved by NERSA.
- Costs of servicing existing external borrowing to fund electricity infrastructure, and

- Providing for debt impairment.

1.5.6. Sanitation and Impact of Tariff Increases

In accordance with various National Treasury's MFMA Circulars, (e.g. 51, 55, 58, 66, 70, 74, 78, 79, 85, 86, 89, 91, 93, 94, 95, 98, 99, 107, 108, 112, 115, 122, 123, 126 and 128); Municipalities are encouraged to review the level and structure of their sanitation tariffs to ensure:

- Fully cost reflective sanitation tariffs – tariffs should include the costs associated with maintenance and renewal of treatment plants, sanitation networks and sanitation infrastructure expansion.
- Sanitation tariffs are structured to protect basic levels of service; and
- Sanitation tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that sanitation tariffs are fully cost reflective. In this regard a phased-in approach must be undertaken to ensure that tariffs are fully cost reflective over the medium term, in case of any discrepancies.

Sanitation charges are determined based on the volume of water consumed, which is appropriately reduced by the percentage of water discharged into the sewer system.

A tariff increase of 6% is proposed, effective as from 1 July 2024. The proposed tariff increase is mainly influenced by the following:

- The increased employee related costs necessitated by the Collective Agreement.
- Costs of servicing existing external borrowing to fund sanitation infrastructure, and
- Providing for debt impairment.

1.5.7. Refuse Collection and Disposal and Impact of Tariff Increases

National Treasury has urged municipalities to ensure that refuse tariffs are fully cost reflective. The tariffs should consider the need to maintain a cash-backed reserve to cover the future costs of the rehabilitation of landfill sites. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2024/25 MTREF and a phasing-in approach is recommended.

A tariff increase of 6% is proposed for the refuse collection and disposal service, effective as from 1 July 2024.

The tariff increase is mainly influenced by the following:

- The increased employee related costs necessitated by the Collective Agreement.
- Costs of servicing existing external borrowing, and
- Providing for debt impairment.

1.5.8. Overall impact of tariff increases on households

The following tables reflect the anticipated impact of the tariff increases on a middle income and affordable range household, as well as an indigent household receiving free basic services. In respect of an Indigent Household receiving free basic services, 3 tables have been provided to illustrate the benefits rendered to the indigent. These calculations may change due to various factors including the implementation of a new formulae relating to Free Basic Services' qualification criteria due to suggested policy change.

It is to be noted that the NMBM provides better benefits to indigent consumers, as the current ATTP approved by Council allows for greater free basic services, as compared to the National Policy, and additionally, with effect from 1 July 2024 an owner of a property valued up to R130 000 in terms of the municipality's Valuation Roll automatically qualifies for ATTP benefits.

The basis used for calculating the municipal accounts for the different categories of households is as follows:

Description	Land Value	Electricity (kwh)	Water (kl)
Household – Middle Income	R700 000	1000 kwh	30kl
Household – Affordable Range	R500 000	500 kwh	25kl
Indigent Household receiving free services	R300 000	350 kwh	20kl

TABLE 10 (TABLE SA14 – HOUSEHOLD BILLS – MIDDLE INCOME RANGE)

Monthly Account for Household - 'Middle Income Range'	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome t	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
							% incr.			
Rates and services charges:										
Property rates R700 000	762.00	807.72	852.14	894.75	894.75	894.75	5.0	939.49	991.16	1 050.63
Electricity: Consumption (1000 Kwh)	1,972.04	2,259.76	2,428.56	2,877.63	2,877.63	2,877.63	15.7	3,312.15	3,812.29	4,387.94
0 - 350	579.56	664.12	713.73	845.70	845.70	845.70	15.7	973.40	1,120.38	1,289.56
351 - 600	499.61	572.50	615.27	729.03	729.03	729.03	15.7	839.11	961.82	1,111.66
601 - 900	663.26	760.03	816.80	967.83	967.83	967.83	15.7	1,113.97	1,282.18	1,475.79
901 - 1000	229.62	263.12	282.78	335.07	335.07	335.07	15.7	385.67	443.90	510.93
Water: Basic levy	51.30	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Water: Consumption (30 Kl)	493.76	523.39	554.79	588.07	588.07	588.07	6.0	623.35	663.87	710.34
0 - 24	375.95	398.51	422.42	447.77	447.77	447.77	6.0	474.64	505.49	540.87
>24	117.80	124.87	132.36	140.30	140.30	140.30	6.0	148.72	158.38	169.47
Sanitation	332.26	352.20	373.33	395.73	395.73	395.73	6.0	419.47	446.74	478.01
Sanitation Availability Levy	51.30	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Refuse removal	124.95	132.45	140.40	148.82	148.82	148.82	6.0	157.75	168.00	179.76
Sub-total	3,787.60	4,184.28	4,464.50	5,027.20	5,027.20	5,027.20		5,581.75	6,220.02	6,954.28
VAT on Services	453.84	506.48	541.85	619.87	619.87	619.87	15.0	696.34	784.33	885.55
Total large household bill:	4,241.43	4,690.76	5,006.35	5,647.07	5,647.07	5,647.07		6,278.09	7,004.35	7,839.83
% increase/-decrease	6.12%	10.59%	6.73%	12.80%	12.80%	12.80%		11.17%	11.57%	11.93%

The above table gives an illustration of a municipal bill for the middle-income range of property with the property value of around R700 000.

TABLE 11 (TABLE SA14 – HOUSEHOLD BILLS – AFFORDABLE RANGE)

Monthly Account for Household - 'Affordable Range'	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
Rates and services charges:									
Property rates R500 000	571.88	603.33	633.50	633.50	633.50	5.0	665.18	701.76	743.87
Electricity: Consumption (500 Kwh)	1,007.62	1,082.88	1,283.13	1,283.13	1,283.13	15.7	1,476.88	1,699.89	1,956.58
0 - 350	664.12	713.73	845.70	845.70	845.70	15.7	973.40	1,120.38	1,289.56
351 - 500	343.51	369.17	437.43	437.43	437.43	15.7	544.92	627.20	721.91
Water: Basic levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Water: Consumption (25 Kl)	419.30	444.46	471.14	471.14	471.14	6.0	499.41	531.87	569.10
0 - 24	398.51	422.42	447.77	447.77	447.77	6.0	474.64	505.49	540.87
>24	20.80	22.05	23.37	23.37	23.37	6.0	24.77	26.38	28.23
Sanitation	293.50	311.11	329.78	329.78	329.78	6.0	349.57	372.29	398.35
Sanitation Availability Levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Refuse removal	132.45	140.40	148.82	148.82	148.82	6.0	157.75	168.00	179.76
Sub-total	2,533.54	2,697.46	2,988.57	2,988.57	2,988.57		3,278.33	3,611.77	3,995.26
VAT on Services	294.25	314.12	353.26	353.26	353.26		391.97	436.50	487.71
Total small household bill:	2,827.79	3,011.58	3,341.83	3,341.83	3,341.83		3,670.30	4,048.27	4,482.97

Monthly Account for Household - 'Affordable Range'	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
% increase/-decrease	9.36%	6.50%	10.97%	10.97%	10.97%		9.83%	10.30%	10.74%

The above table gives an illustration of a municipal bill for the affordable range of property with the property value of around R500 000.

In respect of an Indigent Household receiving free basic services 2 tables have been provided to illustrate the benefit rendered to the indigent.

The following table illustrates what would be payable by a non-ATTP qualifying consumer residing at a property with a land value of R300 000, using 350kwh of electricity and 20kl of water per month respectively.

TABLE 12 (TABLE SA14 – HOUSEHOLD BILLS – NON-ATTP SMALL RANGE)

Monthly Account for Household - 'Non-Indigent' Household receiving free basic services	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
Rates and services charges:									
Property rates R300 000	336.06	354.54	372.27	372.27	372.27	5.0	390.88	412.38	437.13
Electricity: Consumption (350KwH)	664.12	713.73	845.70	845.70	845.70	15.7	973.40	1,120.38	1,289.56
0 -350	664.12	713.73	845.70	845.70	845.70	15.7	973.40	1,120.38	1,289.56
Water: Basic levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Water: Consumption (20 KL)	332.09	352.02	373.14	373.14	373.14	6.0	395.53	421.24	450.72
Sanitation	234.80	253.13	268.32	268.32	268.32	6.0	284.42	302.91	324.11
Sanitation Availability Levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Refuse removal	132.45	140.40	148.82	148.82	148.82	6.0	157.75	168.00	179.76
Sub-total	1,808.28	1,929.10	2,130.45	2,130.45	2,130.45		2,331.52	2,562.87	2,828.88
VAT on Services	220.83	236.18	263.73	263.73	263.73		291.10	384.43	358.76
Total small household bill:	2,029.11	2,165.28	2,394.18	2,394.18	2,394.18		2,662.62	2,947.30	3,187.64
% increase/-decrease	9.08%	6.71%	10.57%	10.57%	10.57%		9.54%	10.69%	8.15%

The above table gives an illustration of a municipal bill for the non-ATTP small range of property with the property value of around R300 000.

The following table illustrates what would have been payable by an ATTP qualifying consumer residing at a property with a land value of R300 000, using 350kwh of electricity (using the ATTP electricity tariff structure) and 20kl of water per month respectively.

TABLE 13 (TABLE SA14 – HOUSEHOLD BILLS – ATTP - SMALL RANGE)

Monthly Account for Household - 'Indigent' Household receiving free basic services prior to free services	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
Rates and services charges:									
Property rates R300 000	336.06	354.54	372.27	372.27	372.27	5.0	390.88	412.38	437.13
Electricity: Consumption (350KwH)	464.19	498.86	591.11	591.11	591.11	15.7	680.37	783.10	901.35

Monthly Account for Household - 'Indigent' Household receiving free basic services prior to free services	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
0 - 75	92.36	99.26	117.61	117.61	117.61	15.7	135.37	155.81	179.34
75-350	371.83	399.61	473.50	473.50	473.50	15.7	544.99	627.29	722.01
Water: Basic levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Water: Consumption (20 KL)	332.09	352.02	373.14	373.14	373.14	6.0	395.53	421.24	450.72
Sanitation	234.80	253.13	268.32	268.32	268.32	6.0	284.42	302.91	324.11
Sanitation Availability Levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Refuse removal	132.45	140.40	148.82	148.82	148.82	6.0	157.75	168.00	179.76
Sub-total	1,608.35	1,714.23	1,875.86	1,875.86	1,875.86		2,038.49	2,225.59	2,440.67
VAT on Services	190.84	203.95	225.54	225.54	225.54		247.14	271.98	300.53
Total small household bill:	1,799.19	1,918.18	2,101.40	2,101.40	2,101.40		2,285.63	2,497.57	2,741.20
% increase/-decrease	8.41%	6.61%	9.55%	9.55%	9.55%		8.77%	9.27%	9.75%

The following table illustrates what would be payable by an ATPP qualifying consumer residing at a property with a land value of R300 000, using 350kwh of electricity and 20kl of water per month respectively after applying the NMBM ATPP policy.

TABLE 14 (TABLE SA14 – HOUSEHOLD BILLS – ATPP - SMALL RANGE)

Monthly Account for Household - 'Indigent' Household receiving free basic services – after reduction of funding from E-Share	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
Rates and services charges:									
Property rates R300 000		-	-	-	-	5.0%	-	-	-
Electricity: Consumption (350Kwh)	371.83	399.61	473.50	473.50	473.50	15.7%	544.99	627.29	722.01
0 - 75	-	-	-	-	-	-	-	-	-
75-350	371.83	399.61	473.50	473.50	473.50	15.7%	544.99	627.29	722.01
Water: Basic levy	-	-	-	-	-	-	-	-	-
Water: Consumption (20 KL) less 8 kl free	199.25	211.21	223.88	223.88	223.88	6.00%	237.31	252.74	270.43
Sanitation less 11kl free	105.65	111.99	118.71	118.71	118.71	6.00%	125.83	134.01	143.39
Refuse removal	-	-	-	-	-	6.00%	-	-	-
Sub-total	676.73	722.81	816.09	816.09	816.09		908.13	1,014.04	1,135.83
VAT on Services	101.51	108.42	122.41	122.41	122.41		136.22	152.11	170.37
Total small household bill:	778.24	831.23	938.50	938.50	938.50		1,044.35	1,166.15	1,306.20
% increase/-decrease	10.55%	6.81	12.90%	12.90%	12.90%		11.28%	11.66%	12.01%

It is important to note that an ATPP qualifying consumer using the above level of services will only pay R1,044.35 compared to the R2,662.62 to be paid by a consumer using the same level of service, but not qualifying for NMBM ATPP assistance.

TABLE 15 (TABLE SA14 – HOUSEHOLD BILLS – ATPP - SMALL RANGE BASED ON THE NATIONAL TREASURY INDIGENT POLICY)

Monthly Account for Household - 'Indigent' Household receiving NT free basic services – after reduction of funding from E-Share	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
Rates and services charges:									
Property rates R300 000	336.06	354.54	372.27	372.27	372.27	5.0%	390.88	412.38	437.13
Electricity: Consumption (350Kwh)	405.64	435.94	516.55	516.55	516.55	15.7%	594.55	684.33	787.66
0 - 50									

Monthly Account for Household - 'Indigent' Household receiving NT free basic services – after reduction of funding from E-Share	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
50 -350	405.64	435.94	516.55	516.55	516.55	15.7%	594.55	684.33	787.66
Water: Basic levy	51.3	54.38	57.64	57.64	57.64	6%	61.10	65.07	69.62
Water: Consumption (20 KL) less 6 kl free	232.46	246.41	261.19	261.19	261.19	6%	276.86	294.86	315.50
Sanitation	-	-	-	-	-	-	-	-	-
Sanitation Availability	-	-	-	-	-	-	-	-	-
Refuse removal	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Sub-total	1,025.46	1,091.27	1,207.65	1,207.65	1,207.65	6.42%	1,323.39	1,456.64	1,609.91
VAT on Services	103.41	110.51	125.31	125.31	125.31		139.88	156.64	175.92
Total small household bill:	1,128.87	1,201.78	1,332.96	1,332.96	1,332.96	6.46%	1,463.27	1,613.28	1,785.83
% increase/-decrease	9.04%	6.46%	10.92%	10.92%	10.92%		9.77%	10.25%	10.70%

The above table illustrates what an indigent consumer will pay for services delivered should the tariff structure of the Nelson Mandela Bay Municipality be applied to the National Indigent Policy of 6KL free water, 50Kwh free electricity, free sanitation, and free refuse collection. For the 2024/25 financial year a resident will be billed in the amount of R1,044.35 compared to the R1,463.27 if the National Indigent Policy was enforced.

1.6. OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2024/25 budget and MTREF is informed, amongst others, by the following:

- The funding of the budget over the medium-term is informed by the requirements of Sections 18 and 19 of the Local Government: Municipal Finance Management Act (56 of 2003).
- A balanced budget approach by limiting operating expenditure to the operating revenue, accordingly Directorates are informed upfront of their available funding so that they limit their demands according to priorities for the budget to remain funded and credible.
- The asset renewal strategy and the repairs and maintenance plan.
- Making use of the guidelines issued by National Treasury in terms of the Budget Circulars (i.e. Circulars 126 & 128), whilst considering previous budget circulars issued by National Treasury.
- Considering budget priority / focus areas as included in the IDP document, and
- Strict adherence to the principle of “*no budget allocations without a business plan, procurement plan and cash flow*” as well as considering or prioritising commitments from prior financial years.

The following table is a high-level summary of the 2024/25 MTREF (classified as per main type of operating expenditure):

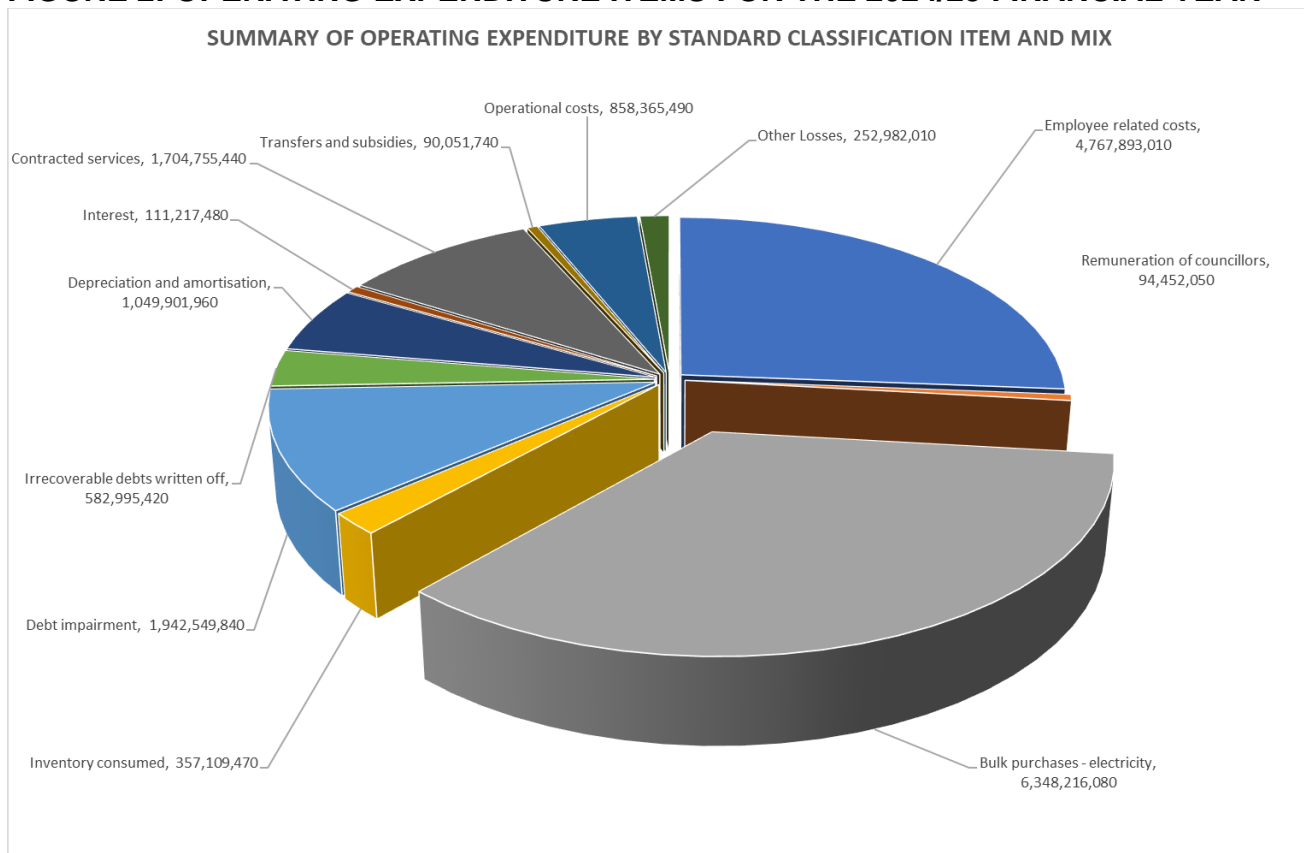
TABLE 16 (SUMMARY OF OPERATING EXPENDITURE BY STANDARD CLASSIFICATION ITEM AND MIX)

Description	2024/25 Medium Term Revenue & Expenditure Framework					
	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Expenditure						
Employee related costs	4,767,893,010	26.25	5,134,439,150	25.96	5,516,307,550	25.07
Remuneration of councillors	94,452,050	0.52	98,217,590	0.50	102,132,620	0.46
Bulk purchases - electricity	6,348,216,080	34.96	7,344,886,010	37.13	8,498,033,120	38.62
Inventory consumed	357,109,470	1.97	376,589,150	1.90	371,472,150	1.69
Debt impairment	1,942,549,840	10.70	2,061,675,230	10.42	2,196,195,740	9.98

Description	2024/25 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Expenditure						
Irrecoverable debts written off	582,995,420	3.21	619,554,110	0.03	661,374,950	3.01
Depreciation and amortisation	1,049,901,960	5.78	1,081,399,010	5.47	1,087,970,980	4.94
Interest	111,217,480	0.61	88,016,480	0.44	75,080,960	0.34
Contracted services	1,704,755,440	9.39	1,718,354,940	8.69	2,177,772,380	9.90
Transfers and subsidies	90,051,740	0.50	92,162,840	0.47	94,354,950	0.43
Operational costs	858,365,490	4.73	896,574,680	4.53	934,502,670	4.25
Other Losses	252,982,010	1.39	269,425,850	1.36	288,285,660	1.31
Total Expenditure	18,160,489,990	100	19,781,295,040	96.90	22,003,483,730	100

The above table clearly indicates the main cost drivers, which include Electricity Bulk Purchases (34.96%), Employee Related costs (26.25%) and Contracted Services (9.39%). In terms of the aforementioned table, the total operating expenditure is projected at R18.16 billion, R19.78 billion and R22.0 billion for the 2024/25, 2025/26 and 2026/27 financial years, respectively.

FIGURE 2: OPERATING EXPENDITURE ITEMS FOR THE 2024/25 FINANCIAL YEAR



The aforementioned graph reflects the budgeted operating expenditure of the municipality. Below is a discussion of the main expenditure components.

Employee related costs

The 2024/25 draft budget provides for annual increments, where applicable, and a general increase.

In terms of the Council's Policy Governing the Long-Term Financial Plan, the target is to restrict personnel costs to below 30% of total expenditure. It must be noted that Council approved the

“harmonisation” of the conditions of service for employees as it relates to the “Long Service Bonus” a while back. The management of employee related costs is further impacted upon by the absence of an Overtime Policy.

Remuneration of Councillors

The remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs (COGTA) in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been considered in preparing the budget.

Debt Impairment

The provision for debt impairment was determined based on a targeted annual collection rate of 80.57% for the 2024/25 financial year, 81.09% for the 2025/26 financial year and 81.57% for the 2026/27 financial year. The Collection Rate is based on billed revenue (i.e. Electricity, Water, Sanitation, Property Rates and Refuse). The increased provision for debt impairment is mainly attributable to the punitive water tariffs.

The following table indicates the anticipated debt impairment per service for the 2024/25 MTREF period:

TABLE 17 (DEBT IMPAIRMENT FOR PROPERTY RATES & SERVICES)

Debt Impairment	2024/25	2025/26	2026/27
Impairment Loss: Receivables from Exchange Transactions: Wastewater Management	188,145,050	200,368,880	214,400,650
Impairment Loss: Receivables from Exchange Transactions: Waste Management	96,536,010	102,328,180	108,979,510
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Water	1,202,537,930	1,280,699,070	1,370,352,100
Impairment Loss: Other Receivables from Non-exchange Revenue: Property Rates	333,708,850	353,731,390	374,955,280
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Electricity	94,190,500	97,016,210	99,926,700
Total Impairment of Receivables (Excl. Traffic Fines Impairment)	1,915,118,340	2,034,143,730	2,168,614,240

Depreciation and Asset Impairment

The provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy as well as at assessing the trends for prior financial years based on the annual financial statements.

Finance Charges

Finance charges consist primarily of the repayment of interest on existing borrowing and the long-term borrowing (cost of capital) that has been taken up since the 2020/2021 financial year.

Bulk Electricity Purchases

The Bulk Electricity Purchases Budget provides for increases of 12.7% for 2024/25, 12.7% for 2025/26 and 2026/27.

Energy consumption levels are influenced by the following:

- Significant increases in electricity prices.
- The ongoing load shedding, which has prompted certain customers to go off the grid.
- Significant electricity losses, as reported to various structures of Council.
- Consumer awareness of the need to conserve energy; and
- The implementation of energy conservation measures, including green energy.

Bulk Water Purchases

The following table reflects that budgeted Water Bulk Purchases from the 2023/24 adjustments budget to the 2024/25 MTREF period.

TABLE 18 (WATER BULK PURCHASES)

Water Bulk Purchases	2023/24 Adjustments Budget	2024/25 Budget	% Increase	2025/26 Budget	% Increase	2026/27 Budget	% Increase
Water bulk purchases	186,909,860	202,984,110	8.6	220,440,760	8.6	239,398,680	8.6

Contracted Services

The Municipal Standard Chart of Accounts (MSCOA) Regulations require that services that are undertaken, due to various reasons, using external mechanisms be budgeted for under the category called Contracted Services. These services may include, amongst others, use of external Legal firms (for Legal Advice & Litigation), Training service providers, Valuer for General Valuation Roll, Hygiene Services, Industry Compensation (IPTS Bus Operations), Prepaid Electricity Vendors, Community Based Contractors (Cleaning Projects), Grass Cutting Contractors, NMBM Stadium's Manpower Costs, Transport Operations – IPTS, etc.

Included in the total budget for Contracted Services are various projects that are funded from conditional grants, such as the Integrated Public Transport Services Grant (IPTS) and the Informal Settlements Urban Partnership Grant (ISUPG). The following table indicates projects that are under the Contracted Services Category, being funded from grant funding: -

TABLE 19 (VARIOUS PROJECTS INCLUDED IN THE CONTRACTED SERVICES' CATEGORY FUNDED FROM CONDITIONAL GRANTS)

Impairment	2024/25	2025/26	2026/27
	Budget	Budget	Budget
Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Organisational	1,590,000	1,685,400	1,786,530
Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management	29,603,140	35,448,340	37,575,250
Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Research and Advisory	64,252,980	612,750	620,650
Expenditure: Contracted Services: Consultants and Professional Services: Infrastructure and Planning: Engineering: Civil	10,307,370	3,700,000	3,922,000
Expenditure: Contracted Services: Consultants and Professional Services: Legal Cost: Legal Advice and Litigation	2,000,000	1,123,600	1,305,510
Expenditure: Contracted Services: Contractors: Artists and Performers	343,010	357,590	372,790
Expenditure: Contracted Services: Contractors: Building	88,136,940		47,412,680
Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities	137,731,710	152,583,050	146,680,850
Expenditure: Contracted Services: Contractors: Maintenance of Equipment	89,362,910	95,143,920	102,352,140
Expenditure: Contracted Services: Contractors: Management of Informal Settlements	200,000	210,000	220,500
Expenditure: Contracted Services: Contractors: Pest Control and Fumigation	50,000	50,850	96,690
Expenditure: Contracted Services: Contractors: Safeguard and Security	402,470	402,470	518,110
Expenditure: Contracted Services: Contractors: Transportation	105,611,790	120,139,590	112,546,750
Expenditure: Contracted Services: Outsourced Services: Administrative and Support Staff	3,000,000	3,150,000	3,307,500
Expenditure: Contracted Services: Outsourced Services: Alien Vegetation Control	106,000	29,180,620	
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	22,995,760	62,610	35,576,930
Expenditure: Contracted Services: Outsourced Services: Cleaning Services	61,280	28,090	98,340

Impairment	2024/25	2025/25	2026/27
	Budget	Budget	Budget
Expenditure: Contracted Services: Outsourced Services: Hygiene Services	26,500	898,710	85,960
Expenditure: Contracted Services: Outsourced Services: Meter Management	847,840		952,630
Expenditure: Contracted Services: Outsourced Services: Refuse Removal	7,920	8,400	123,390
Expenditure: Contracted Services: Outsourced Services: Security Services	1,500,000	350,000	371,000
TOTAL	493,884,640	445,135,990	448,513,520

1.6.1 Priority relating to repairs and maintenance

In line with the Municipality's stated intention to preserve and maintain its existing infrastructure, the 2023/24 Budget and MTREF provide for reasonable growth in the asset maintenance budget, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

Repairs and maintenance of municipal infrastructure also depend on the affordability levels of the municipal budget due to direct implications on tariffs.

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

TABLE 20 (REPAIRS AND MAINTENANCE PER ASSET CLASS (SA34c))

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands							
Repairs and Maintenance Expenditure by Asset Class/Sub-class							
Infrastructure	329,310	441,186	446,285	446,285	481,621	518,292	543,576
Roads Infrastructure	55,423	105,984	93,436	93,436	106,244	113,615	120,484
Roads	19,037	38,083	29,573	29,573	41,261	45,793	48,593
Road Structures	28,491	59,300	55,300	55,300	57,120	60,547	64,180
Road Furniture	7,895	8,101	7,563	7,563	7,863	7,275	7,711
Capital Spares		500	1,000	1,000			
Storm water Infrastructure	3,578	16,427	24,746	24,746	17,711	18,782	19,919
Drainage Collection		201	20	20	22	25	30
Storm water Conveyance	3,578	16,026	24,226	24,226	17,627	18,689	19,815
Attenuation		200	500	500	62	68	74
Electrical Infrastructure	85,672	102,850	103,850	103,850	121,262	136,560	128,582
Power Plants	7,249	7,300	6,300	6,300	6,679	7,079	5,766
HV Substations							
HV Switching Station							
HV Transmission Conductors							
MV Substations	7,971	13,400	14,400	14,400	14,204	23,147	21,762
MV Switching Stations							
MV Networks	47,505	62,800	63,800	63,800	76,952	81,506	80,460
LV Networks	22,947	19,350	19,350	19,350	23,427	24,828	20,594
Capital Spares							
Water Supply Infrastructure	100,813	130,713	140,028	140,028	143,769	148,253	160,192
Dams and Weirs	24	1,592	1,592	1,592	2,450	2,813	2,804
Boreholes							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Reservoirs</i>	1,531	2,571	2,571	2,571	2,831	2,637	4,307
<i>Pump Stations</i>	39,298	42,698	42,848	42,848	62,323	61,164	66,314
<i>Water Treatment Works</i>	1,426	6,565	6,445	6,445	6,958	5,963	5,246
<i>Bulk Mains</i>	9,490	15,533	15,533	15,533	23,214	25,085	25,874
<i>Distribution</i>	49,043	61,754	71,039	71,039	45,993	50,591	55,647
<i>Distribution Points</i>							
<i>PRV Stations</i>							
<i>Capital Spares</i>							
Sanitation Infrastructure	83,650	81,652	81,666	81,666	89,722	97,994	111,196
<i>Pump Station</i>	11,125	13,894	13,908	13,908	15,537	16,676	18,133
<i>Reticulation</i>							
<i>Waste Water Treatment Works</i>	72,526	67,177	67,177	67,177	74,185	81,318	93,063
<i>Outfall Sewers</i>							
<i>Toilet Facilities</i>		580	580	580			
<i>Capital Spares</i>							
Solid Waste Infrastructure	-	-	-	-	-	-	-
<i>Landfill Sites</i>							
<i>Waste Transfer Stations</i>							
<i>Waste Processing Facilities</i>							
<i>Waste Drop-off Points</i>							
<i>Waste Separation Facilities</i>							
<i>Electricity Generation Facilities</i>							
<i>Capital Spares</i>							
Rail Infrastructure	174	2,310	1,310	1,310	2,913	3,088	3,203
<i>Rail Lines</i>	174	2,250	1,250	1,250	2,850	3,021	3,202
<i>Rail Structures</i>							
<i>Rail Furniture</i>		60	60	60	63	67	1
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>							
<i>Attenuation</i>							
<i>MV Substations</i>							
<i>LV Networks</i>							
<i>Capital Spares</i>							
Coastal Infrastructure	-	-	-	-	-	-	-
<i>Sand Pumps</i>							
<i>Piers</i>							
<i>Revetments</i>							
<i>Promenades</i>							
<i>Capital Spares</i>							
Information and Communication Infrastructure	-	1,250	1,250	1,250	1,325	1,405	1,052
<i>Data Centres</i>							
<i>Core Layers</i>		1,250	1,250	1,250	1,325	1,405	1,052
<i>Distribution Layers</i>							
<i>Capital Spares</i>							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Community Assets	19,697	29,665	29,078	29,078	32,023	33,189	35,036
Community Facilities	12,523	19,587	19,780	19,780	19,515	19,822	20,676
Halls	4,400	7,814	8,944	8,944	7,919	7,938	7,958
Centres							
Crèches							
Clinics/Care Centres	39	50	50	50	53	56	60
Fire/Ambulance Stations							
Testing Stations							
Museums	186	670	670	670	699	739	781
Galleries	10	26	26	26	56	56	22
Theatres							
Libraries	1,230	1,988	1,058	1,058	1,621	1,844	2,299
Cemeteries/Crematoria							
Police	82	136	136	136	144	66	69
Parks	2,549	3,320	3,323	3,323	4,568	4,636	4,716
Public Open Space	2,757	2,711	2,802	2,802	2,855	2,888	3,061
Nature Reserves	36	70	70	70	74	79	84
Public Ablution Facilities		685	685	685	726	664	710
Markets	1,235	2,118	2,017	2,017	800	856	916
Stalls							
Abattoirs							
Airports							
Taxi Ranks/Bus Terminals							
Capital Spares							
Sport and Recreation Facilities	7,174	10,078	9,298	9,298	12,508	13,367	14,360
Indoor Facilities	6,508	9,498	8,718	8,718	11,877	12,687	13,640
Outdoor Facilities	666	580	580	580	631	680	720
Capital Spares							
Heritage assets	217	638	403	403	250	265	281
Monuments	144	393	188	188	250	265	281
Historic Buildings							
Works of Art							
Conservation Areas	73	245	215	215			
Other Heritage							
Investment properties	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-
Improved Property							
Unimproved Property							
Non-revenue Generating	-	-	-	-	-	-	-
Improved Property							
Unimproved Property							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Other assets	38,772	74,292	81,519	81,519	146,724	135,264	146,811
Operational Buildings	37,225	69,303	72,806	72,806	139,215	126,400	139,959
Municipal Offices	33,140	56,144	58,890	58,890	126,184	111,218	124,035
Pay/Enquiry Points							
Building Plan Offices							
Workshops	32	400	290	290	307	307	307
Yards							
Stores							
Laboratories	327	382	382	382	382	405	429
Training Centres		296	296	296	196	196	196
Manufacturing Plant							
Depots	3,727	12,081	12,949	12,949	12,146	14,274	14,992
Capital Spares							
Housing	1,546	4,989	8,713	8,713	7,509	8,864	6,852
Staff Housing	44	345	315	315	135	135	135
Social Housing	1,503	4,644	8,398	8,398	7,374	8,729	6,717
Capital Spares							
Biological or Cultivated Assets	-	-	-	-	-	-	-
Biological or Cultivated Assets							
Intangible Assets	4,271	5,455	5,435	5,435	5,890	6,426	7,072
Servitudes							
Licences and Rights	4,271	5,455	5,435	5,435	5,890	6,426	7,072
Water Rights							
Effluent Licenses							
Solid Waste Licenses							
Computer Software and Applications	4,271	5,435	5,435	5,435	5,880	6,415	7,052
Load Settlement Software Applications							
Unspecified		20	0	0	10	11	20
Computer Equipment	4,087	5,501	5,173	5,173	6,062	7,164	7,593
Computer Equipment	4,087	5,501	5,173	5,173	6,062	7,164	7,593
Furniture and Office Equipment	1,086	4,347	3,790	3,790	11,307	11,698	12,398
Furniture and Office Equipment	1,086	4,347	3,790	3,790	11,307	11,698	12,398
Machinery and Equipment	20,960	59,462	56,824	56,824	59,492	62,689	66,699
Machinery and Equipment	20,960	59,462	56,824	56,824	59,492	62,689	66,699
Transport Assets	34,228	51,781	52,727	52,727	105,687	109,100	117,032
Transport Assets	34,228	51,781	52,727	52,727	105,687	109,100	117,032

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Land	-	-	-	-	-	-	-
Land							
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals							
Total Repairs and Maintenance Expenditure	452,628	672,327	681,235	681,235	850,381	885,492	937,550

The table below provides a breakdown of capital expenditure on new assets:

TABLE 21 (CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS (SA34a))

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Capital Expenditure on new assets by Asset Class/Sub-class							
Infrastructure	638,973	1,053,830	994,325	994,325	685,384	826,342	487,358
Roads Infrastructure	102,072	380,220	391,757	391,757	213,530	214,000	236,127
Roads	89,365	365,070	378,657	378,657	203,880	207,200	230,000
Road Structures	12,707	11,300	9,250	9,250	6,800	1,950	2,277
Road Furniture		3,850	3,850	3,850	2,850	4,850	3,850
Capital Spares					-	-	-
Storm water Infrastructure	549	30,625	20,489	20,489	23,775	28,500	26,900
Drainage Collection					-	-	-
Storm water Conveyance	549	30,625	20,489	20,489	23,775	28,500	26,900
Attenuation					-	-	-
Electrical Infrastructure	234,275	179,339	159,147	159,147	91,493	69,426	73,731
Power Plants					100	500	500
HV Substations		2,520	2,520	2,520	2,500	3,000	3,000
HV Switching Station					-	-	-
HV Transmission Conductors		27,389	5,000	5,000	22,967	-	-
MV Substations		22,742	34,857	34,857	1,000	1,000	4,000
MV Switching Stations					-	-	-
MV Networks	152,457	85,793	83,532	83,532	28,000	28,000	28,000
LV Networks	81,818	40,895	33,238	33,238	36,926	36,926	38,231
Capital Spares					-	-	-
Water Supply Infrastructure	302,077	393,605	381,271	381,271	295,549	432,016	83,600
Dams and Weirs					-	-	-
Boreholes	302,077	70,215	70,215	70,215	87,457	165,717	500
Reservoirs					-	-	-
Pump Stations		65,000	66,250	66,250	-	-	-
Water Treatment Works		1,000			250	-	-
Bulk Mains					-	-	-
Distribution		257,389	244,806	244,806	207,842	266,299	83,100

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Distribution Points</i>					–	–	–
<i>PRV Stations</i>					–	–	–
<i>Capital Spares</i>					–	–	–
Sanitation Infrastructure	-	64,442	41,662	41,662	61,038	82,400	67,000
<i>Pump Station</i>					–	–	1,000
<i>Reticulation</i>		37,799	20,160	20,160	34,038	32,400	64,000
<i>Waste Water Treatment Works</i>		3,600	3,600	3,600	27,000	50,000	2,000
<i>Outfall Sewers</i>					–	–	–
<i>Toilet Facilities</i>		23,043	17,902	17,902	–	–	–
<i>Capital Spares</i>					–	–	–
Solid Waste Infrastructure	-	-	-	-	–	–	–
<i>Landfill Sites</i>					–	–	–
<i>Waste Transfer Stations</i>					–	–	–
<i>Waste Processing Facilities</i>					–	–	–
<i>Waste Drop-off Points</i>					–	–	–
<i>Waste Separation Facilities</i>					–	–	–
<i>Electricity Generation Facilities</i>					–	–	–
<i>Capital Spares</i>					–	–	–
Rail Infrastructure	-	-	-	-	–	–	–
<i>Rail Lines</i>					–	–	–
<i>Rail Structures</i>					–	–	–
<i>Rail Furniture</i>							
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>							
<i>Attenuation</i>							
<i>MV Substations</i>							
<i>LV Networks</i>							
<i>Capital Spares</i>							
Coastal Infrastructure	-	-	-	-	–	–	–
<i>Sand Pumps</i>					–	–	–
<i>Piers</i>							
<i>Revetments</i>							
<i>Promenades</i>							
<i>Capital Spares</i>							
Information and Communication Infrastructure	-	5,600	-	-	–	–	–
<i>Data Centres</i>		5,600			–	–	–
<i>Core Layers</i>					–	–	–
<i>Distribution Layers</i>					–	–	–
<i>Capital Spares</i>					–	–	–
Community Assets	9,172	23,943	8,959	8,959	25,650	7,800	18,000
Community Facilities	3,733	10,117	7,404	7,404	18,000	7,800	10,000
<i>Halls</i>					–	–	–
<i>Centres</i>		2,800	500	500	1,000	800	–

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Crèches</i>					–	–	–
<i>Clinics/Care Centres</i>		1,100	1,100	1,100	2,000	2,000	–
<i>Fire/Ambulance Stations</i>					–	–	–
<i>Testing Stations</i>					–	–	–
<i>Museums</i>		500	500	500	–	–	–
<i>Galleries</i>					–	–	–
<i>Theatres</i>					–	–	–
<i>Libraries</i>					–	–	–
<i>Cemeteries/Crematoria</i>	3,733				–	–	–
<i>Police</i>					–	–	–
<i>Parks</i>		5,717	5,217	5,217	–	–	–
<i>Public Open Space</i>					–	–	–
<i>Nature Reserves</i>					–	–	–
<i>Public Ablution Facilities</i>					10,000	5,000	10,000
<i>Markets</i>			87	87	5,000	–	–
<i>Stalls</i>					–	–	–
<i>Abattoirs</i>					–	–	–
<i>Airports</i>					–	–	–
<i>Taxi Ranks/Bus Terminals</i>					–	–	–
<i>Capital Spares</i>					–	–	–
Sport and Recreation Facilities	5,439	13,826	1,555	1,555	7,650	–	8,000
<i>Indoor Facilities</i>					–	–	–
<i>Outdoor Facilities</i>	5,439	13,826	1,555	1,555	7,650	–	8,000
<i>Capital Spares</i>					–	–	–
<u>Heritage assets</u>	-	-	-	-	–	–	–
Monuments					–	–	–
Historic Buildings					–	–	–
Works of Art					–	–	–
Conservation Areas					–	–	–
Other Heritage					–	–	–
<u>Investment properties</u>	-	-	-	-	–	–	–
Revenue Generating	-	-	-	-	–	–	–
<i>Improved Property</i>					–	–	–
<i>Unimproved Property</i>					–	–	–
Non-revenue Generating	-	-	-	-	–	–	–
<i>Improved Property</i>					–	–	–
<i>Unimproved Property</i>					–	–	–
<u>Other assets</u>	-	44,471	26,347	26,347	351,909	344,397	630
Operational Buildings	-	44,471	26,347	26,347	37,402	15,800	630
<i>Municipal Offices</i>		30,971	13,847	13,847	35,300	4,000	630
<i>Pay/Enquiry Points</i>					1,340	–	–

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Building Plan Offices</i>					–	–	–
<i>Workshops</i>					–	–	–
<i>Yards</i>					–	–	–
<i>Stores</i>					–	1,500	–
<i>Laboratories</i>		12,500	12,500	12,500	–	–	–
<i>Training Centres</i>					–	10,300	–
<i>Manufacturing Plant</i>					–	–	–
<i>Depots</i>		1,000			762	–	–
<i>Capital Spares</i>					–	–	–
Housing	–	–	–	–	314,508	328,597	–
<i>Staff Housing</i>					–	–	–
<i>Social Housing</i>					314,508	328,597	–
<i>Capital Spares</i>					–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–
Biological or Cultivated Assets					–	–	–
Intangible Assets	16,015	41,200	12,555	12,555	39,114	46,110	47,077
Servitudes					–	–	–
Licences and Rights	16,015	41,200	12,555	12,555	39,114	46,110	47,077
<i>Water Rights</i>					–	–	–
<i>Effluent Licenses</i>					–	–	–
<i>Solid Waste Licenses</i>					–	–	–
<i>Computer Software and Applications</i>	16,015	41,200	12,555	12,555	39,114	46,110	47,077
<i>Load Settlement Software Applications</i>					–	–	–
<i>Unspecified</i>					–	–	–
Computer Equipment	31,460	22,115	27,289	27,289	23,452	18,650	24,450
Computer Equipment	31,460	22,115	27,289	27,289	23,452	18,650	24,450
Furniture and Office Equipment	3,344	7,850	6,445	6,445	3,100	2,900	1,800
Furniture and Office Equipment	3,344	7,850	6,445	6,445	3,100	2,900	1,800
Machinery and Equipment	81,991	65,280	52,613	52,613	101,600	70,300	70,010
Machinery and Equipment	81,991	65,280	52,613	52,613	101,600	70,300	70,010
Transport Assets	11,540	46,320	42,288	42,288	82,960	90,390	81,907
Transport Assets	11,540	46,320	42,288	42,288	82,960	90,390	81,907
Land	48,141	4,417	3,726	3,726	3,000	–	1,000
Land	48,141	4,417	3,726	3,726	3,000	–	1,000
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals					–	–	–

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Living resources	-	-	-	-			
Mature	-	-	-	-	-	-	-
<i>Policing and Protection</i>							
<i>Zoological plants and animals</i>							
Immature	-	-	-	-	-	-	-
<i>Policing and Protection</i>							
<i>Zoological plants and animals</i>							
Total Capital Expenditure on new assets	840,635	1,309,426	1,174,548	1,174,548	1,316,169	1,406,889	732,231

Table SA34b provides a breakdown of capital expenditure on the renewal of existing assets by asset class, Table SA34d indicates depreciation by asset class and Table SA34e indicates capital expenditure on the upgrading of existing assets by asset class:

TABLE 22 (SA34b CAPITAL EXPENDITURE ON THE RENEWAL OF EXISTING ASSETS BY ASSET CLASS)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Capital Expenditure on renewal of existing assets by Asset Class/Sub-class							
Infrastructure	2,104,058	311,384	311,826	311,826	324,411	249,046	244,250
Roads Infrastructure	1,728,601	87,250	67,250	67,250	70,500	65,500	58,500
<i>Roads</i>	1,728,601	82,250	62,250	62,250	67,000	62,000	56,000
<i>Road Structures</i>		5,000	5,000	5,000	3,500	3,500	2,500
<i>Road Furniture</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Storm water Infrastructure	-	10,000	10,000	10,000	9,000	8,000	7,000
<i>Drainage Collection</i>					-	-	-
<i>Storm water Conveyance</i>		10,000	10,000	10,000	9,000	8,000	7,000
<i>Attenuation</i>					-	-	-
Electrical Infrastructure	375,457	68,424	74,924	74,924	60,270	61,270	61,270
<i>Power Plants</i>					-	-	-
<i>HV Substations</i>	321,001				3,000	3,000	3,000
<i>HV Switching Station</i>					-	-	-
<i>HV Transmission Conductors</i>	84,240	27,174	21,674	21,674	10,500	11,500	11,500
<i>MV Substations</i>		1,500	500	500	1,000	1,000	1,000
<i>MV Switching Stations</i>					-	-	-
<i>MV Networks</i>	-29,784	39,750	52,750	52,750	45,070	45,070	45,070
<i>LV Networks</i>					700	700	700
<i>Capital Spares</i>					-	-	-
Water Supply Infrastructure	-	72,767	79,908	79,908	123,510	86,930	66,300
<i>Dams and Weirs</i>		1,500	1,250	1,250	2,000	3,000	3,000
<i>Boreholes</i>					-	-	-

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Reservoirs</i>			4,000	4,000	25,000	25,000	16,000
<i>Pump Stations</i>		10,000	13,391	13,391	13,000	14,000	15,000
<i>Water Treatment Works</i>		3,000	3,000	3,000	14,500	8,000	9,000
<i>Bulk Mains</i>					-	-	-
<i>Distribution</i>		58,267	58,267	58,267	69,010	36,930	23,300
<i>Distribution Points</i>					-	-	-
<i>PRV Stations</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Sanitation Infrastructure	-	57,292	61,092	61,092	60,631	26,846	46,180
<i>Pump Station</i>		15,000	20,250	20,250	17,000	7,500	22,000
<i>Reticulation</i>		35,992	34,492	34,492	42,631	19,346	23,680
<i>Waste Water Treatment Works</i>		6,300	6,350	6,350	1,000	-	500
<i>Outfall Sewers</i>					-	-	-
<i>Toilet Facilities</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Solid Waste Infrastructure	-	15,652	18,652	18,652	500	500	5,000
<i>Landfill Sites</i>		15,652	18,652	18,652	-	-	2,000
<i>Waste Transfer Stations</i>					-	-	-
<i>Waste Processing Facilities</i>					-	-	-
<i>Waste Drop-off Points</i>					500	500	3,000
<i>Waste Separation Facilities</i>					-	-	-
<i>Electricity Generation Facilities</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Rail Infrastructure	-	-	-	-	-	-	-
<i>Rail Lines</i>							
<i>Rail Structures</i>							
<i>Rail Furniture</i>							
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>							
<i>Attenuation</i>							
<i>MV Substations</i>							
<i>LV Networks</i>							
<i>Capital Spares</i>							
Coastal Infrastructure	-	-	-	-	-	-	-
<i>Sand Pumps</i>							
<i>Piers</i>							
<i>Revetments</i>							
<i>Promenades</i>							
<i>Capital Spares</i>							
Information and Communication Infrastructure	-	-	-	-	-	-	-
<i>Data Centres</i>							
<i>Core Layers</i>							
<i>Distribution Layers</i>							
<i>Capital Spares</i>							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Community Assets	27,250	17,330	12,900	12,900	21,730	16,800	19,700
Community Facilities	27,250	15,330	10,900	10,900	21,730	16,800	19,700
Halls	2,882				-	-	-
Centres					-	-	-
Crèches					-	-	-
Clinics/Care Centres					-	-	-
Fire/Ambulance Stations		5,000	5,000	5,000	1,800	1,300	700
Testing Stations					-	-	-
Museums					500	10,000	7,500
Galleries					-	-	-
Theatres					-	-	-
Libraries		3,330	2,900	2,900	15,430	5,000	5,000
Cemeteries/Crematoria	2,940	7,000	3,000	3,000	3,000	-	6,500
Police					-	-	-
Parks					-	-	-
Public Open Space	63				-	-	-
Nature Reserves					1,000	500	-
Public Ablution Facilities	8,288				-	-	-
Markets	13,078				-	-	-
Stalls					-	-	-
Abattoirs					-	-	-
Airports					-	-	-
Taxi Ranks/Bus Terminals					-	-	-
Capital Spares					-	-	-
Sport and Recreation Facilities	-	2,000	2,000	2,000	1,250	1,000	3,000
Indoor Facilities					-	-	-
Outdoor Facilities		2,000	2,000	2,000	1,250	1,000	3,000
Capital Spares					-	-	-
Heritage assets	224,376	-	-	-	-	-	-
Monuments							
Historic Buildings							
Works of Art							
Conservation Areas							
Other Heritage	224,376						
Investment properties	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-
Improved Property							
Unimproved Property							
Non-revenue Generating	-	-	-	-	-	-	-
Improved Property							
Unimproved Property							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Other assets	58,161	2,250	2,800	2,800	4,250	2,500	2,950
Operational Buildings	58,122	2,250	2,800	2,800	4,250	2,500	2,950
Municipal Offices	29,491	1,250	1,800	1,800	3,250	1,500	1,450
Pay/Enquiry Points					-	-	-
Building Plan Offices					-	-	-
Workshops	4,629	1,000	1,000	1,000	1,000	1,000	1,000
Yards					-	-	-
Stores					-	-	-
Laboratories					-	-	-
Training Centres					-	-	500
Manufacturing Plant					-	-	-
Depots	24,002				-	-	-
Capital Spares					-	-	-
Housing	40	-	-	-	-	-	-
Staff Housing							
Social Housing	40						
Capital Spares							
Biological or Cultivated Assets	-	-	-	-	-	-	-
Biological or Cultivated Assets							
Intangible Assets	-	-	-	-	-	-	-
Servitudes							
Licences and Rights	-	-	-	-	-	-	-
Water Rights							
Effluent Licenses							
Solid Waste Licenses							
Computer Software and Applications							
Load Settlement Software Applications							
Unspecified							
Computer Equipment	29,312	-	-	-	500	500	3,000
Computer Equipment	29,312				500	500	3,000
Furniture and Office Equipment	-	-	-	-	-	-	-
Furniture and Office Equipment							
Machinery and Equipment	22,410,162	1,000	1,000	1,000	-	-	150
Machinery and Equipment	22,410,162	1,000	1,000	1,000	-	-	150
Transport Assets	-	22,500	33,100	33,100	10,000	-	-
Transport Assets		22,500	33,100	33,100	10,000	-	-

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Land							
Land							
Zoo's, Marine and Non-biological Animals	1,457						
Zoo's, Marine and Non-biological Animals	1,457						
Total Capital Expenditure on renewal of existing assets	24,854,776	354,464	361,626	361,626	362,141	269,846	273,050

TABLE 23 (SA34d DEPRECIATION BY ASSET CLASS)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Depreciation by Asset Class/Sub-class							
Infrastructure	38,285	1,001,061	750,796	750,796	788,337	811,982	810,320
Roads Infrastructure	-	329,319	246,989	246,989	259,339	267,118	275,132
Roads		309,490	232,118	232,118	243,724	251,035	258,567
Road Structures		16,085	12,064	12,064	12,667	13,047	13,438
Road Furniture		3,743	2,807	2,807	2,948	3,036	3,127
Capital Spares							
Storm water Infrastructure	-	35,692	26,769	26,769	28,107	28,950	29,820
Drainage Collection							
Storm water Conveyance		35,692	26,769	26,769	28,107	28,950	29,820
Attenuation							
Electrical Infrastructure	31,139	170,348	127,761	127,761	134,150	138,174	116,294
Power Plants							
HV Substations	31,139	34,624	25,968	25,968	27,267	28,085	2,902
HV Switching Station							
HV Transmission Conductors							
MV Substations							
MV Switching Stations							
MV Networks		135,724	101,793	101,793	106,883	110,089	113,392
LV Networks							
Capital Spares							
Water Supply Infrastructure	6,359	205,932	154,449	154,449	162,171	167,035	172,047
Dams and Weirs		3,825	2,869	2,869	3,012	3,103	3,196
Boreholes		7,802	5,852	5,852	6,144	6,328	6,518
Reservoirs	6,359	10,139	7,604	7,604	7,985	8,224	8,471
Pump Stations		11,194	8,395	8,395	8,815	9,079	9,352
Water Treatment Works		60,134	45,100	45,100	47,355	48,776	50,239
Bulk Mains							
Distribution		112,838	84,628	84,628	88,860	91,525	94,271
Distribution Points							
PRV Stations							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Capital Spares</i>							
Sanitation Infrastructure	300	174,036	130,527	130,527	137,054	141,164	145,399
<i>Pump Station</i>	300	17,035	12,776	12,776	13,415	13,817	14,232
<i>Reticulation</i>		62,403	46,803	46,803	49,143	50,617	52,135
<i>Waste Water Treatment Works</i>		94,598	70,948	70,948	74,496	76,730	79,032
<i>Outfall Sewers</i>							
<i>Toilet Facilities</i>							
<i>Capital Spares</i>							
Solid Waste Infrastructure	488	85,735	64,301	64,301	67,516	69,541	71,628
<i>Landfill Sites</i>							
<i>Waste Transfer Stations</i>		1,359	1,019	1,019	1,070	1,102	1,135
<i>Waste Processing Facilities</i>							
<i>Waste Drop-off Points</i>	488	84,376	63,282	63,282	66,446	68,439	70,493
<i>Waste Separation Facilities</i>							
<i>Electricity Generation Facilities</i>							
<i>Capital Spares</i>							
Rail Infrastructure	-	-	-	-	-	-	-
<i>Rail Lines</i>							
<i>Rail Structures</i>							
<i>Rail Furniture</i>							
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>							
<i>Attenuation</i>							
<i>MV Substations</i>							
<i>LV Networks</i>							
<i>Capital Spares</i>							
Coastal Infrastructure	-	-	-	-	-	-	-
<i>Sand Pumps</i>							
<i>Piers</i>							
<i>Revetments</i>							
<i>Promenades</i>							
<i>Capital Spares</i>							
Information and Communication Infrastructure	-	-	-	-	-	-	-
<i>Data Centres</i>							
<i>Core Layers</i>							
<i>Distribution Layers</i>							
<i>Capital Spares</i>							
Community Assets	2,496	178,392	133,794	133,794	140,483	144,704	149,195
Community Facilities	2,496	75,541	56,655	56,655	59,633	61,422	63,267
<i>Halls</i>							
<i>Centres</i>		11,566	8,675	8,675	9,254	9,531	9,817
<i>Crèches</i>							
<i>Clinics/Care Centres</i>		184	138	138	145	150	154

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Fire/Ambulance Stations</i>		4,555	3,416	3,416	3,587	3,695	3,806
<i>Testing Stations</i>							
<i>Museums</i>							
<i>Galleries</i>							
<i>Theatres</i>							
<i>Libraries</i>		1,652	1,239	1,239	1,301	1,340	1,381
<i>Cemeteries/Crematoria</i>	258	39,188	29,391	29,391	30,860	31,787	32,740
<i>Police</i>							
<i>Parks</i>		8,209	6,157	6,157	6,465	6,659	6,859
<i>Public Open Space</i>	1,344						
<i>Nature Reserves</i>		680	510	510	535	551	568
<i>Public Ablution Facilities</i>		635	477	477	500	515	531
<i>Markets</i>	700	886	664	664	698	718	740
<i>Stalls</i>							
<i>Abattoirs</i>							
<i>Airports</i>							
<i>Taxi Ranks/Bus Terminals</i>		7,984	5,988	5,988	6,288	6,476	6,671
<i>Capital Spares</i>	194						
Sport and Recreation Facilities	-	102,852	77,139	77,139	80,850	83,282	85,928
<i>Indoor Facilities</i>		1,249	936	936	983	1,013	1,043
<i>Outdoor Facilities</i>		101,603	76,202	76,202	79,867	82,269	84,885
<i>Capital Spares</i>							
Heritage assets	-	-	-	-	-	-	-
Monuments							
Historic Buildings							
Works of Art							
Conservation Areas							
Other Heritage							
Investment properties	-	6,962	5,222	5,222	5,483	5,647	5,817
Revenue Generating	-	6,962	5,222	5,222	5,483	5,647	5,817
<i>Improved Property</i>		6,962	5,222	5,222	5,483	5,647	5,817
<i>Unimproved Property</i>							
Non-revenue Generating	-	-	-	-	-	-	-
<i>Improved Property</i>							
<i>Unimproved Property</i>							
Other assets	775	37,366	28,024	28,024	29,425	30,308	31,187
Operational Buildings	-	36,386	27,289	27,289	28,654	29,513	30,369
<i>Municipal Offices</i>		27,196	20,397	20,397	21,416	22,059	22,721
<i>Pay/Enquiry Points</i>							
<i>Building Plan Offices</i>							
<i>Workshops</i>		397	298	298	313	322	332

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Yards</i>							
<i>Stores</i>							
<i>Laboratories</i>							
<i>Training Centres</i>		1,173	880	880	924	951	980
<i>Manufacturing Plant</i>							
<i>Depots</i>		7,620	5,715	5,715	6,001	6,181	6,336
<i>Capital Spares</i>							
Housing	775	980	735	735	771	795	818
<i>Staff Housing</i>							
<i>Social Housing</i>	775	980	735	735	771	795	818
<i>Capital Spares</i>							
Biological or Cultivated Assets	-	-	-	-	-	-	-
Biological or Cultivated Assets							
Intangible Assets	-	59,849	44,887	44,887	47,131	48,545	50,002
Servitudes							
Licences and Rights	-	59,849	44,887	44,887	47,131	48,545	50,002
<i>Water Rights</i>							
<i>Effluent Licenses</i>							
<i>Solid Waste Licenses</i>							
<i>Computer Software and Applications</i>		59,849	44,887	44,887	47,131	48,545	50,002
<i>Load Settlement Software Applications</i>							
<i>Unspecified</i>							
Computer Equipment	114,745	-	-	-	-	-	-
Computer Equipment	114,745				0	0	0
Furniture and Office Equipment	837,458	1,119	-	-	-	-	-
Furniture and Office Equipment	837,458	1,119			-	-	-
Machinery and Equipment	-	27,275	20,456	20,456	21479	22123	22787
Machinery and Equipment		27,275	20,456	20,456	21479	22123	22787
Transport Assets	-	22,303	16,727	16,727	17,564	18,090	18,663
Transport Assets		22,303	16,727	16,727	17,564	18,090	18,663
Land	-	-	-	-	-	-	-
Land							
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Living resources	993,760	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971

TABLE 24 (SA34 (e) CAPITAL EXPENDITURE ON THE UPGRADING OF EXISTING ASSETS BY ASSET CLASS)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Capital Expenditure on Upgrading of existing assets by Asset Class/Sub-class							
Infrastructure	5,474,720	253,790	204,971	204,971	217,090	168,389	318,695
Roads Infrastructure	1,023,163	96,685	66,768	66,768	45,040	46,239	55,595
Roads	1,023,163	96,685	66,768	66,768	45,040	46,239	55,595
Road Structures					–	–	–
Road Furniture					–	–	–
Capital Spares					–	–	–
Storm water Infrastructure	237,949	26,437	21,337	21,337	19,000	23,800	20,000
Drainage Collection	442				–	–	–
Storm water Conveyance	237,507	26,437	21,337	21,337	19,000	23,800	20,000
Attenuation					–	–	–
Electrical Infrastructure	1,028,327	65,248	61,596	61,596	21,300	21,100	17,600
Power Plants					–	–	–
HV Substations		28,596	28,596	28,596	1,000	600	600
HV Switching Station					–	–	–
HV Transmission Conductors					7,000	2,000	–
MV Substations	13,119	22,569	18,917	18,917	2,600	7,500	6,000
MV Switching Stations					–	–	–
MV Networks	1,015,208	4,000	4,000	4,000	10,000	10,000	10,000
LV Networks		10,083	10,083	10,083	700	1,000	1,000
Capital Spares					–	–	–
Water Supply Infrastructure	1,986,168	11,000	10,500	10,500	28,000	32,000	58,000
Dams and Weirs	3,328				–	–	–
Boreholes					–	–	–
Reservoirs		3,000	3,000	3,000	–	–	–
Pump Stations					–	–	–
Water Treatment Works	294,296	5,000	4,750	4,750	22,000	25,500	51,000
Bulk Mains	100,948				–	–	–
Distribution	1,587,596	3,000	2,750	2,750	6,000	6,500	7,000
Distribution Points					–	–	–
PRV Stations					–	–	–
Capital Spares					–	–	–
Sanitation Infrastructure	1,160,530	49,420	44,770	44,770	97,750	38,450	149,500
Pump Station	128,105				–	–	–
Reticulation	1,032,426	4,950	1,200	1,200	50,500	19,750	81,000

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Waste Water Treatment Works</i>		44,470	43,570	43,570	47,250	18,700	68,500
<i>Outfall Sewers</i>					–	–	–
<i>Toilet Facilities</i>					–	–	–
<i>Capital Spares</i>					–	–	–
Solid Waste Infrastructure	38,580	3,000	-	-	4,000	4,000	17,000
<i>Landfill Sites</i>		3,000			4,000	4,000	7,000
<i>Waste Transfer Stations</i>	38,580				–	–	–
<i>Waste Processing Facilities</i>					–	–	–
<i>Waste Drop-off Points</i>					–	–	10,000
<i>Waste Separation Facilities</i>					–	–	–
<i>Electricity Generation Facilities</i>					–	–	–
<i>Capital Spares</i>							
Rail Infrastructure	-	-	-	-	–	–	–
<i>Rail Lines</i>					–	–	–
<i>Rail Structures</i>					–	–	–
<i>Rail Furniture</i>							
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>							
<i>Attenuation</i>							
<i>MV Substations</i>							
<i>LV Networks</i>							
<i>Capital Spares</i>							
Coastal Infrastructure	-	-	-	-	–	800	–
<i>Sand Pumps</i>					–	800	–
<i>Piers</i>					–	–	–
<i>Revetments</i>					–	–	–
<i>Promenades</i>					–	–	–
<i>Capital Spares</i>					–	–	–
Information and Communication Infrastructure	2	2,000	-	-	2,000	2,000	1,000
<i>Data Centres</i>	2				–	–	–
<i>Core Layers</i>					–	–	–
<i>Distribution Layers</i>		2,000			2,000	2,000	1,000
<i>Capital Spares</i>					–	–	–
Community Assets	551,360	63,724	54,798	54,798	66,800	50,100	30,900
Community Facilities	303,208	54,550	41,907	41,907	54,250	42,600	24,800
<i>Halls</i>	22,519	3,078	485	485	200	1,000	–
<i>Centres</i>	295	4,500	4,000	4,000	2,550	2,500	500
<i>Crèches</i>					–	–	–
<i>Clinics/Care Centres</i>		350	350	350	200	200	200
<i>Fire/Ambulance Stations</i>	1,039	1,000	1,000	1,000	1,000	800	–
<i>Testing Stations</i>					–	–	–
<i>Museums</i>	607	450	400	400	–	5,000	5,000
<i>Galleries</i>	27,801				–	–	–

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Theatres</i>					–	–	–
<i>Libraries</i>	29,719	12,300			21,900	6,000	–
<i>Cemeteries/Crematoria</i>	171,325	8,850	12,850	12,850	4,100	3,100	3,500
<i>Police</i>					–	–	–
<i>Parks</i>		20,322	20,322	20,322	4,200	3,000	–
<i>Public Open Space</i>	49,904	1,200			16,500	14,800	15,600
<i>Nature Reserves</i>					–	400	–
<i>Public Ablution Facilities</i>					1,600	3,800	–
<i>Markets</i>		2,500	2,500	2,500	2,000	2,000	–
<i>Stalls</i>					–	–	–
<i>Abattoirs</i>					–	–	–
<i>Airports</i>					–	–	–
<i>Taxi Ranks/Bus Terminals</i>					–	–	–
<i>Capital Spares</i>					–	–	–
Sport and Recreation Facilities	248,153	9,174	12,891	12,891	12,550	7,500	6,100
<i>Indoor Facilities</i>			1,500	1,500	2,000	1,500	–
<i>Outdoor Facilities</i>	248,153	9,174	11,391	11,391	10,550	6,000	6,100
<i>Capital Spares</i>					–	–	–
Heritage assets	-4,180	900	-	-	–	–	–
<i>Monuments</i>					–	–	–
<i>Historic Buildings</i>					–	–	–
<i>Works of Art</i>	-4,180	900			–	–	–
<i>Conservation Areas</i>					–	–	–
<i>Other Heritage</i>					–	–	–
Investment properties	-	-	-	-	–	–	–
<i>Revenue Generating</i>	-	-	-	-	–	–	–
<i>Improved Property</i>					–	–	–
<i>Unimproved Property</i>					–	–	–
<i>Non-revenue Generating</i>	-	-	-	-	–	–	–
<i>Improved Property</i>					–	–	–
<i>Unimproved Property</i>					–	–	–
Other assets	114,336	12,334	10,533	10,533	16,312	21,600	16,400
<i>Operational Buildings</i>	119,590	12,334	10,533	10,533	16,312	21,600	16,400
<i>Municipal Offices</i>	80,456	7,834	6,853	6,853	12,612	15,500	12,400
<i>Pay/Enquiry Points</i>					–	–	–
<i>Building Plan Offices</i>					–	–	–
<i>Workshops</i>	32,184				–	–	–
<i>Yards</i>					–	–	–
<i>Stores</i>					–	–	–
<i>Laboratories</i>					–	–	–

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Training Centres</i>					–	900	–
<i>Manufacturing Plant</i>					–	–	–
<i>Depots</i>	6,950	4,500	3,680	3,680	3,700	5,200	4,000
<i>Capital Spares</i>					–	–	–
Housing	-5,254	-	-	-	–	–	–
<i>Staff Housing</i>					–	–	–
<i>Social Housing</i>					–	–	–
<i>Capital Spares</i>	-5,254				–	–	–
<u>Biological or Cultivated Assets</u>	8,532	-	-	-	–	–	–
Biological or Cultivated Assets	8,532				–	–	–
<u>Intangible Assets</u>	41,668	-	-	-	–	–	–
Servitudes					–	–	–
Licences and Rights	41,668	-	-	-	–	–	–
<i>Water Rights</i>					–	–	–
<i>Effluent Licenses</i>					–	–	–
<i>Solid Waste Licenses</i>					–	–	–
<i>Computer Software and Applications</i>	29,871				–	–	–
<i>Load Settlement Software Applications</i>					–	–	–
<i>Unspecified</i>	11,797				–	–	–
<u>Computer Equipment</u>	1,389	1,000	1,000	1,000	1,000	1,000	1,000
Computer Equipment	1,389	1,000	1,000	1,000	1,000	1,000	1,000
<u>Furniture and Office Equipment</u>	2,144	-	-	-	–	–	–
Furniture and Office Equipment	2,144				–	–	–
<u>Machinery and Equipment</u>	-	320	-	-	–	1,000	–
Machinery and Equipment		320			–	1,000	–
<u>Transport Assets</u>	141,701	-	-	-	–	–	–
Transport Assets	141,701				–	–	–
<u>Land</u>	-	-	-	-	–	–	–
Land					–	–	–
<u>Zoo's, Marine and Non-biological Animals</u>	-	-	-	-	–	–	–
Zoo's, Marine and Non-biological Animals					–	–	–
Total Capital Expenditure on upgrading of existing assets	6,331,670	332,068	271,303	271,303	301,202	242,089	366,995

1.6.2. Free Basic Services: Basic Social Services Package

The social package assists indigent households that have limited financial ability to pay for municipal services. To qualify for free basic services, the households are required to register in terms of the Municipality's Assistance to the Poor / Indigent Policy, whilst the monthly household income may not exceed two state pensions. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The qualifying criteria for the Free Basic Services was amended with effect from 1 July 2023 to also include the property value in terms of the Municipality's Valuation Roll of household, wherein if it is valued from R0.00 to R130 000 such property automatically qualifies for the Free Basic Services.

The cost of the social package of the registered indigent households is largely financed by national government through the Local Government's Equitable Share allocation, an unconditional grant received in terms of the annual Division of Revenue Act (DORA).

TABLE 25 (FREE BASIC SERVICES SUBSIDISED FROM THE EQUITABLE SHARE)

Various Services	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Indigent Control _ ATTP Administration	27,920,200	34,961,470	32,521,210
Debtors Management Collections_ Property Rates	1,000,000	1,000,000	1,000,000
Rates and Related Income_ Property Rates	173,454,650	182,994,660	193,974,340
Income_ Electricity	23,491,930	24,666,530	25,899,860
Income_ Water	150,070,080	154,572,190	159,209,360
Sewerage Administration	218,175,560	224,720,920	231,462,550
Refuse Administration	91,754,000	96,554,000	107,099,000
TOTAL - Various Services	685,866,420	719,469,770	751,166,320

The aforementioned table indicates the costs of the Free Basic Service, per service, that are funded against the Equitable Share Grant from the national fiscus.

1.7. CAPITAL EXPENDITURE

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

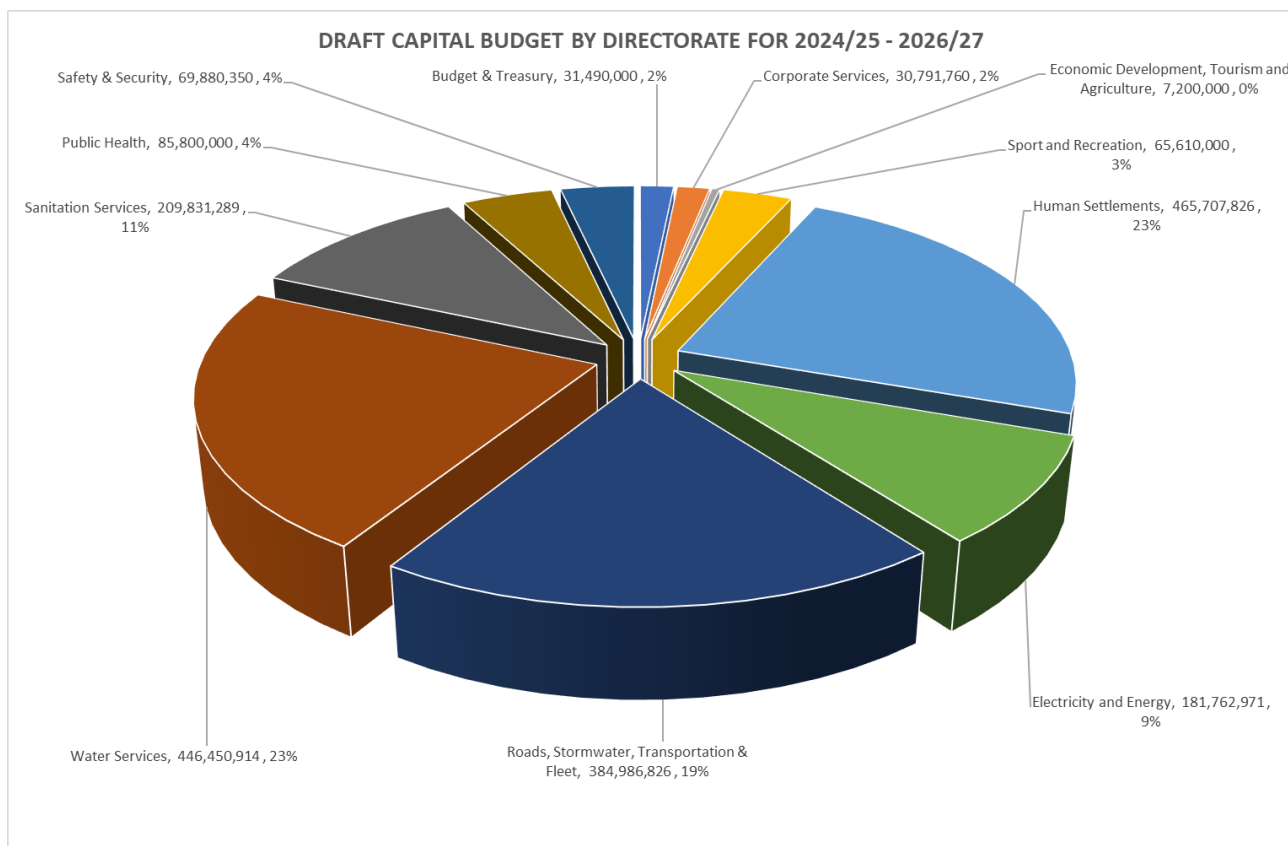
TABLE 26 (2024/25 MEDIUM-TERM CAPITAL BUDGET PER VOTE / DIRECTORATE – NMBM ONLY & PERCENTAGE ALLOCATION)

Directorate	2023/24 Approved Capital Adjustments Budget	% Allocati on vs Total Capital Budget	Final 2024/25 Proposed Budget aligned to affordability limits	% Allocati on vs Total Capital Budget	Final 2025/26 Proposed Budget aligned to affordability limits	% Allocati on vs Total Capital Budget	Final 2026/27 Proposed Budget aligned to affordability limits	% Allocati on vs Total Capital Budget
Budget & Treasury	5,712,000	0.33%	31,490,000	1.59%	6,000,000	0.31%	700,000	0.04%
Corporate Services	36,943,240	2.11%	30,791,760	1.56%	31,000,000	1.62%	29,000,000	1.69%
Economic Development, Tourism and Agriculture	6,279,566	0.36%	7,200,000	0.36%	2,000,000	0.10%	-	0.00%
Sport and Recreation	26,246,080	1.50%	65,610,000	3.31%	42,500,000	2.21%	36,000,000	2.10%
Human Settlements	134,311,780	7.66%	465,707,826	23.53%	479,197,391	24.97%	493,652,174	28.77%
Electricity and Energy	304,382,680	17.36%	181,762,971	9.18%	159,796,157	8.33%	163,100,504	9.51%
Roads, Stormwater, Transportation & Fleet	514,430,334	29.34%	384,986,826	19.45%	398,239,130	20.75%	424,545,783	24.74%

Water Services	467,229,738	26.65%	446,450,914	22.55%	547,946,607	28.56%	201,900,000	11.77%
Sanitation Services	141,896,048	8.09%	209,831,289	10.60%	134,595,560	7.01%	247,180,344	14.41%
Public Health	79,221,290	4.52%	85,800,000	4.33%	83,900,000	4.37%	87,300,000	5.09%
Safety & Security	36,416,600	2.08%	69,880,350	3.53%	33,650,000	1.75%	32,550,000	1.90%
TOTAL NMBM CAPITAL BUDGET	1,753,069,357	100%	1,979,511,936	100%	1,918,824,845	100%	1,715,928,805	100%

The following is a graphical presentation of the 2024/25 Capital Budget per vote or Directorate: -

FIGURE 3: CAPITAL BUDGET FOR THE 2024/25 FINANCIAL YEAR (NMBM ONLY)



The table below provides a breakdown of the funding sources supporting the Capital Budget:

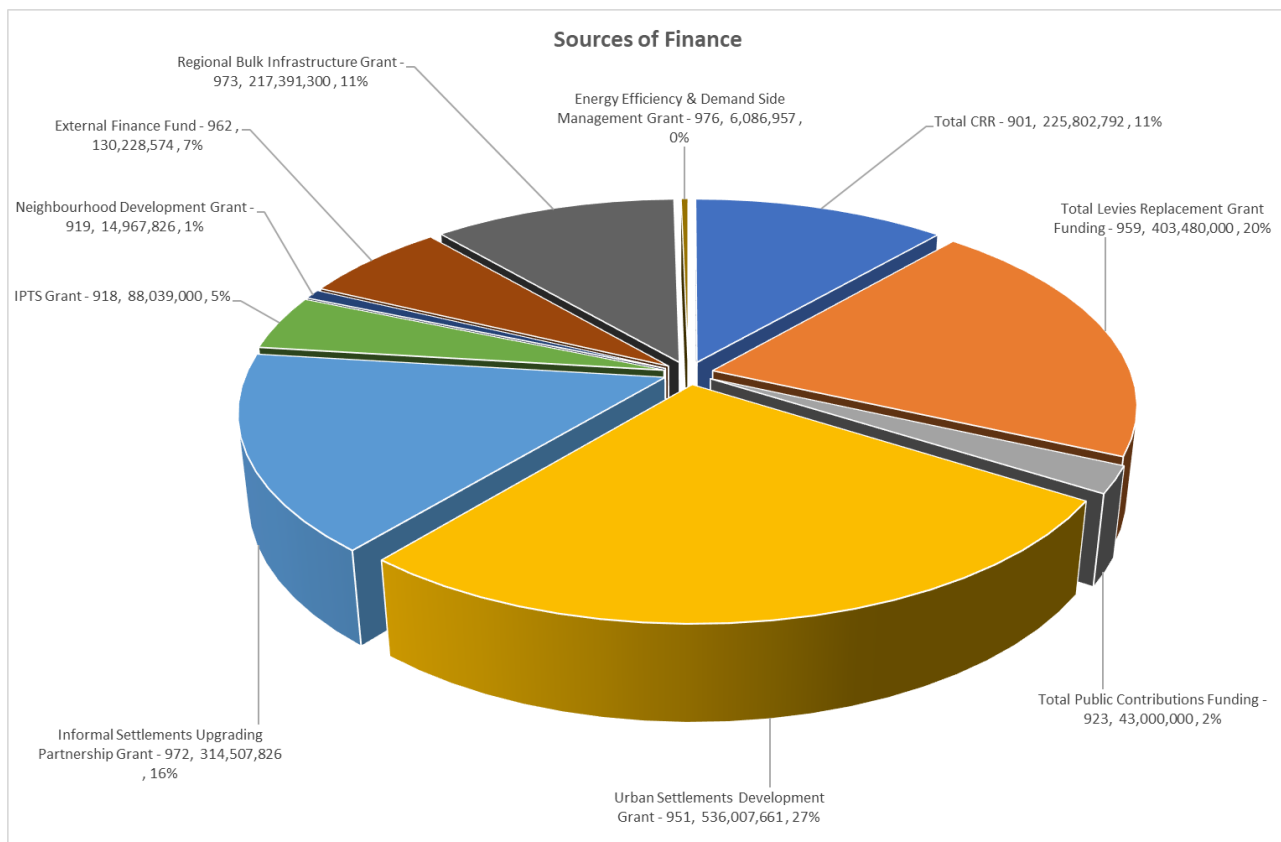
TABLE 27 (2024/25 MEDIUM-TERM CAPITAL BUDGET PER FUNDING SOURCE)

Sources of Finance	2022/23 Approved Capital Adjustments Budget	% Allocatio n vs Total Capital Budget	Final 2024/25 Proposed Budget aligned to affordability limits	% Allocatio n vs Total Capital Budget	Final 2025/26 Proposed Budget aligned to affordability limits	% Allocatio n vs Total Capital Budget	Final 2026/27 Proposed Budget aligned to affordability limits	% Allocatio n vs Total Capital Budget
Total CRR - 901	79,486,600	4.5%	225,802,792	11.41%	125,685,728	6.55%	124,172,440	7.24%
Total Levies Replacement Grant Funding - 959	372,290,240	21.2%	403,480,000	20.38%	415,320,000	21.64%	419,720,000	24.46%
Total Public Contributions Funding - 923	55,000,000	3.1%	43,000,000	2.17%	43,000,000	2.24%	43,000,000	2.51%
Urban Settlements Development Grant - 951	493,533,016	28.2%	536,007,661	27.08%	559,915,209	29.18%	663,447,104	38.66%
Informal Settlements Upgrading Partnership Grant - 972	305,333,377	17.4%	314,507,826	15.89%	328,597,391	17.12%	343,652,174	20.03%
IPTS Grant - 918	88,039,000	5.0%	88,039,000	4.45%	79,350,000	4.14%	84,111,000	4.90%
Neighbourhood Development Grant - 919	8,434,780	0.5%	14,967,826	0.76%	21,739,130	1.13%	30,434,783	1.77%

Sources of Finance	2022/23 Approved Capital Adjustments Budget	% Allocatio n vs Total Capital Budget	Final 2024/25 Proposed Budget aligned to affordability limits	% Allocatio n vs Total Capital Budget	Final 2025/26 Proposed Budget aligned to affordability limits	% Allocatio n vs Total Capital Budget	Final 2026/27 Proposed Budget aligned to affordability limits	% Allocatio n vs Total Capital Budget
External Finance Fund - 962	58,865,396	3.4%	130,228,574	6.58%	-	0.00%	-	0.00%
Regional Bulk Infrastructure Grant - 973	285,356,520	16.3%	217,391,300	10.98%	339,130,430	17.67%	-	0.00%
Energy Efficiency & Demand Side Management Grant - 976	6,730,428	0.4%	6,086,957	0.31%	6,086,957	0.32%	7,391,304	0.43%
Total Capital Budget Funding	1,753,069,357	100%	1,979,511,936	100%	1,918,824,845	100%	1,715,928,805	100%

The graph below provides a breakdown of the funding sources supporting the Capital Budget:

FIGURE 4: CAPITAL BUDGET FOR THE 2024/25 FINANCIAL YEAR (NMBM ONLY) BY FUNDING SOURCE



1.8. ANNUAL CONSOLIDATED BUDGET TABLES

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations (32141 dated 17 April 2009), are included in this section. These tables set out the Municipality's 2024/25 Budget and MTREF to be considered for approval by Council. Each table is accompanied by the brief *explanatory notes*.

TABLE 28 (TABLE A1 – CONSOLIDATED BUDGET SUMMARY)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Financial Performance							
Property rates	2,738,530	2,980,757	2,944,079	2,944,079	3,091,283	3,261,304	3,456,982

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Service charges	10,567,327	9,252,279	9,265,273	9,265,273	10,322,730	11,544,203	12,936,461
Investment revenue	336,097	208,088	207,878	207,878	226,156	236,501	254,082
Transfer and subsidies - Operational	1,554,247	1,964,652	2,085,586	2,085,586	2,138,293	2,181,768	2,278,284
Other own revenue	1,897,344	1,649,504	1,918,462	1,918,462	2,078,133	2,220,509	2,354,687
Total Revenue (excluding capital transfers and contributions)	17,093,545	16,055,280	16,421,278	16,421,278	17,856,596	19,444,285	21,280,495
Employee costs	3,584,515	4,558,182	4,419,187	4,419,187	4,767,893	5,134,439	5,516,467
Remuneration of councillors	75,900	91,089	90,829	90,829	94,452	98,218	102,133
Depreciation and amortisation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Finance charges	125,550	128,228	130,278	130,278	111,217	88,016	75,081
Inventory consumed and bulk purchases	4,503,763	5,992,062	6,004,059	6,004,059	6,705,326	7,721,475	8,869,505
Transfers and subsidies	121,062	62,687	84,625	84,625	90,052	92,163	94,355
Other expenditure	4,836,236	5,105,966	5,162,432	5,162,432	5,341,648	5,565,585	6,257,972
Total Expenditure	14,247,478	17,272,542	16,891,317	16,891,317	18,160,490	19,781,295	22,003,484
Surplus/(Deficit)	2,846,067	(1,217,262)	(470,039)	(521,752)	(303,894)	(337,010)	(722,988)
Transfers and subsidies - capital (monetary allocations)	818,115	1,434,548	1,283,531	1,283,531	1,220,001	1,377,819	1,172,036
Transfers and subsidies - capital (in-kind)	11,417						
Surplus/(Deficit) after capital transfers & contributions	829,532	162,879	761,779	761,779	916,107	1,040,809	449,048
Share of Surplus/Deficit attributable to Associate	-	-					
Surplus/(Deficit) for the year	3,675,599	162,879	761,779	761,779	916,107	1,040,809	449,048
Capital expenditure & funds sources							
Capital expenditure	30,099,222	1,995,957	1,821,477	1,821,477	2,035,552	1,976,546	1,775,381
Transfers recognised - capital	1,566,503	1,347,960	1,242,427	1,242,427	1,220,001	1,377,819	1,172,036
Borrowing	-	76,338	58,865	58,865	130,229		
Internally generated funds	19,643	571,659	520,185	520,185	685,322	598,726	603,345
Total sources of capital funds	1,586,146	1,995,957	1,821,477	1,821,477	2,035,552	1,976,546	1,775,381
Financial position							
Total current assets	9,815,003	9,680,062	9,794,299	9,794,299	10,234,246	10,023,596	10,136,219
Total non-current assets	19,584,097	19,311,371	19,621,797	19,621,797	19,682,143	19,798,712	19,825,434
Total current liabilities	3,746,198	5,506,360	5,781,423	5,781,423	5,839,141	5,891,074	5,888,176
Total non-current liabilities	3,803,041	5,928,608	6,122,039	6,122,039	5,819,377	5,825,197	5,831,022
Community wealth/Equity	21,849,860	19,152,742	19,161,459	19,161,459	19,180,621	19,199,800	19,219,001
Cash flows							
Net cash from (used) operating	1,457,772	1,444,436	1,865,002	1,865,002	1,974,730	1,886,261	1,834,357

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Net cash from (used) investing	(1,515,189)	(1,822,952)	(1,917,799)	(1,917,799)	(1,880,536)	(1,862,884)	(1,770,132)
Net cash from (used) financing	89,095	(139,993)	89,567	89,567	(213,799)	(129,971)	(143,198)
Cash/cash equivalents at the year end	4,815,036	4,279,141	4,820,128	4,820,128	5,274,335	5,167,741	5,088,768
<u>Cash backing/surplus reconciliation</u>	-						
Cash and investments available	4,577,483	4,692,195	4,820,128	4,820,128	5,274,335	5,167,741	5,088,768
Application of cash and investments	638,530	565,006	777,501	777,501	479,638	772,698	734,414
Balance - surplus (shortfall)	3,938,953	4,127,189	4,042,626	4,042,626	4,794,697	4,395,043	4,354,354
<u>Asset management</u>							
Asset register summary (WDV)	18,464,996	19,311,371	18,965,146	18,965,146	20,546,772	20,982,291	21,199,540
Depreciation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Renewal and Upgrading of Existing Assets	29,412,877	686,532	671,668	671,668	663,342	511,935	640,045
Repairs and Maintenance	452,719	672,327	681,235	681,235	842,130	907,801	899,757
Free Services							
Total cost of FBS provided		357,246	535,181	535,181	483,492	500,514	523,671
Total revenue cost of subsidised services provided		272,492	408,213	408,213	360,262	285,071	299,700

Explanatory notes to Table A1 - Budget Summary

The aim of the Budget Summary is to provide a concise overview of the proposed budget from all the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash, and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs. The upwards / downwards trends for certain categories of revenue / expenditure have already been previously explained (e.g. changes in Property Rates, etc.).

TABLE 29 (TABLE A2 – CONSOLIDATED BUDGET FINANCIAL PERFORMANCE)

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Revenue									
Exchange Revenue									
Service charges - Electricity	4,216,072	4,215,000	4,602,372	5,159,121	5,171,943	5,171,943	5,983,938	6,923,416	8,010,393
Service charges - Water	2,832,247	2,832,242	4,851,512	2,943,776	2,912,999	2,912,999	3,087,779	3,288,485	3,502,236
Service charges - Waste Water Management	724,346	724,346	790,170	837,553	868,502	868,502	920,475	980,278	1,048,927
Service charges - Waste Management	291,403	291,403	323,273	311,829	311,829	311,829	330,539	352,024	374,905
Sale of Goods and Rendering of Services	79,994	79,994	73,659	117,720	113,104	113,104	103,846	109,635	117,694
Agency services	4,032	4,032	4,329	3,716	3,870	3,870	4,064	4,287	4,519
Interest	-	-	-	-				-	-
Interest earned from Receivables	498,117	498,117	901,629	573,984	883,722	883,722	990,740	1,071,131	1,158,091

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Interest earned from Current and Non-Current Assets	182,208	182,208	336,097	208,088	207,878	207,878	226,156	236,501	254,082
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	28,014	28,006	30,762	31,021	37,084	37,084	38,567	40,990	43,568
Licence and permits	19,169	19,169	21,438	18,157	18,221	18,221	20,138	21,460	22,863
Operational Revenue	23,519	23,500	33,182	38,583	32,796	32,796	32,550	34,272	36,055
Non-Exchange Revenue									
Property rates	2,661,453	2,661,453	2,738,530	2,980,757	2,944,079	2,944,079	3,091,283	3,261,304	3,456,982
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	109,210	109,210	77,511	82,843	46,185	46,185	64,223	67,754	71,411
Licences or permits	1	1	1	1	1	1	-	-	-
Transfer and subsidies - Operational	2,023,365	2,023,691	1,554,247	1,964,652	2,085,586	2,085,586	2,138,293	2,181,768	2,278,284
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	754,473	783,478	783,478	783,478	824,005	870,980	900,487
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	740	740	360	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	13,693,890	13,693,112	17,093,545	16,055,280	16,421,278	16,421,278	17,856,596	19,444,285	21,280,495
Expenditure									
Employee related costs	3,243,639	3,633,482	3,584,515	4,558,182	4,419,187	4,419,187	4,767,893	5,134,439	5,516,467
Remuneration of councillors	74,229	75,900	75,900	91,089	90,829	90,829	94,452	98,218	102,133
Bulk purchases - electricity	3,101,601	4,373,625	4,377,705	5,632,329	5,632,845	5,632,845	6,348,216	7,344,886	8,498,033
Inventory consumed	286,305	122,864	126,058	359,733	371,214	371,214	357,109	376,589	371,472
Debt impairment	675,166	1,544,565	2,945,142	1,874,177	1,872,117	1,872,117	1,942,550	2,061,675	2,196,196
Depreciation and amortisation	973,225	1,000,452	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Interest	139,540	125,554	125,550	128,228	130,278	130,278	111,217	88,016	75,081
Contracted services	1,124,251	817,471	859,048	1,564,811	1,635,589	1,635,589	1,704,755	1,718,355	2,178,262
Transfers and subsidies	88,773	114,880	121,062	62,687	84,625	84,625	90,052	92,163	94,355
Irrecoverable debts written off	100,233	83,142	231,814	561,360	561,361	561,361	582,995	619,554	661,375
Operational costs	369,592	557,362	575,474	866,955	854,703	854,703	858,365	896,575	933,853
Losses on disposal of Assets	1,190	5,291	5,291	-	-	-	-	-	-
Other Losses	1,170	219,467	219,467	238,662	238,662	238,662	252,982	269,426	288,286
Total Expenditure	10,178,913	12,674,056	14,247,478	17,272,542	16,891,317	16,891,317	18,160,490	19,781,295	22,003,484
Surplus/(Deficit)	3,514,977	1,019,056	2,846,067	(1,217,262)	(470,039)	(470,039)	(303,894)	(337,010)	(722,988)
Transfers and subsidies - capital (monetary allocations)	1,265,192	818,115	818,115	1,434,548	1,283,531	1,283,531	1,220,001	1,377,819	1,172,036
Transfers and subsidies - capital (in-kind)	-	11,417	11,417	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions	4,780,169	1,848,588	3,675,599	217,286	813,492	813,492	916,107	1,040,809	449,048
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	4,780,169	1,848,588	3,675,599	217,286	813,492	813,492	916,107	1,040,809	449,048
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	4,780,169	1,848,588	3,675,599	217,286	813,492	813,492	916,107	1,040,809	449,048

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Share of Surplus/Deficit attributable to Associate	-	-	-	-				-	-
Intercompany/Parent subsidiary transactions	-	-	-	-				-	-
Surplus/(Deficit) for the year	4,780,169	1,848,588	3,675,599	217,286	813,492	813,492	916,107	1,040,809	449,048

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

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities. **It should be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.**

TABLE 30 (TABLE A3 – CONSOLIDATED BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

Vote Description	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	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 1 - Budget & Treasury	3,703,636	3,939,870	3,978,137	3,978,137	4,160,057	4,383,902	4,621,474
Vote 2 - Public Health	500,694	498,757	579,888	579,888	517,512	551,041	592,231
Vote 3 - Human Settlements	150,986	427,197	598,681	598,681	262,413	182,490	205,715
Vote 4 - Economic Development, Tourism & Agriculture	171,835	54,448	44,763	44,763	37,832	44,091	50,395
Vote 5 - Corporate Services	15,946	17,163	18,164	18,164	19,397	15,606	16,759
Vote 6 - Infrastructure & Engineering Unit - Rate & General	173,501	595,255	444,639	444,639	291,719	297,674	289,612
Vote 7 - Metro Water Service	5,234,166	3,830,572	4,101,137	4,101,137	3,884,347	4,159,012	4,382,010
Vote 8 - Sanitation - Metro	1,319,146	1,179,150	1,318,157	1,318,157	1,263,673	1,339,668	1,425,478
Vote 9 - Electricity & Energy	4,849,694	4,096,828	4,149,523	4,149,523	6,115,106	7,063,261	8,160,010
Vote 10 - Executive & Council	20,369	138,900	132,813	132,813	150,667	151,510	155,964
Vote 11 - Safety & Security	864,678	1,146,029	935,402	935,402	1,051,622	1,164,372	1,284,553
Vote 12 - Mandela Bay Stadium	56,590	60,891	60,891	60,891	58,992	62,531	66,238
Vote 13 - Special Projects and Programmes	8,528	29,816	29,816	29,816	22,684	8,321	9,013
Vote 14 - Recreational & Cultural Services	23,777	40,398	29,267	29,267	20,575	20,805	21,043
Vote 15 - [NAME OF VOTE 15]		-	-	-			
Total Revenue by Vote	17,093,545	16,055,280	16,421,278	16,421,278	17,856,596	19,444,285	21,280,495
Expenditure by Vote to be appropriated							
Vote 1 - Budget & Treasury	1,041,701	1,048,666	1,005,883	1,005,883	1,165,828	1,242,203	1,732,161
Vote 2 - Public Health	897,669	1,089,649	1,022,834	1,022,834	1,087,549	1,156,099	1,227,170
Vote 3 - Human Settlements	351,083	459,332	643,539	643,539	481,722	420,665	448,654

Vote Description	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Vote 4 - Economic Development, Tourism & Agriculture	245,746	124,369	292,697	292,697	118,801	130,168	142,153
Vote 5 - Corporate Services	551,131	583,940	571,552	571,552	607,648	638,630	674,921
Vote 6 - Infrastructure & Engineering Unit - Rate & General	1,084,352	1,231,898	1,042,176	1,042,176	1,227,349	1,297,242	1,337,591
Vote 7 - Metro Water Service	2,416,916	2,827,152	2,766,527	2,766,527	2,845,454	3,019,741	3,220,069
Vote 8 - Sanitation - Metro	1,057,841	907,278	847,718	847,718	904,785	958,907	1,022,036
Vote 9 - Electricity & Energy	4,295,005	6,629,902	6,586,230	6,586,230	7,427,813	8,485,576	9,590,422
Vote 10 - Executive & Council	365,403	540,539	350,460	350,460	449,866	471,151	497,600
Vote 11 - Safety & Security	1,076,297	1,243,361	1,206,662	1,206,662	1,243,495	1,339,255	1,449,954
Vote 12 - Mandela Bay Stadium	202,345	55,653	55,653	55,653	58,998	62,532	66,238
Vote 13 - Special Projects and Programmes	169,083	30,736	28,652	28,652	24,195	9,961	10,791
Vote 14 - Recreational & Cultural Services	492,905	500,067	470,734	470,734	516,988	549,165	583,725
Vote 15 - [NAME OF VOTE 15]		-					
Total Expenditure by Vote	14,247,478	17,272,542	16,891,317	16,891,317	18,160,490	19,781,295	22,003,484
Surplus/(Deficit) for the year	2,846,067	(1,217,262)	(470,039)	(470,039)	(303,894)	(337,010)	(722,988)

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

The purpose of the format in which the budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, to assign responsibility for the revenue and expenditure recorded against these votes to the Acting / City Manager and Executive Directors concerned. Operating revenue and expenditure is thus presented by 'vote'. A 'vote' is defined in terms of section 1 of the MFMA as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

TABLE 31 (TABLE A4 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE))

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Revenue							
Exchange Revenue							
Service charges - Electricity	4,602,372	5,159,121	5,171,943	5,171,943	5,983,938	6,923,416	8,010,393
Service charges - Water	4,851,512	2,943,776	2,912,999	2,912,999	3,087,779	3,288,485	3,502,236
Service charges - Waste Water Management	790,170	837,553	868,502	868,502	920,475	980,278	1,048,927
Service charges - Waste Management	323,273	311,829	311,829	311,829	330,539	352,024	374,905
Sale of Goods and Rendering of Services	73,659	117,720	113,104	113,104	103,846	109,635	117,694
Agency services	4,329	3,716	3,870	3,870	4,064	4,287	4,519
Interest	-	-				-	-

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Interest earned from Receivables	901,629	573,984	883,722	883,722	990,740	1,071,131	1,158,091
Interest earned from Current and Non-Current Assets	336,097	208,088	207,878	207,878	226,156	236,501	254,082
Dividends	-	-				-	-
Rent on Land	-	-				-	-
Rental from Fixed Assets	30,762	31,021	37,084	37,084	38,567	40,990	43,568
Licence and permits	21,438	18,157	18,221	18,221	20,138	21,460	22,863
Operational Revenue	33,182	38,583	32,796	32,796	32,550	34,272	36,055
Non-Exchange Revenue							
Property rates	2,738,530	2,980,757	2,944,079	2,944,079	3,091,283	3,261,304	3,456,982
Surcharges and Taxes	-	-				-	-
Fines, penalties and forfeits	77,511	82,843	46,185	46,185	64,223	67,754	71,411
Licences or permits	1	1	1	1		-	-
Transfer and subsidies - Operational	1,554,247	1,964,652	2,085,586	2,085,586	2,138,293	2,181,768	2,278,284
Interest	-	-				-	-
Fuel Levy	754,473	783,478	783,478	783,478	824,005	870,980	900,487
Operational Revenue	-	-				-	-
Gains on disposal of Assets	360	-				-	-
Other Gains	-	-				-	-
Discontinued Operations	-	-				-	-
Total Revenue (excluding capital transfers and contributions)	17,093,545	16,055,280	16,421,278	16,421,278	17,856,596	19,444,285	21,280,495
Expenditure							
Employee related costs	3,584,515	4,558,182	4,419,187	4,419,187	4,767,893	5,134,439	5,516,467
Remuneration of councillors	75,900	91,089	90,829	90,829	94,452	98,218	102,133
Bulk purchases - electricity	4,377,705	5,632,329	5,632,845	5,632,845	6,348,216	7,344,886	8,498,033
Inventory consumed	126,058	359,733	371,214	371,214	357,109	376,589	371,472
Debt impairment	2,945,142	1,874,177	1,872,117	1,872,117	1,942,550	2,061,675	2,196,196
Depreciation and amortisation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Interest	125,550	128,228	130,278	130,278	111,217	88,016	75,081
Contracted services	859,048	1,564,811	1,635,589	1,635,589	1,704,755	1,718,355	2,178,262
Transfers and subsidies	121,062	62,687	84,625	84,625	90,052	92,163	94,355
Irrecoverable debts written off	231,814	561,360	561,361	561,361	582,995	619,554	661,375
Operational costs	575,474	866,955	854,703	854,703	858,365	896,575	933,853
Losses on disposal of Assets	5,291	-	-	-		-	-
Other Losses	219,467	238,662	238,662	238,662	252,982	269,426	288,286
Total Expenditure	14,247,478	17,272,542	16,891,317	16,891,317	18,160,490	19,781,295	22,003,484

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Surplus/(Deficit)	2,846,067	(1,217,262)	(470,039)	(470,039)	(303,894)	(337,010)	(722,988)
Transfers and subsidies - capital (monetary allocations)	818,115	1,434,548	1,283,531	1,283,531	1,220,001	1,377,819	1,172,036
Transfers and subsidies - capital (in-kind)	11,417	-				-	-
Surplus/(Deficit) after capital transfers and contributions	3,675,599	217,286	813,492	813,492	916,107	1,040,809	449,048
Income Tax	-	-				-	-
Surplus/(Deficit) after income tax	3,675,599	217,286	813,492	813,492	916,107	1,040,809	449,048
Share of Surplus/Deficit attributable to Joint Venture	-	-				-	-
Share of Surplus/Deficit attributable to Minorities	-	-				-	-
Surplus/(Deficit) attributable to municipality	3,675,599	217,286	813,492	813,492	916,107	1,040,809	449,048
Share of Surplus/Deficit attributable to Associate	-	-				-	-
Intercompany/Parent subsidiary transactions	-	-				-	-
Surplus/(Deficit) for the year	3,675,599	217,286	813,492	813,492	916,107	1,040,809	449,048

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

Revenue

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the original budget, to assess performance.

TABLE 32 (TABLE A5 – CONSOLIDATED BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE)

Description	Budget Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		10	11	12			
R thousands	A	F	G	H			
Capital expenditure - Vote							
Multi-year expenditure to be adjusted							
Vote 1 - Budget & Treasury	19,451	-17,051	-17,051	2,400	28,000	4,000	
Vote 2 - Public Health	24,159	-8,800	-8,800	15,359	18,400	14,500	33,900
Vote 3 - Human Settlements	130,225	0	0	130,225	456,708	451,797	479,352
Vote 4 - Economic Development, Tourism & Agriculture	56,909	-54,409	-54,409	2500	58,040	59,721	59,452
Vote 5 - Corporate Services	5,950	-5,630	-5,630	320	8,500	11,500	9,000
Vote 6 - Infrastructure & Engineering Unit - Rate & General	529,215	-112,913	-112,913	416,302	332,485	358,389	369,046
Vote 7 - Metro Water Service	436,623	8,142	8,142	444,765	411,751	508,547	160,800
Vote 8 - Sanitation - Metro	123,412	-2,950	-2,950	120,462	200,581	124,596	231,180
Vote 9 - Electricity & Energy	277,546	-16,333	-16,333	261,213	166,176	145,209	146,209
Vote 10 - Executive & Council		0	0	0	-		

Description	Budget Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Vote 11 - Safety & Security	11,650	-3,823	-3,823	7,827	23,712	7,600	6,750
Vote 12 - Mandela Bay Stadium		0	0	0	-		
Vote 13 - Special Projects and Programmes		0	0	0	-		
Vote 14 - Recreational & Cultural Services	29,856	-15,756	-15,756	14,100	32,560	27,500	22,500
Capital multi-year expenditure sub-total	1,644,996	-229,523	-229,523	1,415,473	1,736,912	1,713,359	1,518,190
<u>Single-year expenditure to be adjusted</u>							
Vote 1 - Budget & Treasury	2,452	860	860	3,312	3,490	2,000	700
Vote 2 - Public Health	55,063	8,800	8,800	63,863	67,400	69,400	53,400
Vote 3 - Human Settlements	20,127	-16,041	-16,041	4,086	9,000	27,400	14,300
Vote 4 - Economic Development, Tourism & Agriculture	510	59,117	59,117	59,627	5,200		
Vote 5 - Corporate Services	31,515	5,108	5,108	36,623	22,292	19,500	20,000
Vote 6 - Infrastructure & Engineering Unit - Rate & General	83,000	15,129	15,129	98,129	52,502	39,850	55,500
Vote 7 - Metro Water Service	30,215	-7,750	-7,750	22,465	34,700	39,400	41,100
Vote 8 - Sanitation - Metro	18,793	2,641	2,641	21,434	9,250	10,000	16,000
Vote 9 - Electricity & Energy	38,265	4,904	4,904	43,169	15,587	14,587	16,891
Vote 10 - Executive & Council		0	0		-		
Vote 11 - Safety & Security	49,300	-20,710	-20,710	28,590	46,168	26,050	25,800
Vote 12 - Mandela Bay Stadium		0	0	0	-		
Vote 13 - Special Projects and Programmes		0	0	0	-		
Vote 14 - Recreational & Cultural Services	21,724	-9,578	-9,578	12,146	33,050	15,000	13,500
Vote 15 - [NAME OF VOTE 15]	-	0	0	0	0		
Capital single-year expenditure sub-total	350,964	42,480	42,480	393,444	298,639	263,187	257,191
Total Capital Expenditure - Vote	1,995,960	-187,043	-187,043	1,808,917	2,035,552	1,976,546	1,775,381
<u>Capital Expenditure - Functional</u>							
<i>Governance and administration</i>	243,158	-58,121	-58,121	185,037	231,078	186,010	170,117
Executive and council	-	0	0	0			
Finance and administration	243,158	-58,121	-58,121	185,037	231,078	186,010	170,117
Internal audit	-	-	-	-			
<i>Community and public safety</i>	128,758	-31,708	-31,708	97,050	435,688	405,197	408,202
Community and social services	40,230	-16,930	-16,930	23,300	45,180	32,100	24,500
Sport and recreation	51,739	-10,254	-10,254	41,485	39,600	30,500	29,700
Public safety	30,422	-2,833	-2,833	27,589	33,800	12,100	8,950
Housing	4,417	-691	-691	3,726	315,708	329,197	343,652
Health	1,950	-1,000	-1,000	950	1,400	1,300	1,400
<i>Economic and environmental services</i>	574,965	-47,196	-47,196	527,768	400,571	405,750	434,982
Planning and development	54,407	3,183	3,183	57,590	56,040	57,721	59,452
Road transport	520,557	-50,379	-50,379	470,178	344,531	348,029	375,529
Environmental protection		-	-	0			
<i>Trading services</i>	1,049,078	-51,456	-51,456	997,622	966,215	977,588	762,081

Description	Budget Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Energy sources	315,211	-14,428	-14,428	300,783	176,763	154,796	157,101
Water management	481,371	-5,044	-5,044	476,327	451,001	551,947	205,900
Wastewater management	244,716	-28,984	-28,984	215,732	299,451	234,846	343,080
Waste management	7,780	-3,000	-3,000	4,780	39,000	36,000	56,000
Other		-	-		2,000	2,000	
Total Capital Expenditure - Functional	1,995,959	-188,481	-188,481	1,807,477	2,035,552	1,976,546	1,775,381
Funded by:							
National Government	1,307,960	-120,533	-120,533	1,187,427	1,177,001	1,334,819	1,129,036
Provincial Government		-	-				
District Municipality		-	-				
Other Transfers and Grants	40,000	15,000	15,000	55,000	43,000	43,000	43,000
Transfers recognised - capital	1,347,960	-105,533	-105,533	1,242,427	1,220,001	1,377,819	1,172,036
Borrowing	76,338	-17,473	-17,473	58,865	130,229		
Internally generated funds	571,662	-65,478	-65,478	506,184	685,322	598,726	603,345
Total Capital Funding	1,995,960	-188,484	-188,484	1,807,476	2,035,552	1,976,546	1,775,381

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; 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.

TABLE 33 (TABLE A6 – CONSOLIDATED BUDGETED FINANCIAL POSITION)

Description	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	Audited Outcome						
ASSETS							
Current assets							
Cash and cash equivalents	4,783,358	4,273,131	4,826,138	4,826,138	5,067,445	5,168,794	5,272,170
Trade and other receivables from exchange transactions	2,899,833	3,301,835	3,632,188	3,632,188	3,168,969	2,742,072	2,653,810
Receivables from non-exchange transactions		217,452	497,781	497,781	250,070	277,581	283,332
Current portion of non-current receivables	-						
Inventory		260,285	329,389	329,389	345,859	363,151	381,309
VAT	183,440	1,102,841	1,335,146	1,335,146	1,401,903	1,471,998	1,545,598
Other current assets							
Total current assets	7,866,631	9,680,063	9,794,299	9,794,299	10,234,246	10,023,596	10,136,219
Non-current assets							
Investments							
Investment property	153,640	153,640	142,512	142,512	156,763	159,898	161,497
Property, plant and equipment	18,706,291	18,706,291	19,057,012	19,057,012	19,100,520	19,212,160	19,235,250
Biological assets							
Living and non-living resources							

Description	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Heritage assets	217,452	217,452	220,197	220,197	220,197	220,197	220,857
Intangible assets	63,351	63,351	43,409	43,409	43,843	44,282	44,724
Trade and other receivables from exchange transactions	115,638	115,638	115,638	115,638	115,638	115,638	115,638
Non-current receivables from non-exchange transactions	55,000	55,000	43,030	43,030	45,182	46,537	47,468
Other non-current assets							
Total non-current assets	19,311,372	19,311,372	19,621,798	19,621,798	19,682,143	19,798,712	19,825,434
TOTAL ASSETS	26,504,884	28,991,435	29,416,097	29,416,097	29,916,389	29,822,308	29,961,653
LIABILITIES							
Current liabilities							
Bank overdraft							
Financial liabilities	192,847	192,379	192,379	192,379	188,490	188,490	162,390
Consumer deposits	156,560	176,659	175,514	175,514	180,779	184,395	186,239
Trade and other payables from exchange transactions	2,741,279	2,878,343	2,988,363	2,988,363	3,018,246	3,048,429	3,051,478
Trade and other payables from non-exchange transactions		312,695	312,695	312,695	313,007	313,321	313,634
Provision	568,809	229,572	395,759	395,759	396,155	396,551	396,948
VAT		1,716,713	1,716,713	1,716,713	1,742,464	1,759,888	1,777,487
Other current liabilities							
Total current liabilities	3,659,496	5,506,361	5,781,423	5,781,423	5,839,141	5,891,074	5,888,176
Non-current liabilities							
Financial liabilities	1,054,416	1,055,049	1,369,578	1,369,578	1,232,620	1,233,853	1,235,087
Provision	2,752,461	3,767,977	3,369,398	3,369,398	3,200,928	3,204,129	3,207,333
Long term portion of trade payables							
Other non-current liabilities		1,105,582	1,383,063	1,383,063	1,385,829	1,387,215	1,388,602
Total non-current liabilities	3,806,877	5,928,608	6,122,039	6,122,039	5,819,377	5,825,197	5,831,022
TOTAL LIABILITIES	7,466,373	11,434,969	11,903,462	11,903,462	11,658,518	11,716,271	11,719,198
NET ASSETS	19,038,511	17,556,466	17,512,635	17,512,635	18,257,871	18,106,037	18,242,455
COMMUNITY WEALTH/EQUITY							
Accumulated surplus/(deficit)	18,136,862	18,245,712	18,576,871	18,576,871	18,595,448	18,614,043	18,632,657
Reserves and funds	901,649	907,030	584,588	584,588	585,173	585,757	586,344
Other							
TOTAL COMMUNITY WEALTH/EQUITY	19,038,511	19,152,742	19,161,459	19,161,459	19,180,621	19,199,800	19,219,001

Explanatory notes to Table A6 - Budgeted Financial Position

The table presents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. 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 directly informed by forecasting the statement of financial position.

TABLE 34 (TABLE A7 – CONSOLIDATED BUDGET CASH FLOW STATEMENT)

Description	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	2,652,874	2,627,874	2,627,874	2,751,242	2,852,560	3,076,714
Service charges	7,144,625	7,152,625	7,152,625	7,259,428	8,211,879	8,804,907
Other revenue	2,410,416	821,062	821,062	1,895,711	1,688,107	1,913,832
Transfers and Subsidies - Operational	1,964,652	1,768,469	1,768,469	1,895,734	1,902,167	2,020,999
Transfers and Subsidies - Capital	1,387,960	1,242,427	1,242,427	1,159,001	1,308,928	1,113,435
Interest	208,088	207,878	207,878	226,156	236,501	254,082
Payments						
Suppliers and employees	-14,133,263	-11,734,420	-11,734,420	-13,011,173	-14,133,702	-15,180,176
Finance charges	-128,228	-130,278	-130,278	-111,217	-88,016	-75,081
Transfers and Subsidies	-62,687	-84,625	-84,625	-90,152	-92,163	-94,355
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,444,437	1,871,012	1,871,012	1,974,730	1,886,261	1,834,357
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE						
Decrease (Increase) in non-current debtors (not used)						
Decrease (increase) in non-current receivables		- 16,572	- 16,572			
Decrease (increase) in non-current investments						
Payments						
Capital assets	- 1,822,952	- 1,901,227	- 1,901,227	-1,880,536	-1,862,884	-1,770,132
NET CASH FROM/(USED) INVESTING ACTIVITIES	-1,822,952	- 1,917,799	- 1,917,799	-1,880,536	-1,862,884	-1,770,132
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans	-			-	-	-
Borrowing long term/refinancing	-	281,943	281,943	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-
Payments						
Repayment of borrowing	- 139,993	- 192,376	- 192,376	-213,799	-129,971	-143,198
NET CASH FROM/(USED) FINANCING ACTIVITIES	- 139,993	- 192,376	- 192,376	-213,799	-129,971	-143,198
NET INCREASE/ (DECREASE) IN CASH HELD	-518,509	-239,162	-239,160	-119,605	-106,594	-78,973
Cash/cash equivalents at the year begin:	4,797,650	4,279,141	4,039,979	4,575,876	4,456,271	4,349,677
Cash/cash equivalents at the year-end:	4,279,141	4,039,979	4,575,876	4,456,271	4,349,677	4,270,704

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

It reflects the expected cash in-flows versus cash outflows that is likely to result from the implementation of the budget.

TABLE 35 (TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION)

Description	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Cash and investments available						
Cash/cash equivalents at the year end	4,273,131	4,820,128	4,820,128	4,456,271	4,349,677	4,270,704
Other current investments > 90 days	413,054					
Non-current assets - Investments	-	-	-	-	-	-
Cash and investments available:	4,686,185	4,820,128	4,820,128	5,274,335	5,167,741	5,088,768
Application of cash and investments						
Unspent conditional transfers	55,600	270,761	270,761	156,238	154,809	162,549
Unspent borrowing	-	-	-	-	-	-
Statutory requirements	613,872			643,952	672,930	689,085
Other working capital requirements	-1,241,068	-986,911	-986,911	-1,301,880	-1,360,465	-1,425,767
Other provisions	229,572	909,063	909,063	396,155	396,551	396,948
Long term investments committed	-	-	-	-	-	-
Reserves to be backed by cash/investments	907,030	584,588	584,588	585,173	908,873	911,599
Total Application of cash and investments:	565,006	777,501	777,501	479,638	772,698	734,414
Surplus(shortfall)	4,121,179	4,042,627	4,042,627	4,794,697	4,395,043	4,354,354

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. 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 as required in accordance with section 18 of the Local Government: Municipal Finance Management Act (56 of 2003).
4. Provisions to be cash backed incorporate all current provisions as well as the provision for the rehabilitation of landfill sites.
5. Reserves to be cash backed incorporate the COIDA, Self-Insurance Fund (SIF) and the Capital Replacement Reserve.

TABLE 36 (TABLE A9 - ASSET MANAGEMENT)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
CAPITAL EXPENDITURE							
Total New Assets	840,635	1,309,426	1,174,548	1,174,548	1,316,169	1,406,889	732,231

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Roads Infrastructure</i>	102,072	380,220	391,757	391,757	213,530	214,000	236,127
<i>Storm water Infrastructure</i>	549	30,625	20,489	20,489	23,775	28,500	26,900
<i>Electrical Infrastructure</i>	234,275	179,339	159,147	159,147	91,493	69,426	73,731
<i>Water Supply Infrastructure</i>	302,077	393,605	381,271	381,271	295,549	432,016	83,600
<i>Sanitation Infrastructure</i>		64,442	41,662	41,662	61,038	82,400	67,000
<i>Solid Waste Infrastructure</i>					–	–	–
<i>Rail Infrastructure</i>					–	–	–
<i>Coastal Infrastructure</i>					–	–	–
<i>Information and Communication Infrastructure</i>		5,600			–	–	–
Infrastructure	638,973	1,053,830	994,325	994,325	685,384	826,342	487,358
Community Facilities	3,733	10,117	7,404	7,404	18,000	7,800	10,000
Sport and Recreation Facilities	5,439	13,826	1,555	1,555	7,650	–	8,000
Community Assets	9,172	23,943	8,959	8,959	25,650	7,800	18,000
Heritage Assets					–	–	–
Revenue Generating					–	–	–
Non-revenue Generating					–	–	–
Investment properties	-	-	-	-	-	-	-
Operational Buildings		44,471	26,347	26,347	37,402	15,800	630
Housing					314,508	328,597	–
Other Assets	-	44,471	26,347	26,347	351,909	344,397	630
Biological or Cultivated Assets					–	–	–
Servitudes					–	–	–
Licences and Rights	16,015	41,200	12,555	12,555	39,114	46,110	47,077
Intangible Assets	16,015	41,200	12,555	12,555	39,114	46,110	47,077
Computer Equipment	31,460	22,115	27,289	27,289	23,452	18,650	24,450
Furniture and Office Equipment	3,344	7,850	6,445	6,445	3,100	2,900	1,800
Machinery and Equipment	81,991	65,280	52,613	52,613	101,600	70,300	70,010
Transport Assets	11,540	46,320	42,288	42,288	82,960	90,390	81,907
Land	48,141	4,417	3,726	3,726	3,000	–	1,000
Zoo's, Marine and Non-biological Animals					–	–	–
Mature							
Immature							
Living Resources	-	-	-	-			
Total Renewal of Existing Assets	24,854,776	354,464	361,626	361,626	362,141	269,846	273,050
<i>Roads Infrastructure</i>	1,728,601	87,250	67,250	67,250	70,500	65,500	58,500
<i>Storm water Infrastructure</i>		10,000	10,000	10,000	9,000	8,000	7,000
<i>Electrical Infrastructure</i>	375,457	68,424	74,924	74,924	60,270	61,270	61,270
<i>Water Supply Infrastructure</i>		72,767	79,908	79,908	123,510	86,930	66,300
<i>Sanitation Infrastructure</i>		57,292	61,092	61,092	60,631	26,846	46,180
<i>Solid Waste Infrastructure</i>		15,652	18,652	18,652	500	500	5,000
<i>Rail Infrastructure</i>					–	–	–
<i>Coastal Infrastructure</i>					–	–	–
<i>Information and Communication Infrastructure</i>					–	–	–

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Infrastructure	2,104,058	311,384	311,826	311,826	324,411	249,046	244,250
Community Facilities	27,250	15,330	10,900	10,900	21,730	16,800	19,700
Sport and Recreation Facilities		2,000	2,000	2,000	1,250	1,000	3,000
Community Assets	27,250	17,330	12,900	12,900	22,980	17,800	22,700
Heritage Assets	224,376				-	-	-
Revenue Generating					-	-	-
Non-revenue Generating					-	-	-
Investment properties	-	-	-	-	-	-	-
Operational Buildings	58,122	2,250	2,800	2,800	4,250	2,500	2,950
Housing	40				-	-	-
Other Assets	58,161	2,250	2,800	2,800	4,250	2,500	2,950
Biological or Cultivated Assets					-	-	-
Servitudes					-	-	-
Licences and Rights					-	-	-
Intangible Assets	-	-	-	-	-	-	-
Computer Equipment	29,312				500	500	3,000
Furniture and Office Equipment					-	-	-
Machinery and Equipment	22,410,162	1,000	1,000	1,000	-	-	150
Transport Assets		22,500	33,100	33,100	10,000	-	-
Land					-	-	-
Zoo's, Marine and Non-biological Animals	1,457				-	-	-
Mature							
Immature							
Living Resources	-	-	-	-			
Total Upgrading of Existing Assets	6,331,670	332,068	271,303	271,303	301,202	242,089	366,995
<i>Roads Infrastructure</i>	1,023,163	96,685	66,768	66,768	45,040	46,239	55,595
<i>Storm water Infrastructure</i>	237,949	26,437	21,337	21,337	19,000	23,800	20,000
<i>Electrical Infrastructure</i>	1,028,327	65,248	61,596	61,596	21,300	21,100	17,600
<i>Water Supply Infrastructure</i>	1,986,168	11,000	10,500	10,500	28,000	32,000	58,000
<i>Sanitation Infrastructure</i>	1,160,530	49,420	44,770	44,770	97,750	38,450	149,500
<i>Solid Waste Infrastructure</i>	38,580	3,000			4,000	4,000	17,000
<i>Rail Infrastructure</i>					-	-	-
<i>Coastal Infrastructure</i>					-	800	-
<i>Information and Communication Infrastructure</i>	2	2,000			2,000	2,000	1,000
Infrastructure	5,474,720	253,790	204,971	204,971	217,090	168,389	318,695
Community Facilities	303,208	54,550	41,907	41,907	54,250	42,600	24,800
Sport and Recreation Facilities	248,153	9,174	12,891	12,891	12,550	7,500	6,100
Community Assets	551,360	63,724	54,798	54,798	66,800	50,100	30,900
Heritage Assets	-4,180	900			-	-	-
Revenue Generating					-	-	-
Non-revenue Generating					-	-	-
Investment properties	-	-	-	-	-	-	-
Operational Buildings	119,590	12,334	10,533	10,533	16,312	21,600	16,400

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Housing	-5,254				-	-	-
Other Assets	114,336	12,334	10,533	10,533	16,312	21,600	16,400
Biological or Cultivated Assets	8,532				-	-	-
Servitudes					-	-	-
Licences and Rights	41,668				-	-	-
Intangible Assets	41,668	-	-	-	-	-	-
Computer Equipment	1,389	1,000	1,000	1,000	1,000	1,000	1,000
Furniture and Office Equipment	2,144				-	-	-
Machinery and Equipment		320			-	1,000	-
Transport Assets	141,701				-	-	-
Land					-	-	-
Zoo's, Marine and Non-biological Animals					-	-	-
Mature							
Immature							
Living Resources	-	-	-	-			
Total Capital Expenditure	32,027,082	1,995,957	1,807,477	1,807,477	1,979,512	1,918,825	1,372,277
<i>Roads Infrastructure</i>	2,853,836	564,155	525,775	525,775	329,070	325,739	350,222
<i>Storm water Infrastructure</i>	238,498	67,062	51,826	51,826	51,775	60,300	53,900
<i>Electrical Infrastructure</i>	1,638,059	313,011	295,666	295,666	173,063	151,796	152,601
<i>Water Supply Infrastructure</i>	2,288,246	477,371	471,679	471,679	447,058	550,947	207,900
<i>Sanitation Infrastructure</i>	1,160,530	171,154	147,524	147,524	219,419	147,696	262,680
<i>Solid Waste Infrastructure</i>	38,580	18,652	18,652	18,652	4,500	4,500	22,000
<i>Rail Infrastructure</i>					-	-	-
<i>Coastal Infrastructure</i>					-	800	-
<i>Information and Communication Infrastructure</i>	2	7,600			2,000	2,000	1,000
Infrastructure	8,217,750	1,619,004	1,511,122	1,511,122	1,226,885	1,243,778	1,050,303
Community Facilities	334,190	79,997	60,211	60,211	93,980	67,200	54,500
Sport and Recreation Facilities	253,592	25,000	16,446	16,446	21,450	8,500	17,100
Community Assets	587,782	104,997	76,657	76,657	115,430	75,700	71,600
Heritage Assets	220,197	900			-	-	-
Revenue Generating					-	-	-
Non-revenue Generating					-	-	-
Investment properties	-	-	-	-	-	-	-
Operational Buildings	177,711	59,054	39,680	39,680	57,963	39,900	19,980
Housing	-5,215				314,508	328,597	-
Other Assets	172,497	59,054	39,680	39,680	372,471	368,497	19,980
Biological or Cultivated Assets	8,532				-	-	-
Servitudes					-	-	-
Licences and Rights	57,683	41,200	12,555	12,555	39,114	46,110	47,077
Intangible Assets	57,683	41,200	12,555	12,555	39,114	46,110	47,077
Computer Equipment	62,162	23,115	28,289	28,289	24,952	20,150	28,450
Furniture and Office Equipment	5,488	7,850	6,445	6,445	3,100	2,900	1,800
Machinery and Equipment	22,492,153	66,600	53,613	53,613	101,600	71,300	70,160

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Transport Assets	153,241	68,820	75,388	75,388	92,960	90,390	81,907
Land	48,141	4,417	3,726	3,726	3,000	–	1,000
Zoo's, Marine and Non-biological Animals	1,457				–	–	–
Mature							
Immature							
Living Resources	-	-	-	-			
TOTAL CAPITAL EXPENDITURE - Asset Class	32,027,082	1,995,957	1,807,477	1,807,477	1,979,512	1,918,825	1,372,277
ASSET REGISTER SUMMARY - PPE (WDV)	19,449,034	20,954,296	21,099,603	21,099,603	18,879,013	19,203,316	19,117,984
Roads Infrastructure	2,841,129	212,301	405,120	405,120	4,411,588	4,318,205	4,246,134
Storm water Infrastructure	381,175	32,870	30,357	30,357	600,412	658,416	695,512
Electrical Infrastructure	1,668,081	141,662	33,648	33,648	2,391,392	2,418,846	2,380,476
Water Supply Infrastructure	2,416,112	207,501	190,628	190,628	3,764,254	3,895,537	3,871,001
Sanitation Infrastructure	1,032,426	76,556	-73,643	-73,643	2,080,100	2,205,564	2,252,032
Solid Waste Infrastructure	5,754	-62,303	-91,604	-91,604	287,675	272,919	257,277
Rail Infrastructure					–	–	–
Coastal Infrastructure					69,800	69,800	69,800
Information and Communication Infrastructure	27,474	9,600	2,000	2,000	9,997	15,997	24,997
Infrastructure	8,372,150	618,188	496,506	496,506	13,615,217	13,855,283	13,797,229
	597,245	-85,939	-65,122	-65,122			
Community Assets	597,245	-85,939	-65,122	-65,122	2,314,117	2,204,020	2,042,244
Heritage Assets	220,197	217,452	220,197	220,197	211,089	211,089	211,089
	142,512	153,640	142,512	142,512			
Investment properties	142,512	153,640	142,512	142,512	143,619	139,619	136,119
	9,756,297	19,877,092	-8,835	-8,835			
Other Assets	9,756,297	19,877,092	-8,835	-8,835	942,615	974,802	1,017,623
Biological or Cultivated Assets					–	–	–
	43,409	63,351	43,410	43,410			
Intangible Assets	43,409	63,351	43,410	43,410	95,679	108,004	95,004
Computer Equipment	36,359	22,115	29,429	29,429	44,017	34,372	31,335
Furniture and Office Equipment	3,344	8,750	6,245	6,245	21,536	12,734	3,088
Machinery and Equipment	76,139	30,225	20,199,904	20,199,904	125,659	164,548	193,644
Transport Assets	153,241	45,007	31,631	31,631	178,384	242,524	299,288
Land	48,141	4,417	3,726	3,726	1,187,081	1,256,320	1,291,320
Zoo's, Marine and Non-biological Animals					–	–	–
Living Resources							
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	19,449,034	20,954,296	21,099,603	21,099,603	18,879,013	19,203,316	19,117,984

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
EXPENDITURE OTHER ITEMS							
Depreciation	993,760	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Repairs and Maintenance by Asset Class	452,628	672,327	681,235	681,235	850,381	885,492	937,550
Roads Infrastructure	55,423	105,984	93,436	93,436	106,244	113,615	120,484
Storm water Infrastructure	3,578	16,427	24,746	24,746	17,711	18,782	19,919
Electrical Infrastructure	85,672	102,850	103,850	103,850	121,262	136,560	128,582
Water Supply Infrastructure	100,813	130,713	140,028	140,028	143,769	148,253	160,192
Sanitation Infrastructure	83,650	81,652	81,666	81,666	89,722	97,994	111,196
Solid Waste Infrastructure					0		0
Rail Infrastructure	174	2,310	1,310	1,310	2,913	3,088	3,203
Coastal Infrastructure					0		0
Information and Communication Infrastructure		1,250	1,250	1,250	1,325	1,405	1,052
Infrastructure	329,310	441,186	446,285	446,285	482,946	519,697	544,628
Community Facilities	12,523	19,587	19,780	19,780	19,515	19,822	20,676
Sport and Recreation Facilities	7,174	10,078	9,298	9,298	12,508	13,367	14,360
Community Assets	19,697	29,665	29,078	29,078	32,023	33,189	35,036
Heritage Assets	217	638	403	403	250	265	281
Revenue Generating							
Non-revenue Generating							
Investment properties	-	-	-	-	-	-	-
Operational Buildings	37,225	69,303	72,806	72,806	139,215	126,400	139,959
Housing	1,546	4,989	8,713	8,713	7,509	8,864	6,852
Other Assets	38,772	74,292	81,519	81,519	146,724	135,264	146,811
Biological or Cultivated Assets							
Servitudes					0	0	0
Licences and Rights	4,271	5,455	5,435	5,435	5,890	6,426	7,072
Intangible Assets	4,271	5,455	5,435	5,435	5,890	6,426	7,072
Computer Equipment	4,087	5,501	5,173	5,173	6,062	7,164	7,593
Furniture and Office Equipment	1,086	4,347	3,790	3,790	11,307	11,698	12,398
Machinery and Equipment	20,960	59,462	56,824	56,824	59,492	62,689	66,699
Transport Assets	34,228	51,781	52,727	52,727	105,687	109,100	117,032
Land							
Zoo's, Marine and Non-biological Animals							
Mature							
Immature							
Living Resources	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	1,446,388	2,006,654	1,681,141	1,681,141	1,050,752	1,082,285	1,088,909

Explanatory notes to Table A9 - Asset Management

The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; and reflects the relevant asset categories. The associated repairs and maintenance and depreciation is also reflected.

It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

National Treasury has suggested that municipalities should allocate at least 40% of their capital budget to the renewal/rehabilitation of existing assets, and allocations to repairs and maintenance should be 8% of PPE.

TABLE 37 (TABLE A10 – CONSOLIDATED BASIC SERVICE DELIVERY MEASUREMENT)

Description	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets						
<u>Water:</u>						
Piped water inside dwelling	404,441	386,341	386,341	370,000	374,000	380,000
Piped water inside yard (but not in dwelling)		–	–	–	–	–
Using public tap (at least min. service level)	44,188	44,000	44,000	36,341	34,000	30,000
Other water supply (at least min. service level)						
<i>Minimum Service Level and Above sub-total</i>	448,629	430,341	430,341	406,341	408,000	410,000
Using public tap (< min. service level)						
Other water supply (< min. service level)						
No water supply						
<i>Below Minimum Service Level sub-total</i>						
Total number of households	448,629	430,341	430,341	406,341	408,000	410,000
<u>Sanitation/sewerage:</u>						
Flush toilet (connected to sewerage)	366,341	366,341	366,341	370,000	374,000	380,000
Flush toilet (with septic tank)	3,802	3,802	3,802	3,802	3,802	3,802
Chemical toilet	1,700	2,834	2,834	3,000	3,500	4,000
Pit toilet (ventilated)	167	167	167	167	167	167
Other toilet provisions (> min. service level)	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	372,010	373,144	373,144	376,969	381,469	387,969
Bucket toilet	6,010	6,010	6,010	6,010	6,010	6,010
Other toilet provisions (< min. service level)						
No toilet provisions						
<i>Below Minimum Service Level sub-total</i>	6,010	6,010	6,010	6,010	6,010	6,010
Total number of households	378,020	379,154	379,154	382,979	387,479	393,979
<u>Energy:</u>						
Electricity (at least min. service level)	24,172	21,565	21,565	19,052	17,146	15,433
Electricity - prepaid (min. service level)	306,024	342,549	342,549	395,644	435,208	478,728
<i>Minimum Service Level and Above sub-total</i>	330,735	364,114	364,114	414,696	452,354	494,161
Electricity (< min. service level)						
Electricity - prepaid (< min. service level)						
Other energy sources						

Description	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<i>Below Minimum Service Level sub-total</i>	–					
Total number of households	330,735	364,114	364,114	414,696	452,354	494,161
<u>Refuse:</u>						
Removed at least once a week	236,822	237,382	237,382	237,382	237,382	237,382
<i>Minimum Service Level and Above sub-total</i>	236,822	235,644	235,644	235,644	235,644	235,644
Removed less frequently than once a week	–	–	–	–	–	–
Using communal refuse dump	39,143	44,090	44,090	44,090	56,064	56,064
Using own refuse dump	–	–	–			
Other rubbish disposal	–	–	–			
No rubbish disposal	23,581	16,702	16,702	16,702	4,728	4,728
<i>Below Minimum Service Level sub-total</i>	62,724	60,792	60,792	60,792	60,792	60,792
Total number of households	299,546	296,436	296,436	296,436	296,436	296,436
<u>Households receiving Free Basic Service</u>						
Water (6 kilolitres per household per month)	90,626	73,368	73,368	90,626	95,426	100,226
Sanitation (free minimum level service)	92,156	74,216	74,216	92,156	96,956	101,756
Electricity/other energy (50kwh per household per month)	73,526	33,905	33,905	73,526	78,526	83,126
Refuse (removed at least once a week)	86,954	65,190	65,190	86,954	91,754	96,554
Informal Settlements				–	–	–
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>						
Water (6 kilolitres per indigent household per month)	119,336	145,699	145,699	150,070	154,572	159,209
Sanitation (free sanitation service to indigent households)	120,128	209,803	209,803	218,176	224,721	231,463
Electricity/other energy (50kwh per indigent household per month)	27,639	27,639	27,639	23,492	24,667	25,900
Refuse (removed once a week for indigent households)	90,143	152,040	152,040	91,754	96,554	107,099
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>	–	–	–		–	–
Total cost of FBS provided	357,246	535,181	535,181	483,492	500,514	523,671
<u>Highest level of free service provided per household</u>						
Property rates (R value threshold)	130,000	130,000	130,000	130,000	130,000	130,000
Water (kilolitres per household per month)	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	11	11	11	11	11	11
Sanitation (Rand per household per month)	137	137	137	137	137	137
Electricity (kwh per household per month)	75	75	75	75	75	75
Refuse (average litres per week)	178	178	178	178	178	178
<u>Revenue cost of subsidised services provided (R'000)</u>						
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)						
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	114,371	114,371	114,371	173,455	182,995	193,974
Water (in excess of 6 kilolitres per indigent household per month)	29,834	31,336	31,336	31,852	34,180	36,687
Sanitation (in excess of free sanitation service to indigent households)		21,558	21,558	21,565	22,643	23,786
Electricity/other energy (in excess of 50 kwh per indigent household per month)	30,018	29,534	29,534	29,534	29,534	29,534

Description	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Refuse (in excess of one removal a week for indigent households)	16,662	15,719	15,719	15,719	15,719	15,719
Municipal Housing - rental rebates						
Housing - top structure subsidies	81,606	250,385	250,385	88,137		
Other						
Total revenue cost of subsidised services provided	272,491	462,903	462,903	360,262	285,071	299,700

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.

1.9. ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The annual tables at a parental level are used to accompany the Budget Report and not for noting or approval of a budget by Council. The ten tables (i.e. A1 to A10) for the parent municipality are disclosed in the following tables and are not further discussed as that will be a repeat of what has been done under the previous paragraph:

TABLE 38 (A1 BUDGET SUMMARY)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Financial Performance							
Property rates	2,738,530	2,980,757	2,944,079	2,944,079	3,091,283	3,261,304	3,456,982
Service charges	10,567,327	9,252,279	9,265,273	9,265,273	10,322,730	11,544,203	12,936,461
Investment revenue	336,097	208,088	207,878	207,878	226,156	236,501	254,082
Transfer and subsidies - Operational	1,554,247	1,964,652	2,085,586	2,085,586	2,138,293	2,181,768	2,278,284
Other own revenue	1,897,344	1,649,504	1,918,462	1,918,462	2,078,133	2,220,509	2,354,687
Total Revenue (excluding capital transfers and contributions)	17,093,545	16,055,280	16,421,278	16,421,278	17,856,596	19,444,285	21,280,495
Employee costs	3,584,515	4,558,182	4,419,187	4,419,187	4,767,893	5,134,439	5,516,467
Remuneration of councillors	75,900	91,089	90,829	90,829	94,452	98,218	102,133
Depreciation and amortisation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Finance charges	125,550	128,228	130,278	130,278	111,217	88,016	75,081
Inventory consumed and bulk purchases	4,503,763	5,992,062	6,004,059	6,004,059	6,705,326	7,721,475	8,869,505
Transfers and subsidies	121,062	62,687	84,625	84,625	90,052	92,163	94,355
Other expenditure	4,836,236	5,105,966	5,162,432	5,162,432	5,341,648	5,565,585	6,257,972
Total Expenditure	14,247,478	17,272,542	16,891,317	16,891,317	18,160,490	19,781,295	22,003,484
Surplus/(Deficit)	2,846,067	(1,217,262)	(470,039)	-521,752	(303,894)	(337,010)	(722,988)
Transfers and subsidies - capital (monetary allocations)	818,115	1,434,548	1,283,531	1,283,531	1,220,001	1,377,819	1,172,036
Transfers and subsidies - capital (in-kind)	11,417						

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Surplus/(Deficit) after capital transfers & contributions	829,532	162,879	761,779	761,779	916,107	1,040,809	449,048
Share of Surplus/Deficit attributable to Associate	-	-					
Surplus/(Deficit) for the year	3,675,599	162,879	761,779	761,779	916,107	1,040,809	449,048
Capital expenditure & funds sources							
Capital expenditure	30,099,222	1,995,957	1,821,477	1,821,477	2,035,552	1,976,546	1,775,381
Transfers recognised - capital	1,566,503	1,347,960	1,242,427	1,242,427	1,220,001	1,377,819	1,172,036
Borrowing	-	76,338	58,865	58,865	130,229		
Internally generated funds	19,643	571,659	520,185	520,185	685,322	598,726	603,345
Total sources of capital funds	1,586,146	1,995,957	1,821,477	1,821,477	2,035,552	1,976,546	1,775,381
Financial position							
Total current assets	9,815,003	9,680,062	9,794,299	9,794,299	10,234,246	10,023,596	10,136,219
Total non-current assets	19,584,097	19,311,371	19,621,797	19,621,797	19,682,143	19,798,712	19,825,434
Total current liabilities	3,746,198	5,506,360	5,781,423	5,781,423	5,839,141	5,891,074	5,888,176
Total non-current liabilities	3,803,041	5,928,608	6,122,039	6,122,039	5,819,377	5,825,197	5,831,022
Community wealth/Equity	21,849,860	19,152,742	19,161,459	19,161,459	19,180,621	19,199,800	19,219,001
Cash flows							
Net cash from (used) operating	1,457,772	1,444,436	1,865,002	1,865,002	1,974,730	1,886,261	1,834,357
Net cash from (used) investing	(1,515,189)	-1,822,952	-1,917,799	-1,917,799	-1,880,536	-1,862,884	-1,770,132
Net cash from (used) financing	89,095	-139,993	89,567	89,567	-213,799	-129,971	-143,198
Cash/cash equivalents at the year end	4,815,036	4,279,141	4,820,128	4,820,128	5,274,335	5,167,741	5,088,768
Cash backing/surplus reconciliation	-						
Cash and investments available	4,577,483	4,692,195	4,820,128	4,820,128	5,274,335	5,167,741	5,088,768
Application of cash and investments	638,530	565,006	777,501	777,501	479,638	772,698	734,414
Balance - surplus (shortfall)	3,938,953	4,127,189	4,042,626	4,042,626	4,794,697	4,395,043	4,354,354
Asset management							
Asset register summary (WDV)	18,464,996	19,311,371	18,965,146	18,965,146	20,546,772	20,982,291	21,199,540
Depreciation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Renewal and Upgrading of Existing Assets	29,412,877	686,532	671,668	671,668	663,342	511,935	640,045
Repairs and Maintenance	452,719	672,327	681,235	681,235	842,130	907,801	899,757
Free Services							
Total cost of FBS provided		357,246	535,181	535,181	483,492	500,514	523,671
Total revenue cost of subsidised services provided		272,492	408,213	408,213	360,262	285,071	299,700

TABLE 39 (A2 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY FUNCTIONAL CLASSIFICATION))

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Revenue							
Exchange Revenue							
Service charges - Electricity	4,602,372	5,159,121	5,171,943	5,171,943	5,983,938	6,923,416	8,010,393
Service charges - Water	4,851,512	2,943,776	2,912,999	2,912,999	3,087,779	3,288,485	3,502,236
Service charges - Waste Water Management	790,170	837,553	868,502	868,502	920,475	980,278	1,048,927
Service charges - Waste Management	323,273	311,829	311,829	311,829	330,539	352,024	374,905
Sale of Goods and Rendering of Services	73,659	117,720	113,104	113,104	103,846	109,635	117,694
Agency services	4,329	3,716	3,870	3,870	4,064	4,287	4,519
Interest							
Interest earned from Receivables	901,629	573,984	883,722	883,722	990,740	1,071,131	1,158,091
Interest earned from Current and Non-Current Assets	331,113	204,088	203,878	203,878	222,156	232,501	250,082
Dividends	-	-				-	-
Rent on Land	-	-				-	-
Rental from Fixed Assets	30,762	30,471	36,534	31,584	38,017	40,440	43,018
Licence and permits	21,438	18,157	18,221	18,221	20,138	21,460	22,863
Operational Revenue	30,020	37,073	31,286	31,286	31,040	32,762	34,545
Non-Exchange Revenue							
Property rates	2,738,530	2,980,757	2,944,079	2,944,079	3,091,283	3,261,304	3,456,982
Surcharges and Taxes	-	-				-	-
Fines, penalties and forfeits	77,511	82,843	46,185	46,185	64,223	67,754	71,411
Licences or permits	1	1	1	1		-	-
Transfer and subsidies - Operational	1,554,247	1,964,652	2,085,586	2,085,586	2,138,293	2,181,768	2,278,284
Interest	-	-				-	-
Fuel Levy	754,473	783,478	783,478	783,478	824,005	870,980	900,487
Operational Revenue	-	-				-	-
Gains on disposal of Assets	360	-				-	-
Other Gains	-	-				-	-
Discontinued Operations	-	-				-	-
Total Revenue (excluding capital transfers and contributions)	17,085,399	16,049,220	16,415,218	16,410,268	17,850,536	19,438,225	21,274,435
Expenditure							
Employee related costs	3,546,492	4,513,810	4,372,596	4,372,596	4,723,521	5,087,849	5,467,547
Remuneration of councillors	75,900	91,089	90,829	90,829	94,452	98,218	102,133
Bulk purchases - electricity	4,377,705	5,632,329	5,632,845	5,632,845	6,348,216	7,344,886	8,498,033

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Inventory consumed	126,058	359,733	371,214	371,214	357,109	376,589	371,472
Debt impairment	2,945,142	1,874,177	1,872,117	1,872,117	1,942,550	2,061,675	2,196,196
Depreciation and amortisation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Interest	125,550	128,228	130,278	130,278	111,217	88,016	75,081
Contracted services	840,205	1,546,942	1,617,720	1,617,720	1,690,892	1,704,076	2,163,555
Transfers and subsidies	121,062	62,687	84,625	84,625	90,052	92,163	94,355
Irrecoverable debts written off	231,814	561,360	561,361	561,361	582,995	619,554	661,375
Operational costs	472,421	843,681	831,429	831,429	835,091	873,490	911,007
Losses on disposal of Assets	5,291	-	-	-	-	-	-
Other Losses	219,467	238,662	238,662	238,662	252,982	269,426	288,286
Total Expenditure	14,087,558	17,187,026	16,803,583	16,803,583	18,078,981	19,697,340	21,917,010
Surplus/(Deficit)	2,997,841	(1,137,806)	(388,365)	(393,315)	(228,444)	(259,116)	(642,575)
Transfers and subsidies - capital (monetary allocations)	818,115	1,434,548	1,283,531	1,283,531	1,220,001	1,377,819	1,172,036
Transfers and subsidies - capital (in-kind)	11,417	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions	3,827,372	296,742	895,166	890,216	991,556	1,118,704	529,461
Income Tax	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	3,827,372	296,742	895,166	890,216	991,556	1,118,704	529,461
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	3,827,372	296,742	895,166	890,216	991,556	1,118,704	529,461
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	3,827,372	296,742	895,166	890,216	991,556	1,118,704	529,461

TABLE 40 (A3 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE))

Vote Description	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	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 1 - Budget & Treasury	3,703,636	3,939,870	3,978,137	3,978,137	4,160,057	4,383,902	4,621,474
Vote 2 - Public Health	500,694	498,757	579,888	579,888	517,512	551,041	592,231
Vote 3 - Human Settlements	150,986	421,143	592,621	592,621	262,413	182,490	205,715
Vote 4 - Economic Development, Tourism & Agriculture	171,835	54,448	44,763	44,763	37,832	44,091	50,395
Vote 5 - Corporate Services	15,946	17,163	18,164	18,164	19,397	15,606	16,759
Vote 6 - Infrastructure & Engineering Unit - Rate & General	173,501	595,255	444,639	444,639	291,719	297,674	289,612

Vote Description	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Vote 7 - Metro Water Service	5,234,166	3,830,572	4,101,137	4,101,137	3,884,347	4,159,012	4,382,010
Vote 8 - Sanitation - Metro	1,319,146	1,179,150	1,318,157	1,318,157	1,263,673	1,339,668	1,425,478
Vote 9 - Electricity & Energy	4,849,694	4,096,828	4,149,523	4,149,523	6,115,106	7,063,261	8,160,010
Vote 10 - Executive & Council	12,223	138,900	132,813	132,813	144,607	145,450	149,904
Vote 11 - Safety & Security	864,678	1,146,029	935,402	935,402	1,051,622	1,164,372	1,284,553
Vote 12 - Mandela Bay Stadium	56,590	60,891	60,891	60,891	58,992	62,531	66,238
Vote 13 - Special Projects and Programmes	8,528	29,816	29,816	29,816	22,684	8,321	9,013
Vote 14 - Recreational & Cultural Services	23,777	40,398	29,267	29,267	20,575	20,805	21,043
Vote 15 - [NAME OF VOTE 15]		-	-	-			
Total Revenue by Vote	17,085,399	16,049,220	16,415,218	16,415,218	17,850,536	19,438,225	21,274,435
Expenditure by Vote to be appropriated							
Vote 1 - Budget & Treasury	1,041,701	1,048,666	1,005,883	1,005,883	1,165,828	1,242,203	1,732,161
Vote 2 - Public Health	897,669	1,089,649	1,022,834	1,022,834	1,087,549	1,156,099	1,227,170
Vote 3 - Human Settlements	351,083	459,332	555,805	555,805	481,722	420,665	448,654
Vote 4 - Economic Development, Tourism & Agriculture	245,746	124,369	292,697	292,697	118,801	130,168	142,153
Vote 5 - Corporate Services	551,131	583,940	571,552	571,552	607,648	638,630	674,921
Vote 6 - Infrastructure & Engineering Unit - Rate & General	1,084,352	1,231,898	1,042,176	1,042,176	1,227,349	1,297,242	1,337,591
Vote 7 - Metro Water Service	2,416,916	2,827,152	2,766,527	2,766,527	2,804,699	2,969,764	3,168,832
Vote 8 - Sanitation - Metro	1,057,841	907,278	847,718	847,718	864,030	908,930	970,799
Vote 9 - Electricity & Energy	4,295,005	6,629,902	6,586,230	6,586,230	7,427,813	8,485,576	9,590,422
Vote 10 - Executive & Council	365,403	455,023	350,460	350,460	449,866	471,151	497,600
Vote 11 - Safety & Security	1,076,297	1,243,361	1,206,662	1,206,662	1,243,495	1,339,255	1,449,954
Vote 12 - Mandela Bay Stadium	202,345	55,653	55,653	55,653	58,998	62,532	66,238
Vote 13 - Special Projects and Programmes	9,164	30,736	28,652	28,652	24,195	25,961	26,791
Vote 14 - Recreational & Cultural Services	492,905	500,067	470,734	470,734	516,988	549,165	583,725
Vote 15 - [NAME OF VOTE 15]		-					
Total Expenditure by Vote	14,087,558	17,187,026	16,803,583	16,803,583	18,078,981	19,697,340	21,917,010
Surplus/(Deficit) for the year	2,997,841	(1,137,806)	(388,365)	(388,365)	(228,444)	(259,116)	(642,575)

TABLE 41 (A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE))

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Revenue							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Exchange Revenue							
Service charges - Electricity	4,602,372	5,159,121	5,171,943	5,171,943	5,983,938	6,923,416	8,010,393
Service charges - Water	4,851,512	2,943,776	2,912,999	2,912,999	3,087,779	3,288,485	3,502,236
Service charges - Waste Water Management	790,170	837,553	868,502	868,502	920,475	980,278	1,048,927
Service charges - Waste Management	323,273	311,829	311,829	311,829	330,539	352,024	374,905
Sale of Goods and Rendering of Services	73,659	117,720	113,104	113,104	103,846	109,635	117,694
Agency services	4,329	3,716	3,870	3,870	4,064	4,287	4,519
Interest	-	-				-	-
Interest earned from Receivables	901,629	573,984	883,722	883,722	990,740	1,071,131	1,158,091
Interest earned from Current and Non-Current Assets	331,113	206,088	203,878	203,878	222,156	232,501	250,082
Dividends	-	-				-	-
Rent on Land	-	-				-	-
Rental from Fixed Assets	30,762	30,471	36,534	36,534	38,017	40,440	43,018
Licence and permits	21,438	18,157	18,221	18,221	20,138	21,460	22,863
Operational Revenue	30,021	37,073	31,286	31,286	31,040	32,762	34,545
Non-Exchange Revenue							
Property rates	2,738,530	2,980,757	2,944,079	2,944,079	3,091,283	3,261,304	3,456,982
Surcharges and Taxes	-	-				-	-
Fines, penalties and forfeits	77,511	82,843	46,185	46,185	64,223	67,754	71,411
Licences or permits	1	1	1	1		-	-
Transfer and subsidies - Operational	1,554,247	1,964,652	2,085,586	2,085,586	2,138,293	2,181,768	2,278,284
Interest	-	-				-	-
Fuel Levy	754,473	783,478	783,478	783,478	824,005	870,980	900,487
Operational Revenue	-	-				-	-
Gains on disposal of Assets	360	-				-	-
Other Gains	-	-				-	-
Discontinued Operations	-	-				-	-
Total Revenue (excluding capital transfers and contributions)	17,085,399	16,051,220	16,415,218	16,415,218	17,850,536	19,438,225	21,274,435
Expenditure							
Employee related costs	3,546,492	4,513,810	4,374,815	4,374,815	4,723,521	5,087,849	5,467,547
Remuneration of councillors	75,900	91,089	90,829	90,829	94,452	98,218	102,133
Bulk purchases - electricity	4,377,705	5,632,329	5,632,845	5,632,845	6,348,216	7,344,886	8,498,033
Inventory consumed	126,058	359,733	371,214	371,214	357,109	376,589	371,472
Debt impairment	2,945,142	1,874,177	1,872,117	1,872,117	1,942,550	2,061,675	2,196,196
Depreciation and amortisation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Interest	125,550	128,228	130,278	130,278	111,217	88,016	75,081
Contracted services	840,205	1,550,948	1,615,501	1,615,501	1,690,892	1,704,076	2,163,555
Transfers and subsidies	121,062	62,687	84,625	84,625	90,052	92,163	94,355
Irrecoverable debts written off	231,814	561,360	561,361	561,361	582,995	619,554	661,375
Operational costs	472,421	839,674	831,429	831,429	835,091	873,490	911,007
Losses on disposal of Assets	5,291	-	-	-	-	-	-
Other Losses	219,467	238,662	238,662	238,662	252,982	269,426	288,286
Total Expenditure	14,087,558	17,187,026	16,803,583	16,803,583	18,078,981	19,697,340	21,917,010
Surplus/(Deficit)	2,997,841	(1,135,806)	(388,365)	(388,365)	(228,444)	(259,116)	(642,575)
Transfers and subsidies - capital (monetary allocations)	818,115	1,434,548	1,283,531	1,283,531	1,220,001	1,377,819	1,172,036
Transfers and subsidies - capital (in-kind)	11,417	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions	3,827,372	298,742	895,166	895,166	991,556	1,118,704	529,461
Income Tax	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	3,827,372	298,742	895,166	895,166	991,556	1,118,704	529,461
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	3,827,372	298,742	895,166	895,166	991,556	1,118,704	529,461
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	3,827,372	298,742	895,166	895,166	991,556	1,118,704	529,461

TABLE 42 (A5 CONSOLIDATED BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE)

Vote Description	2020/21	2021/22	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	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 - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - Budget and Treasury	973	239	19,451	2,400	2,400	28,000	4,000	
Vote 2 - Public Health	37,043	3,784	24,159	15,359	15,359	18,400	14,500	33,900
Vote 3 - Human Settlements	46,576	35,083	130,225	130,225	130,225	456,708	451,797	479,352
Vote 4 - Economic Development, Tourism and Agriculture	11,167	12,695	56,909	2500	2500	2,000	2,000	
Vote 5 - Corporate Services	3,312	4,549	5,950	320	320	8,500	11,500	9,000
Vote 6 - Infrastructure & Engineering Unit - Rate & General	420,629	225,643	529,215	416,302	416,302	332,485	358,389	369,046
Vote 7 - Metro Water Service	362,892	516,917	436,623	444,765	444,765	411,751	508,547	160,800
Vote 8 - Sanitation - Metro	98,964	24,978	123,412	120,462	120,462	200,581	124,596	231,180
Vote 9 - Electricity & Energy	172,442	206,959	277,546	261,213	261,213	166,176	145,209	146,209

Vote 10 - Executive & Council				0	0			
Vote 11 - Safety & Security	290	937	11,650	7,827	7,827	23,712	7,600	6,750
Vote 12 - Mandela Bay Stadium				0	0			
Vote 13 - Special Projects and Programmes				0	0			
Vote 14 - Recreational & Cultural Services	9,847	23,591	29,856	14,100	14,100	32,560	27,500	22,500
Capital multi-year expenditure sub-total	1,164,137	1,055,374	1,644,996	1,415,473	1,415,473	1,680,873	1,655,638	1,458,738
<u>Single-year expenditure to be appropriated</u>								
Vote 1 - Budget and Treasury	845	1,893	2,452	3,312	3,312	3,490	2,000	700
Vote 2 - Public Health	36,770	27,097	55,063	63,863	63,863	67,400	69,400	53,400
Vote 3 - Human Settlements	17,706		20,127	4,086	4,086	9,000	27,400	14,300
Vote 4 - Economic Development, Tourism and Agriculture	–	285	510	59,627	59,627	5,200		
Vote 5 - Corporate Services	7,792	15,194	31,515	36,623	36,623	22,292	19,500	20,000
Vote 6 - Infrastructure & Engineering Unit - Rate & General	31,753	46,296	83,000	98,129	98,129	52,502	39,850	55,500
Vote 7 - Metro Water Service	7,928	20,272	30,215	22,465	22,465	34,700	39,400	41,100
Vote 8 - Sanitation - Metro	980	1,066	18,793	21,434	21,434	9,250	10,000	16,000
Vote 9 - Electricity & Energy	10,752	13,637	38,265	43,169	43,169	15,587	14,587	16,891
Vote 10 - Executive & Council								
Vote 11 - Safety & Security	4,697	9,045	49,300	28,590	28,590	46,168	26,050	25,800
Vote 12 - Mandela Bay Stadium				0	0			
Vote 13 - Special Projects and Programmes				0	0			
Vote 14 - Recreational & Cultural Services	7,760	10,889	21,724	12,146	12,146	33,050	15,000	13,500
Vote 15 - [NAME OF VOTE 15]			–	0	0			
Capital single-year expenditure sub-total	126,984	145,673	350,964	393,444	393,444	298,639	263,187	257,191
Total Capital Expenditure - Vote	1,291,121	1,201,047	1,995,960	1,808,917	1,808,917	1,979,512	1,918,825	1,715,929
<u>Capital Expenditure - Functional</u>								
<i>Governance and administration</i>	46,090	32,188	194,726	104,387	104,387	231,078	186,010	170,117
Executive and council								
Finance and administration	46,090	32,188	194,726	104,387	104,387	231,078	186,010	170,117
Internal audit								
<i>Community and public safety</i>	94,766	75,425	100,615	129,722	129,722	435,688	405,197	408,202
Community and social services	29,066	9,186	32,665	20,624	20,624	45,180	32,100	24,500
Sport and recreation	27,153	55,146	45,900	46,522	46,522	39,600	30,500	29,700
Public safety	20,766	10,417	20,300	30,130	30,130	33,800	12,100	8,950
Housing	17,706			30,696	30,696	315,708	329,197	343,652
Health	74	676	1,750	1,750	1,750	1,400	1,300	1,400
<i>Economic and environmental services</i>	455,287	259,700	499,926	595,764	595,764	344,531	348,029	375,529
Planning and development			51,048	51,048	51,048			0
Road transport	448,365	259,700	448,878	544,716	544,716	344,531	348,029	375,529
Environmental protection	6,922							
<i>Trading services</i>	695,116	833,734	843,351	1,001,433	1,001,433	966,215	977,588	762,081
Energy sources	181,986	218,172	214,159	312,246	312,246	176,763	154,796	157,101
Water management	381,688	544,909	346,335	451,431	451,431	451,001	551,947	205,900
Wastewater management	125,991	70,653	277,107	223,272	223,272	299,451	234,846	343,080
Waste management	5,452		5,750	14,484	14,484	39,000	36,000	56,000

<i>Other</i>						2,000	2,000	
Total Capital Expenditure - Functional	1,291,258	1,201,047	1,638,618	1,831,306	1,831,306	1,979,512	1,918,825	1,715,929
Funded by:								
National Government			529,094	871,213	871,213	1,177,001	1,334,819	1,129,036
Provincial Government			–	–	–			
District Municipality			–	–	–			
Transfers and subsidies - capital (in-kind)			41,865	36,500	36,500	43,000	43,000	43,000
Transfers recognised - capital	–	–	570,960	907,713	907,713	1,220,001	1,377,819	1,172,036
Borrowing			303,943	296,811	296,811	130,229		
Internally generated funds			763,716	626,783	626,783	629,283	541,006	543,892
Total Capital Funding	–	–	1,638,618	1,831,307	1,831,307	1,979,512	1,918,825	1,715,929

TABLE 43 (A6 BUDGETED FINANCIAL POSITION)

Description	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
ASSETS							
Current assets							
Cash and cash equivalents	4,783,358	4,273,131	4,826,138	4,826,138	5,067,445	5,168,794	5,272,170
Trade and other receivables from exchange transactions	2,899,833	3,301,835	3,632,188	3,632,188	3,168,969	2,742,072	2,653,810
Receivables from non-exchange transactions		217,452	497,781	497,781	250,070	277,581	283,332
Current portion of non-current receivables	–						
Inventory		260,285	329,389	329,389	345,859	363,151	381,309
VAT	183,440	1,102,841	1,335,146	1,335,146	1,401,903	1,471,998	1,545,598
Other current assets							
Total current assets	7,866,631	9,680,063	9,794,299	9,794,299	10,234,246	10,023,596	10,136,219
Non-current assets							
Investments							
Investment property	153,640	153,640	142,512	142,512	156,763	159,898	161,497
Property, plant and equipment	18,706,291	18,706,291	19,057,012	19,057,012	19,100,520	19,212,160	19,235,250
Biological assets							
Living and non-living resources							
Heritage assets	217,452	217,452	220,197	220,197	220,197	220,197	220,857
Intangible assets	63,351	63,351	43,409	43,409	43,843	44,282	44,724
Trade and other receivables from exchange transactions	115,638	115,638	115,638	115,638	115,638	115,638	115,638
Non-current receivables from non-exchange transactions	55,000	55,000	43,030	43,030	45,182	46,537	47,468
Other non-current assets							
Total non-current assets	19,311,372	19,311,372	19,621,798	19,621,798	19,682,143	19,798,712	19,825,434
TOTAL ASSETS	26,504,884	28,991,435	29,416,097	29,416,097	29,916,389	29,822,308	29,961,653
LIABILITIES							
Current liabilities							
Bank overdraft							
Financial liabilities	192,847	192,379	192,379	192,379	188,490	188,490	162,390

Consumer deposits	156,560	176,659	175,514	175,514	180,779	184,395	186,239
Trade and other payables from exchange transactions	2,741,279	2,878,343	2,988,363	2,988,363	3,018,246	3,048,429	3,051,478
Trade and other payables from non-exchange transactions		312,695	312,695	312,695	313,007	313,321	313,634
Provision	568,809	229,572	395,759	395,759	396,155	396,551	396,948
VAT		1,716,713	1,716,713	1,716,713	1,742,464	1,759,888	1,777,487
Other current liabilities							
Total current liabilities	3,659,496	5,506,361	5,781,423	5,781,423	5,839,141	5,891,074	5,888,176
Non-current liabilities							
Financial liabilities	1,054,416	1,055,049	1,369,578	1,369,578	1,232,620	1,233,853	1,235,087
Provision	2,752,461	3,767,977	3,369,398	3,369,398	3,200,928	3,204,129	3,207,333
Long term portion of trade payables							
Other non-current liabilities		1,105,582	1,383,063	1,383,063	1,385,829	1,387,215	1,388,602
Total non-current liabilities	3,806,877	5,928,608	6,122,039	6,122,039	5,819,377	5,825,197	5,831,022
TOTAL LIABILITIES	7,466,373	11,434,969	11,903,462	11,903,462	11,658,518	11,716,271	11,719,198
NET ASSETS	19,038,511	17,556,466	17,512,635	17,512,635	18,257,871	18,106,037	18,242,455
COMMUNITY WEALTH/EQUITY							
Accumulated surplus/(deficit)	18,136,862	18,245,712	18,576,871	18,576,871	18,595,448	18,614,043	18,632,657
Reserves and funds	901,649	907,030	584,588	584,588	585,173	585,757	586,344
Other							
TOTAL COMMUNITY WEALTH/EQUITY	19,038,511	19,152,742	19,161,459	19,161,459	19,180,621	19,199,800	19,219,001

TABLE 44 (A7 BUDGETED CASH FLOWS)

Description	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	2,652,874	2,627,874	2,627,874	2,751,242	2,852,560	3,076,714
Service charges	7,144,625	7,152,625	7,152,625	7,259,428	8,211,879	8,804,907
Other revenue	2,410,416	821,062	821,062	1,895,711	1,688,107	1,913,832
Transfers and Subsidies - Operational	1,964,652	1,768,469	1,768,469	1,895,734	1,902,167	2,020,999
Transfers and Subsidies - Capital	1,387,960	1,242,427	1,242,427	1,159,001	1,308,928	1,113,435
Interest	208,088	207,878	207,878	226,156	236,501	254,082
Payments						
Suppliers and employees	-14,133,263	-11,734,420	-11,734,420	-13,011,173	-14,133,702	-15,180,176
Finance charges	-128,228	-130,278	-130,278	-111,217	-88,016	-75,081
Transfers and Subsidies	-62,687	-84,625	-84,625	-90,152	-92,163	-94,355
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,444,437	1,871,012	1,871,012	1,974,730	1,886,261	1,834,357
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE						
Decrease (Increase) in non-current debtors (not used)						
Decrease (increase) in non-current receivables		16,572	16,572			
Decrease (increase) in non-current investments						
Payments						

Capital assets	1,822,952	1,901,227	1,901,227	-1,880,536	-1,862,884	-1,770,132
NET CASH FROM/(USED) INVESTING ACTIVITIES	-1,822,952	1,917,799	1,917,799	-1,880,536	-1,862,884	-1,770,132
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans	-			-	-	-
Borrowing long term/refinancing	-	281,943	281,943	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-
Payments						
Repayment of borrowing	139,993	192,376	192,376	-213,799	-129,971	-143,198
NET CASH FROM/(USED) FINANCING ACTIVITIES	139,993	192,376	192,376	-213,799	-129,971	-143,198
NET INCREASE/ (DECREASE) IN CASH HELD	-518,509	-239,162	-239,160	-119,605	-106,594	-78,973
Cash/cash equivalents at the year begin:	4,797,650	4,279,141	4,039,979	4,575,876	4,456,271	4,349,677
Cash/cash equivalents at the year-end:	4,279,141	4,039,979	4,575,876	4,456,271	4,349,677	4,270,704

TABLE 45 (A8 CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION)

Description	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands						
Cash and investments available						
Cash/cash equivalents at the year end	4,273,131	4,820,128	4,820,128	4,456,271	4,349,677	4,270,704
Other current investments > 90 days	413,054					
Non-current assets - Investments	-	-	-	-	-	-
Cash and investments available:	4,686,185	4,820,128	4,820,128	4,456,271	4,349,677	4,270,704
Application of cash and investments						
Unspent conditional transfers	55,600	270,761	270,761	156,238	154,809	162,549
Unspent borrowing	-			-	-	-
Statutory requirements	613,872			643,952	672,930	689,085
Other working capital requirements	-1,241,068	-986,911	-986,911	-1,301,880	-1,360,465	-1,425,767
Other provisions	229,572	909,063	909,063	396,155	396,551	396,948
Long term investments committed	-	-	-	-	-	-
Reserves to be backed by cash/investments	907,030	584,588	584,588	585,173	908,873	911,599
Total Application of cash and investments:	565,006	777,501	777,501	479,638	772,698	734,414
Surplus(shortfall)	4,121,179	4,042,627	4,042,627	4,794,697	4,395,043	4,354,354

TABLE 46 (A9 - ASSET MANAGEMENT)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands	Audited Outcome						
CAPITAL EXPENDITURE							
Total New Assets	840,635	1,309,426	1,174,548	1,174,548	1,316,169	1,406,889	732,231
<i>Roads Infrastructure</i>	102,072	380,220	391,757	391,757	213,530	214,000	236,127
<i>Storm water Infrastructure</i>	549	30,625	20,489	20,489	23,775	28,500	26,900

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Electrical Infrastructure</i>	234,275	179,339	159,147	159,147	91,493	69,426	73,731
<i>Water Supply Infrastructure</i>	302,077	393,605	381,271	381,271	295,549	432,016	83,600
<i>Sanitation Infrastructure</i>		64,442	41,662	41,662	61,038	82,400	67,000
<i>Solid Waste Infrastructure</i>					–	–	–
<i>Rail Infrastructure</i>					–	–	–
<i>Coastal Infrastructure</i>					–	–	–
<i>Information and Communication Infrastructure</i>		5,600			–	–	–
Infrastructure	638,973	1,053,830	994,325	994,325	685,384	826,342	487,358
Community Facilities	3,733	10,117	7,404	7,404	18,000	7,800	10,000
Sport and Recreation Facilities	5,439	13,826	1,555	1,555	7,650	–	8,000
Community Assets	9,172	23,943	8,959	8,959	25,650	7,800	18,000
Heritage Assets					–	–	–
Revenue Generating					–	–	–
Non-revenue Generating					–	–	–
Investment properties	-	-	-	-	-	-	-
Operational Buildings		44,471	26,347	26,347	37,402	15,800	630
Housing					314,508	328,597	–
Other Assets	-	44,471	26,347	26,347	351,909	344,397	630
Biological or Cultivated Assets					–	–	–
Servitudes					–	–	–
Licences and Rights	16,015	41,200	12,555	12,555	39,114	46,110	47,077
Intangible Assets	16,015	41,200	12,555	12,555	39,114	46,110	47,077
Computer Equipment	31,460	22,115	27,289	27,289	23,452	18,650	24,450
Furniture and Office Equipment	3,344	7,850	6,445	6,445	3,100	2,900	1,800
Machinery and Equipment	81,991	65,280	52,613	52,613	101,600	70,300	70,010
Transport Assets	11,540	46,320	42,288	42,288	82,960	90,390	81,907
Land	48,141	4,417	3,726	3,726	3,000	–	1,000
Zoo's, Marine and Non-biological Animals					–	–	–
Mature							
Immature							
Living Resources	-	-	-	-			
Total Renewal of Existing Assets	24,854,776	354,464	361,626	361,626	362,141	269,846	273,050
<i>Roads Infrastructure</i>	1,728,601	87,250	67,250	67,250	70,500	65,500	58,500
<i>Storm water Infrastructure</i>		10,000	10,000	10,000	9,000	8,000	7,000
<i>Electrical Infrastructure</i>	375,457	68,424	74,924	74,924	60,270	61,270	61,270
<i>Water Supply Infrastructure</i>		72,767	79,908	79,908	123,510	86,930	66,300
<i>Sanitation Infrastructure</i>		57,292	61,092	61,092	60,631	26,846	46,180
<i>Solid Waste Infrastructure</i>		15,652	18,652	18,652	500	500	5,000
<i>Rail Infrastructure</i>					–	–	–
<i>Coastal Infrastructure</i>					–	–	–
<i>Information and Communication Infrastructure</i>					–	–	–
Infrastructure	2,104,058	311,384	311,826	311,826	324,411	249,046	244,250
Community Facilities	27,250	15,330	10,900	10,900	21,730	16,800	19,700

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Sport and Recreation Facilities		2,000	2,000	2,000	1,250	1,000	3,000
Community Assets	27,250	17,330	12,900	12,900	22,980	17,800	22,700
Heritage Assets	224,376				-	-	-
Revenue Generating					-	-	-
Non-revenue Generating					-	-	-
Investment properties	-	-	-	-	-	-	-
Operational Buildings	58,122	2,250	2,800	2,800	4,250	2,500	2,950
Housing	40				-	-	-
Other Assets	58,161	2,250	2,800	2,800	4,250	2,500	2,950
Biological or Cultivated Assets					-	-	-
Servitudes					-	-	-
Licences and Rights					-	-	-
Intangible Assets	-	-	-	-	-	-	-
Computer Equipment	29,312				500	500	3,000
Furniture and Office Equipment					-	-	-
Machinery and Equipment	22,410,162	1,000	1,000	1,000	-	-	150
Transport Assets		22,500	33,100	33,100	10,000	-	-
Land					-	-	-
Zoo's, Marine and Non-biological Animals	1,457				-	-	-
Mature							
Immature							
Living Resources	-	-	-	-			
Total Upgrading of Existing Assets	6,331,670	332,068	271,303	271,303	301,202	242,089	366,995
<i>Roads Infrastructure</i>	1,023,163	96,685	66,768	66,768	45,040	46,239	55,595
<i>Storm water Infrastructure</i>	237,949	26,437	21,337	21,337	19,000	23,800	20,000
<i>Electrical Infrastructure</i>	1,028,327	65,248	61,596	61,596	21,300	21,100	17,600
<i>Water Supply Infrastructure</i>	1,986,168	11,000	10,500	10,500	28,000	32,000	58,000
<i>Sanitation Infrastructure</i>	1,160,530	49,420	44,770	44,770	97,750	38,450	149,500
<i>Solid Waste Infrastructure</i>	38,580	3,000			4,000	4,000	17,000
<i>Rail Infrastructure</i>					-	-	-
<i>Coastal Infrastructure</i>					-	800	-
<i>Information and Communication Infrastructure</i>	2	2,000			2,000	2,000	1,000
Infrastructure	5,474,720	253,790	204,971	204,971	217,090	168,389	318,695
Community Facilities	303,208	54,550	41,907	41,907	54,250	42,600	24,800
Sport and Recreation Facilities	248,153	9,174	12,891	12,891	12,550	7,500	6,100
Community Assets	551,360	63,724	54,798	54,798	66,800	50,100	30,900
Heritage Assets	-4,180	900			-	-	-
Revenue Generating					-	-	-
Non-revenue Generating					-	-	-
Investment properties	-	-	-	-	-	-	-
Operational Buildings	119,590	12,334	10,533	10,533	16,312	21,600	16,400
Housing	-5,254				-	-	-
Other Assets	114,336	12,334	10,533	10,533	16,312	21,600	16,400

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Biological or Cultivated Assets	8,532				-	-	-
Servitudes					-	-	-
Licences and Rights	41,668				-	-	-
Intangible Assets	41,668	-	-	-	-	-	-
Computer Equipment	1,389	1,000	1,000	1,000	1,000	1,000	1,000
Furniture and Office Equipment	2,144				-	-	-
Machinery and Equipment		320			-	1,000	-
Transport Assets	141,701				-	-	-
Land					-	-	-
Zoo's, Marine and Non-biological Animals					-	-	-
Mature							
Immature							
Living Resources	-	-	-	-			
Total Capital Expenditure	32,027,082	1,995,957	1,807,477	1,807,477	1,979,512	1,918,825	1,372,277
<i>Roads Infrastructure</i>	2,853,836	564,155	525,775	525,775	329,070	325,739	350,222
<i>Storm water Infrastructure</i>	238,498	67,062	51,826	51,826	51,775	60,300	53,900
<i>Electrical Infrastructure</i>	1,638,059	313,011	295,666	295,666	173,063	151,796	152,601
<i>Water Supply Infrastructure</i>	2,288,246	477,371	471,679	471,679	447,058	550,947	207,900
<i>Sanitation Infrastructure</i>	1,160,530	171,154	147,524	147,524	219,419	147,696	262,680
<i>Solid Waste Infrastructure</i>	38,580	18,652	18,652	18,652	4,500	4,500	22,000
<i>Rail Infrastructure</i>					-	-	-
<i>Coastal Infrastructure</i>					-	800	-
<i>Information and Communication Infrastructure</i>	2	7,600			2,000	2,000	1,000
Infrastructure	8,217,750	1,619,004	1,511,122	1,511,122	1,226,885	1,243,778	1,050,303
Community Facilities	334,190	79,997	60,211	60,211	93,980	67,200	54,500
Sport and Recreation Facilities	253,592	25,000	16,446	16,446	21,450	8,500	17,100
Community Assets	587,782	104,997	76,657	76,657	115,430	75,700	71,600
Heritage Assets	220,197	900			-	-	-
Revenue Generating					-	-	-
Non-revenue Generating					-	-	-
Investment properties	-	-	-	-	-	-	-
Operational Buildings	177,711	59,054	39,680	39,680	57,963	39,900	19,980
Housing	-5,215				314,508	328,597	-
Other Assets	172,497	59,054	39,680	39,680	372,471	368,497	19,980
Biological or Cultivated Assets	8,532				-	-	-
Servitudes					-	-	-
Licences and Rights	57,683	41,200	12,555	12,555	39,114	46,110	47,077
Intangible Assets	57,683	41,200	12,555	12,555	39,114	46,110	47,077
Computer Equipment	62,162	23,115	28,289	28,289	24,952	20,150	28,450
Furniture and Office Equipment	5,488	7,850	6,445	6,445	3,100	2,900	1,800
Machinery and Equipment	22,492,153	66,600	53,613	53,613	101,600	71,300	70,160
Transport Assets	153,241	68,820	75,388	75,388	92,960	90,390	81,907
Land	48,141	4,417	3,726	3,726	3,000	-	1,000

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Zoo's, Marine and Non-biological Animals	1,457				-	-	-
Mature							
Immature							
Living Resources	-	-	-	-			
TOTAL CAPITAL EXPENDITURE - Asset Class	32,027,082	1,995,957	1,807,477	1,807,477	1,979,512	1,918,825	1,372,277
ASSET REGISTER SUMMARY - PPE (WDV)	19,449,034	20,954,296	21,099,603	21,099,603	18,879,013	19,203,316	19,117,984
<i>Roads Infrastructure</i>	2,841,129	212,301	405,120	405,120	4,411,588	4,318,205	4,246,134
<i>Storm water Infrastructure</i>	381,175	32,870	30,357	30,357	600,412	658,416	695,512
<i>Electrical Infrastructure</i>	1,668,081	141,662	33,648	33,648	2,391,392	2,418,846	2,380,476
<i>Water Supply Infrastructure</i>	2,416,112	207,501	190,628	190,628	3,764,254	3,895,537	3,871,001
<i>Sanitation Infrastructure</i>	1,032,426	76,556	-73,643	-73,643	2,080,100	2,205,564	2,252,032
<i>Solid Waste Infrastructure</i>	5,754	-62,303	-91,604	-91,604	287,675	272,919	257,277
<i>Rail Infrastructure</i>					-	-	-
<i>Coastal Infrastructure</i>					69,800	69,800	69,800
<i>Information and Communication Infrastructure</i>	27,474	9,600	2,000	2,000	9,997	15,997	24,997
Infrastructure	8,372,150	618,188	496,506	496,506	13,615,217	13,855,283	13,797,229
	597,245	-85,939	-65,122	-65,122			
Community Assets	597,245	-85,939	-65,122	-65,122	2,314,117	2,204,020	2,042,244
Heritage Assets	220,197	217,452	220,197	220,197	211,089	211,089	211,089
	142,512	153,640	142,512	142,512			
Investment properties	142,512	153,640	142,512	142,512	143,619	139,619	136,119
	9,756,297	19,877,092	-8,835	-8,835			
Other Assets	9,756,297	19,877,092	-8,835	-8,835	942,615	974,802	1,017,623
Biological or Cultivated Assets					-	-	-
	43,409	63,351	43,410	43,410			
Intangible Assets	43,409	63,351	43,410	43,410	95,679	108,004	95,004
Computer Equipment	36,359	22,115	29,429	29,429	44,017	34,372	31,335
Furniture and Office Equipment	3,344	8,750	6,245	6,245	21,536	12,734	3,088
Machinery and Equipment	76,139	30,225	20,199,904	20,199,904	125,659	164,548	193,644
Transport Assets	153,241	45,007	31,631	31,631	178,384	242,524	299,288
Land	48,141	4,417	3,726	3,726	1,187,081	1,256,320	1,291,320
Zoo's, Marine and Non-biological Animals					-	-	-
Living Resources							
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	19,449,034	20,954,296	21,099,603	21,099,603	18,879,013	19,203,316	19,117,984
EXPENDITURE OTHER ITEMS							
Depreciation	993,760	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Repairs and Maintenance by Asset Class	452,628	672,327	681,235	681,235	850,381	885,492	937,550
Roads Infrastructure	55,423	105,984	93,436	93,436	106,244	113,615	120,484
Storm water Infrastructure	3,578	16,427	24,746	24,746	17,711	18,782	19,919
Electrical Infrastructure	85,672	102,850	103,850	103,850	121,262	136,560	128,582
Water Supply Infrastructure	100,813	130,713	140,028	140,028	143,769	148,253	160,192
Sanitation Infrastructure	83,650	81,652	81,666	81,666	89,722	97,994	111,196
Solid Waste Infrastructure					0		0
Rail Infrastructure	174	2,310	1,310	1,310	2,913	3,088	3,203
Coastal Infrastructure					0		0
Information and Communication Infrastructure		1,250	1,250	1,250	1,325	1,405	1,052
Infrastructure	329,310	441,186	446,285	446,285	482,946	519,697	544,628
Community Facilities	12,523	19,587	19,780	19,780	19,515	19,822	20,676
Sport and Recreation Facilities	7,174	10,078	9,298	9,298	12,508	13,367	14,360
Community Assets	19,697	29,665	29,078	29,078	32,023	33,189	35,036
Heritage Assets	217	638	403	403	250	265	281
Revenue Generating							
Non-revenue Generating							
Investment properties	-	-	-	-	-	-	-
Operational Buildings	37,225	69,303	72,806	72,806	139,215	126,400	139,959
Housing	1,546	4,989	8,713	8,713	7,509	8,864	6,852
Other Assets	38,772	74,292	81,519	81,519	146,724	135,264	146,811
Biological or Cultivated Assets							
Servitudes					0	0	0
Licences and Rights	4,271	5,455	5,435	5,435	5,890	6,426	7,072
Intangible Assets	4,271	5,455	5,435	5,435	5,890	6,426	7,072
Computer Equipment	4,087	5,501	5,173	5,173	6,062	7,164	7,593
Furniture and Office Equipment	1,086	4,347	3,790	3,790	11,307	11,698	12,398
Machinery and Equipment	20,960	59,462	56,824	56,824	59,492	62,689	66,699
Transport Assets	34,228	51,781	52,727	52,727	105,687	109,100	117,032
Land							
Zoo's, Marine and Non-biological Animals							
Mature							
Immature							
Living Resources	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	1,446,388	2,006,654	1,681,141	1,681,141	1,050,752	1,082,285	1,088,909

TABLE 47 (A10 BASIC SERVICE DELIVERY MEASUREMENT)

Description	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets						
<u>Water:</u>						

Description	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Piped water inside dwelling	404,441	386,341	386,341	370,000	374,000	380,000
Piped water inside yard (but not in dwelling)		–	–	–	–	–
Using public tap (at least min. service level)	44,188	44,000	44,000	36,341	34,000	30,000
Other water supply (at least min. service level)						
<i>Minimum Service Level and Above sub-total</i>	448,629	430,341	430,341	406,341	408,000	410,000
Using public tap (< min. service level)						
Other water supply (< min. service level)						
No water supply						
<i>Below Minimum Service Level sub-total</i>						
Total number of households	448,629	430,341	430,341	406,341	408,000	410,000
<u>Sanitation/sewerage:</u>						
Flush toilet (connected to sewerage)	366,341	366,341	366,341	370,000	374,000	380,000
Flush toilet (with septic tank)	3,802	3,802	3,802	3,802	3,802	3,802
Chemical toilet	1,700	2,834	2,834	3,000	3,500	4,000
Pit toilet (ventilated)	167	167	167	167	167	167
Other toilet provisions (> min. service level)	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	372,010	373,144	373,144	376,969	381,469	387,969
Bucket toilet	6,010	6,010	6,010	6,010	6,010	6,010
Other toilet provisions (< min. service level)						
No toilet provisions						
<i>Below Minimum Service Level sub-total</i>	6,010	6,010	6,010	6,010	6,010	6,010
Total number of households	378,020	379,154	379,154	382,979	387,479	393,979
<u>Energy:</u>						
Electricity (at least min. service level)	24,172	21,565	21,565	19,052	17,146	15,433
Electricity - prepaid (min. service level)	306,024	342,549	342,549	395,644	435,208	478,728
<i>Minimum Service Level and Above sub-total</i>	330,735	364,114	364,114	414,696	452,354	494,161
Electricity (< min. service level)						
Electricity - prepaid (< min. service level)						
Other energy sources						
<i>Below Minimum Service Level sub-total</i>	–					
Total number of households	330,735	364,114	364,114	414,696	452,354	494,161
<u>Refuse:</u>						
Removed at least once a week	236,822	237,382	237,382	237,382	237,382	237,382
<i>Minimum Service Level and Above sub-total</i>	236,822	235,644	235,644	235,644	235,644	235,644
Removed less frequently than once a week	–	–	–	0	0	0
Using communal refuse dump	39,143	44,090	44,090	44,090	56,064	56,064
Using own refuse dump	–	–	–			
Other rubbish disposal	–	–	–			

Description	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
No rubbish disposal	23,581	16,702	16,702	16,702	4,728	4,728
<i>Below Minimum Service Level sub-total</i>	62,724	60,792	60,792	60,792	60,792	60,792
Total number of households	299,546	296,436	296,436	296,436	296,436	296,436
<u>Households receiving Free Basic Service</u>						
Water (6 kilolitres per household per month)	90,626	73,368	73,368	90,626	95,426	100,226
Sanitation (free minimum level service)	92,156	74,216	74,216	92,156	96,956	101,756
Electricity/other energy (50kwh per household per month)	73,526	33,905	33,905	73,526	78,526	83,126
Refuse (removed at least once a week)	86,954	65,190	65,190	86,954	91,754	96,554
Informal Settlements				–	–	–
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>						
Water (6 kilolitres per indigent household per month)	119,336	145,699	145,699	150,070	154,572	159,209
Sanitation (free sanitation service to indigent households)	120,128	209,803	209,803	218,176	224,721	231,463
Electricity/other energy (50kwh per indigent household per month)	27,639	27,639	27,639	23,492	24,667	25,900
Refuse (removed once a week for indigent households)	90,143	152,040	152,040	91,754	96,554	107,099
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>	–	–	–		–	–
Total cost of FBS provided	357,246	535,181	535,181	483,492	500,514	523,671
<u>Highest level of free service provided per household</u>						
Property rates (R value threshold)	130,000	130,000	130,000	130,000	130,000	130,000
Water (kilolitres per household per month)	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	11	11	11	11	11	11
Sanitation (Rand per household per month)	137	137	137	137	137	137
Electricity (kwh per household per month)	75	75	75	75	75	75
Refuse (average litres per week)	178	178	178	178	178	178
<u>Revenue cost of subsidised services provided (R'000)</u>						
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)						
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	114,371	114,371	114,371	173,455	182,995	193,974
Water (in excess of 6 kilolitres per indigent household per month)	29,834	31,336	31,336	31,852	34,180	36,687
Sanitation (in excess of free sanitation service to indigent households)		21,558	21,558	21,565	22,643	23,786
Electricity/other energy (in excess of 50 kwh per indigent household per month)	30,018	29,534	29,534	29,534	29,534	29,534
Refuse (in excess of one removal a week for indigent households)	16,662	15,719	15,719	15,719	15,719	15,719
Municipal Housing - rental rebates						
Housing - top structure subsidies	81,606	250,385	250,385	88,137		
Other						
Total revenue cost of subsidised services provided	272,491	462,903	462,903	360,262	285,071	299,700

1.10. CONSOLIDATED BUDGET SUPPORTING TABLES

The relevant supporting tables that could be prepared are attached elsewhere to the Budget Report and other outstanding tables will accompany the Budget Report when the final Budget is tabled to Council by the end of May 2024, for approval.

1.11. THE FINANCIAL IMPACT OF UNDERFUNDED MANDATES

The following table provides an overview of the Library Services:

TABLE 48 (UNDERFUNDED MANDATES – LIBRARY SERVICES)

LIBRARY SERVICES - NMBM						
Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Fines	482,137	1,263,620	571,870	578,860	609,100	640,420
Government Grants and Subsidies	15,870,000	15,870,000	15,870,000	15,870,000	15,870,000	15,870,000
Rental of Facilities and Equipment	6,578	604,030	31,200	27,210	27,630	28,060
Other Income	240	0	0	0	0	0
Sale of Goods and Rendering of Services	74,241	164,640	84,500	85,500	89,910	94,490
Operational Revenue	410	94,650	0	210	210	210
TOTAL - REVENUE	16,433,606	17,996,940	16,557,570	16,561,780	16,596,850	16,633,180
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	91,526,282	108,544,030	105,672,780	119,141,040	129,269,570	140,256,070
Impairment - Receivables	523,876	0	0	0	0	0
Contracted Services	1,431,728	2,496,850	2,486,850	3,183,610	3,248,930	3,309,210
Depreciation	179,667	317,550	238,150	250,070	257,580	265,300
Repairs and Maintenance	762,042	1,396,440	1,266,440	1,388,980	1,430,530	1,484,280
General Expenses	4,727,572	9,123,560	8,671,560	10,315,520	10,614,650	10,917,500
Operating Leases	813,855	1,461,400	1,461,400	1,343,670	1,409,940	1,480,250
Inventory	1,547,091	2,328,600	2,328,600	2,427,960	2,656,960	2,551,990
TOTAL - EXPENDITURE	101,512,113	125,668,430	122,125,780	138,050,850	148,888,160	160,264,600
REVENUE - EXPENDITURE	(85,078,507)	(107,671,490)	(105,568,210)	(121,489,070)	(132,291,310)	(143,631,420)

The aforementioned table indicates that the Library Service continues to operate at a significant deficit, ranging from R121.5 million, R132.3 million and R143.6 million for the 2024/25, 2025/26 and 2026/27 financial years, respectively. These deficits are funded from property rates. The Library Subsidy has not shown any significant growth over the last number of years.

1.12. THE PROJECTED FINANCIAL PERFORMANCE OF THE VARIOUS TRADING SERVICES

The financial performance of the trading services is highlighted in this section, to indicate if they are operating at a surplus or deficit.

(i) ELECTRICITY SERVICE

The following table provides a summarised version of the Electricity Service from the 2021/22 audited actuals, current financial year (2023/24) original and revised, as well as the 2024/25 MTREF period.

TABLE 49 (HIGH LEVEL SUMMARY OF THE ELECTRICITY SERVICE)

ELECTRICITY AND ENERGY SERVICE						
Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Service Charges	4,817,229,974	5,163,606,820	5,171,943,090	5,983,938,160	6,923,416,450	8,010,392,830
Interest Earned - Outstanding Debtors	97,625,462	104,287,600	83,733,180	90,766,770	98,391,180	106,656,040
Fines	660,111	850,000	1,217,400	1,278,270	1,348,580	1,421,430
Government Grants and Subsidies	225,757,421	260,407,560	266,932,130	136,931,130	136,520,790	100,856,760
Rental of Facilities and Equipment	15,763	15,000	15,770	16,560	17,480	18,430
Sale of Goods and Rendering of Services	62,093	65,000	65,000	68,250	72,010	75,910
Operational Revenue	454,650	230,000	31,900	33,500	35,350	37,270
TOTAL - REVENUE	5,141,805,474	5,529,461,980	5,523,938,470	6,213,032,640	7,159,801,840	8,219,458,670
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget

Employee Related Costs	411,045,010	487,305,520	495,257,220	535,959,190	580,792,950	580,805,740
Impairment - Receivables	48,541,901	111,346,940	111,346,940	114,687,360	118,127,980	121,671,820
Contracted Services	45,983,864	50,174,840	43,653,840	52,955,200	55,703,850	53,346,820
Depreciation	145,884,465	187,448,270	140,586,180	147,615,510	152,043,970	130,705,300
Repairs and Maintenance	97,954,037	122,650,000	123,900,000	142,249,510	150,716,000	127,454,260
Finance Cost	36,953,421	34,860,900	34,860,900	29,730,290	24,687,770	21,364,340
Bulk Purchases	4,705,197,690	5,632,329,340	5,632,844,790	6,348,216,080	7,344,886,010	8,498,033,120
General Expenses	23,755,599	39,477,730	36,346,050	42,590,610	44,055,430	41,697,810
Operating Leases	1,546,653	1,948,330	2,048,330	2,150,760	2,269,180	2,391,660
Inventory	5,599,834	10,757,390	11,588,390	11,658,130	12,293,330	12,950,750
Loss on disposal of PPE	-703,540	0	0	0	0	0
TOTAL - EXPENDITURE	5,521,758,934	6,678,299,260	6,632,432,640	7,427,812,640	8,485,576,470	9,590,421,620
REVENUE - EXPENDITURE	(379,953,460)	(1,148,837,280)	(1,108,494,170)	(1,214,780,000)	(1,325,774,630)	(1,370,962,950)
Service Charges vs. Bulk Purchases	112,032,284	(468,722,520)	(460,901,700)	(364,277,920)	(421,469,560)	(487,640,290)

The aforementioned table indicates that the Electricity Service is operating at large deficits and the 2024/25 MTREF is projecting deficits ranging from R1.21 billion, R1.33 billion and R1.37 billion for the 2024/25, 2025/26 and 2026/27 financial years, respectively.

When further comparing the Electricity Bulk Purchases budget for the 2024/25 MTREF period with the Service Charges Revenue, the Electricity Bulk Purchases budget is greater than the Service Charges by amounts ranging from R364.3 million, R421.5 million and R487.6 million for the 2024/25, 2025/26 and 2026/27 financial years, respectively.

(ii) WATER SERVICE

The following table provides a summarised version of Water Service from the 2022/23 audited actuals, current financial year (2023/24) original and revised, as well as the 2024/25 MTREF period.

TABLE 50 (HIGH LEVEL SUMMARY OF THE WATER SERVICE)

WATER SERVICE						
Revenue Category	2022/23 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Gains and losses	(253,195,621)	(238,662,270)	(238,662,270)	(252,982,010)	(269,425,850)	(288,285,660)
Service Charges	4,851,512,138	2,943,776,280	2,912,998,980	3,087,778,920	3,288,484,550	3,502,236,050
Interest Earned - Outstanding Debtors	647,211,678	261,834,410	536,044,380	581,072,110	629,882,170	682,792,280
Government Grants and Subsidies	400,791,605	624,374,200	651,128,510	488,959,920	630,305,670	238,785,400
Rental of Facilities and Equipment	709,535	726,110	815,180	815,180	864,100	915,950
Other Income	421,433,679	0	0	0	0	0
Operational Revenue	146,453	0	150,000	150,000	159,000	168,540
TOTAL - REVENUE	6,068,609,467	3,592,048,730	3,862,474,780	3,905,794,120	4,280,269,640	4,136,612,560
Expenditure Category	2022/23 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	250,925,657	278,174,670	268,954,250	284,348,090	307,509,540	332,305,640
Impairment - Receivables	3,044,163,755	1,589,639,200	1,589,909,150	1,653,157,600	1,760,607,590	1,883,855,740
Contracted Services	25,121,552	46,848,530	39,870,730	40,541,770	41,999,250	43,581,660
Depreciation	139,545,611	205,969,770	154,477,570	162,201,230	167,067,250	172,079,270
Repairs and Maintenance	102,399,084	146,541,640	153,126,640	143,885,090	154,186,880	164,654,520
Finance Cost	39,196,919	38,628,520	38,628,520	33,577,120	28,227,980	23,773,070
General Expenses	126,791,334	164,430,950	164,629,750	168,661,440	180,221,880	196,225,900
Operating Leases	295,195	229,900	229,900	283,790	291,400	299,040
Inventory	-48,400,870	118,026,410	118,037,910	105,815,680	110,203,410	115,008,040
TOTAL - EXPENDITURE	3,680,038,237	2,588,489,590	2,527,864,420	2,592,471,810	2,750,315,180	2,931,782,880
REVENUE - EXPENDITURE	2,388,571,230	1,003,559,140	1,334,610,360	1,313,322,310	1,529,954,460	1,204,829,680

Although the aforementioned table indicates that the service is operating with a surplus, it must be viewed against the escalating arrear water debt and the fact that water punitive tariffs are still applicable due to water drought situation.

(iii) SANITATION SERVICE

The following table provides a summarised version of Sanitation Service from the 2022/23 audited actuals, current financial year (2023/24) original and revised, as well as the 2024/25 MTREF period.

TABLE 51 (HIGH LEVEL SUMMARY OF THE SANITATION TRADING SERVICE)

SANITATION SERVICES						
Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Property Rates	0	0	0	0	0	0
Service Charges	790,169,701	837,553,460	868,502,020	920,612,140	980,451,930	1,053,672,420
Interest Earned - Outstanding Debtors	108,118,720	67,914,420	91,605,850	99,300,750	107,642,020	116,683,950
Government Grants and Subsidies	229,932,757	269,433,750	354,217,570	347,125,650	437,681,660	607,673,780
Sale of Goods and Rendering of Services	31,088	60,000	60,000	30,000	30,000	30,000
Operational Revenue	3,625,173	4,187,920	3,771,990	4,126,740	4,353,720	4,588,830
TOTAL - REVENUE	1,131,877,439	1,179,149,550	1,318,157,430	1,371,195,280	1,530,159,330	1,782,648,980
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	226,031,101	288,900,710	277,431,170	296,066,370	315,170,530	341,235,570
Impairment - Receivables	300,805,518	234,514,980	234,514,980	257,732,950	274,477,920	293,699,520
Contracted Services	19,238,768	35,162,520	30,630,590	31,873,960	33,497,870	35,472,030
Depreciation	122,133,883	174,033,260	130,524,930	137,051,190	141,162,730	145,397,610
Repairs and Maintenance	89,362,884	117,536,390	117,446,390	126,023,770	136,669,550	148,715,270
Finance Cost	20,629,746	22,251,500	22,251,500	18,824,630	15,425,000	13,118,240
General Expenses	7,152,536	17,666,670	17,729,370	17,846,220	18,463,620	19,139,230
Operating Leases	382,363	589,230	589,230	502,830	519,700	538,120
Inventory	5,374,366	16,622,650	16,599,950	18,863,090	19,920,290	21,120,340
TOTAL - EXPENDITURE	791,111,165	907,277,910	847,718,110	904,785,010	955,307,210	1,018,435,930
REVENUE - EXPENDITURE	340,766,274	271,871,640	470,439,320	466,410,270	574,852,120	764,213,050

The above Table indicates that the Sanitation Service is operating at a surplus position for the 2024/25 MTREF period.

(iv) REFUSE SERVICE

The following table provides a summarised version of Refuse Service from the 2022/23 audited actuals, current financial year (2023/24) original and revised, as well as the 2024/25 MTREF period.

TABLE 52 (HIGH LEVEL SUMMARY OF THE REFUSE TRADING SERVICE)

WASTE MANAGEMENT / REFUSE SERVICE						
Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Service Charges	323,272,851	311,828,840	311,828,840	330,538,630	352,023,580	374,905,110
Interest Earned - Outstanding Debtors	61,121,613	25,782,590	45,121,000	70,591,160	76,520,820	82,948,570
Government Grants and Subsidies	143,878,660	90,143,120	152,040,180	91,754,000	96,554,000	107,099,000
Rental of Facilities and Equipment	4,813,304	4,993,200	4,993,200	5,242,870	5,531,230	5,835,500
Sale of Goods and Rendering of Services	6,860,913	8,500,000	8,500,000	5,000,000	5,275,000	5,559,860
Operational Revenue	5,540	1,000	1,000	1,000	1,000	1,000
TOTAL - REVENUE	539,952,881	441,248,750	522,484,220	503,127,660	535,905,630	576,349,040
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	130,211,629	141,187,090	144,918,970	155,066,790	167,785,340	178,295,220
Impairment - Receivables	170,588,780	143,441,280	143,441,280	125,371,450	132,893,740	141,531,830
Contracted Services	30,072,909	59,805,220	40,357,660	60,322,500	63,640,280	67,076,910
Repairs and Maintenance	9,885	1,549,010	1,549,010	1,779,320	1,886,110	2,018,160

Finance Cost	61,870	61,870	61,870	0	0	0
General Expenses	153,808,517	83,491,050	92,046,570	85,225,080	87,826,810	90,509,420
Operating Leases	0	76,200	76,200	60,590	63,930	67,390
Inventory	14,367,605	21,815,190	26,801,280	23,234,320	24,512,130	25,835,720
TOTAL - EXPENDITURE	499,121,195	451,426,910	449,252,840	451,060,050	478,608,340	505,334,650
REVENUE - EXPENDITURE	40,831,686	-10,178,160	73,231,380	52,067,610	57,297,290	71,014,390

The aforementioned table indicates that the service will be operating at a deficit, with the service being subsidised from the property rates for the full 2024/25 MTREF period.

1.13. THE FINANCIAL IMPACT OF SAFETY AND SECURITY SERVICE

In this section the financial impact of the Safety and Security Service, on the City's finances is highlighted.

The following table provides a summarised version of the Safety and Security Service from the 2022/23 audited actuals, current financial year (2023/24) original and revised, as well as the 2024/25 MTREF period.

TABLE 53 (HIGH LEVEL SUMMARY OF THE SAFETY AND SECURITY SERVICE)

SAFETY AND SECURITY DIRECTORATE - NMBM						
Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Fines	38,605,876	27,479,510	12,779,510	29,168,510	30,772,790	32,434,550
Licences and permits	19,855,317	16,334,030	16,334,030	18,251,590	19,483,360	20,793,910
Government Grants and Subsidies	581,307,550	866,921,510	605,603,670	868,655,610	899,017,890	975,086,470
Rental of Facilities and Equipment	19,200	21,520	21,520	22,600	23,730	24,920
Sale of Goods and Rendering of Services	3,755,228	2,574,500	2,574,500	2,703,250	2,851,810	2,992,320
Operational Revenue	225,644,368	201,588,520	201,694,200	217,398,840	243,960,810	64,859,660
TOTAL - REVENUE	869,187,539	1,114,919,590	839,007,430	1,136,200,400	1,196,110,390	1,096,191,830
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	860,442,691	1,051,209,790	1,016,540,010	1,079,836,670	1,168,356,540	1,271,367,240
Impairment - Receivables	165,865	0	0	0	0	0
Contracted Services	21,776,467	91,058,330	83,938,330	62,504,040	65,958,460	69,507,350
Impairment - OTHER	34,433,525	28,631,500	26,381,500	27,431,500	27,531,500	27,581,500
Repairs and Maintenance	8,615,597	20,076,200	22,526,000	17,492,710	18,638,890	20,076,930
Finance Cost	1,167,707	1,314,770	1,314,770	644,730	575,380	498,090
General Expenses	20,416,534	33,361,300	36,852,630	36,331,230	37,891,930	39,531,820
Operating Leases	971,260	1,093,130	1,243,130	1,147,820	1,210,990	1,276,410
Inventory	11,419,987	16,616,230	17,865,230	18,106,170	19,090,990	20,114,400
TOTAL - EXPENDITURE	959,409,633	1,243,361,250	1,206,661,600	1,243,494,870	1,339,254,680	1,449,953,740
REVENUE - EXPENDITURE	(90,222,094)	(128,441,660)	(367,654,170)	(107,294,470)	(143,144,290)	(353,761,910)

The aforementioned table indicates that the service is operating at a significant deficit. It is to be noted that employee related costs, constitute approximately 86.8% of the total expenditure. The Council resolution of around 2017/18 of insourcing of 672 private security guards has had a significant impact on the employee related costs of the Safety and Security service. The amount of the Overtime budget incurred under the Safety & Security Directorate far exceeds other service delivery Directorates in the institution, accordingly that is not financially sustainable. It must also be noted that Safety and Security Service relies heavily on the Equitable Share for the funding of its operations.

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

The 2024/25 Budget process was incorporated into the multi-Year timetable that was approved by Council on 21 September 2022, incorporating other plans, such as IDP, etc. and as such has informed the process of guiding the preparation of the 2024/25 to 2026/27 Operating and Capital Budgets.

The multi-year timetable prepared in conjunction with the Office of the Chief Operating Officer (COO) provides broad timeframes for the IDP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, State departments (e.g. National / Provincial Treasuries), business and labour, during the period April to May 2024. The main aim of the timetable is to ensure that a revised IDP and a balanced Budget are tabled to Council by the end of March 2024 for noting and by the end of May 2024 for approval.

After the approval, the approved budget will be submitted to National Treasury in compliance with Chapter 4 of the Local Government: Municipal Finance Management Act, Act No.56 of 2003, as well as being publicised on the municipality's website, followed by public participation processes.

2.1.1 IDP & Budget Timetable 2024/25 to 2026/27

The preparation of the 2024/25 to 2026/27 IDP and Budget was guided by the Multi-Year Time Schedule of key deadlines.

2.2 ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the IDP, in accordance with the Municipal Systems Act (32 of 2000), was guided and informed by the following principles:

- Achievement of the five strategic priorities of the NMBM.
- Focusing on service delivery backlogs and the maintenance of infrastructure.
- Addressing community priorities (needs) as identified in the IDP.

The review of the IDP focused on establishing measurable performance indicators and targets. These targets informed the preparation of the multi-year budget, as well as the Service Delivery and Budget Implementation Plan (SDBIP).

The 2024/25 to 2026/27 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- (a) Municipal transformation and development
- (b) Service delivery and infrastructure development
- (c) Local economic development
- (d) Financial sustainability and viability
- (e) Good governance and public participation

The abovementioned strategic focus areas informed the preparation of the Budget.

Below are tables, which illustrate the link between the Budget and the IDP.

TABLE 54 (BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES (OPERATING REVENUE) (SA4))

Strategic Objective	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/25	Budget Year +2 2026/27
Municipal Transformation and Development	909,052	1,154,636	1,541,838	1,448,186	1,481,244	1,481,244	1,610,666	1,753,874	1,919,501
Service Delivery and Infrastructure	4,949,282	6,255,440	8,355,324	7,847,821	8,026,965	8,026,965	8,728,304	9,504,366	10,401,905
Local Economic Development	1,313,075	1,667,807	2,227,289	2,092,003	2,139,758	2,139,758	2,326,714	2,533,590	2,772,849
Financial Sustainability and Viability	2,222,127	2,822,443	3,769,126	3,540,189	3,621,002	3,621,002	3,937,379	4,287,465	4,692,349
Good Governance and Public Participation	707,040	898,050	1,199,967	1,127,081	1,152,809	1,152,809	1,253,533	1,364,989	1,493,891
Total Revenue (excluding capital transfers and contributions)	10,100,576	12,798,376	17,093,544	16,055,280	16,421,778	16,421,778	17,856,596	19,444,284	21,280,495

TABLE 55 (BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES (OPERATING EXPENDITURE) (SA5))

Strategic Objective	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	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
Municipal Transformation and Development	814,313	1,198,623	1,420,388	1,557,983	1,523,597	1,523,597	1,638,076	1,784,273	1,984,714
Service Delivery and Infrastructure	5,191,246	6,493,747	7,697,179	8,442,819	8,256,476	8,256,476	8,876,848	9,669,097	10,755,303
Local Economic Development	1,323,259	1,731,344	2,051,846	2,250,612	2,200,939	2,200,939	2,366,312	2,577,503	2,867,054
Financial Sustainability and Viability	1,933,993	2,929,966	3,472,234	3,808,596	3,724,535	3,724,535	4,004,388	4,361,776	4,851,768
Good Governance and Public Participation	916,102	932,262	1,105,446	1,212,532	1,185,770	1,185,770	1,274,866	1,388,647	1,544,645
Total Revenue (excluding capital transfers and contributions)	10,178,913	13,285,941	15,747,093	17,272,542	16,891,317	16,891,317	18,160,490	19,781,296	22,003,484

2.2.1 Alignment with National and Provincial Priorities

The Municipality's priorities are aligned to those of the National and Provincial Governments.

The matrix below shows the alignment with National and Provincial Government priorities

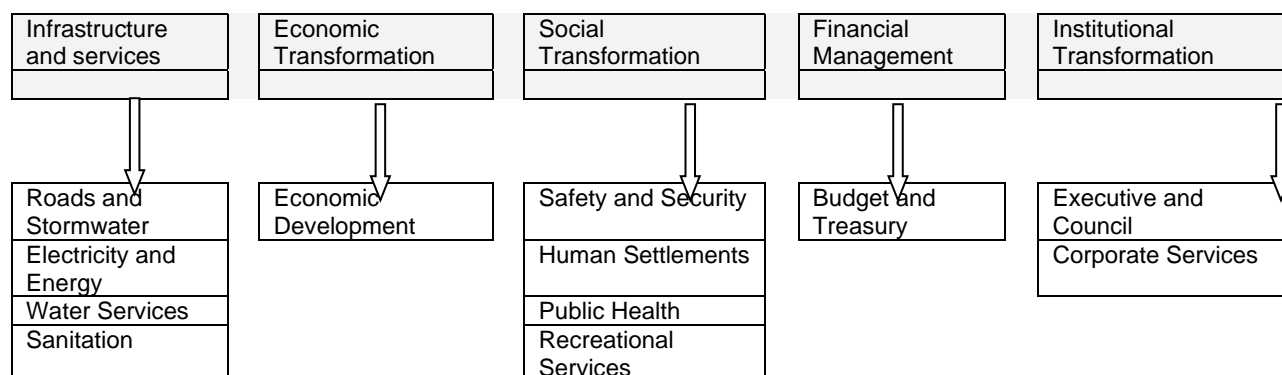


Figure 4: Alignment with National and Provincial Priorities

The above is an indication of NMBM's alignment to the National and Provincial Key Performance Areas and how Directorates are aligned thereto. It should, however, be noted that in terms of implementation all Directorates are focusing on the five areas. To monitor and evaluate service delivery and financial performance, key performance indicators are included in all Executive Directors' performance agreements and are monitored through the monitoring system under the Chief Operating Officer's (COO's) office, accordingly.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

This section contains some of the key performance indicators.

TABLE 56 (MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS)

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Adjusted Budget	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Borrowing Management								
Credit Rating		Aaa.za	Aaa.za	B1/Baa1.za-	B1/Baa1.za-	Aaa.za	Aaa.za	Aaa.za
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.0%	2.3%	2.4%	2.5%	2.6%	2.6%	2.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.4%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	33.2%	36.6%	25.0%	25.0%	25.0%	25.0%
Safety of Capital								
Gearing	Long Term Borrowing/ Funds & Reserves	5.58%	5.48%	7.08%	5.51%	5.93%	5.93%	5.93%
Liquidity								
Current Ratio	Current assets/current liabilities	2.1	2.09:1	1.9	2.08:1	2.09:1	2.09:1	2.10:1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.1	2.0	1.9	2.08:1	2.09:1	2.09:1	2.10:1
Liquidity Ratio	Monetary Assets/Current Liabilities	1.0	1.19:1	0.9	1.10:1	1.15:1	1.15:1	1.20:1
Revenue Management								
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		79.8%	85.50%	85.0%	79%	80%	81%	85%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	31.6%	24.4%	24.2%	24.3%	24.4%	24.4%	24.5%
Creditors Management								
Creditors to Cash and Investments		57.9%	56.5%	63.6%	69.6%	69.6%	69.6%	69.6%
Other Indicators								
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.5%	31.0%	30.3%	30%	30%	30%	30%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.2%	31.7%	31.0%	30.1%	30.3%	30.3%	30.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.5%	4.0%	3.9%	3.9%	4.0%	4.0%	4.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11.9%	7.2%	9.0%	9.1%	9.3%	9.3%	9.5%
IDP regulation financial viability indicators								
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	29.1	31.5	14.7	14.8	15.6	15.6	17.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	41.5%	33.2%	32.0%	32%	32%	32%	32%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.2	3.73	3.1	3.5	3.6	3.6	3.7

2.3.1 Drinking Water Quality and Waste-Water Management

The Municipality performs the dual roles of a Water Service Authority (WSA) and a Water Service Provider (WSP), in managing the provision of drinking water and the treatment of wastewater.

The detailed reports relating to the above are available from the respective Directorates.

2.3.2 Basic social services package for indigent households

The Constitution of the Republic of South Act (1996) stipulates that a municipality must structure and manage its administration, budgeting and planning to give priority to the basic needs of the community and to promote their social and economic development. The basic social package is an affirmation of the Municipality's commitment to push back the frontiers of poverty by providing social welfare to those residents who cannot afford to pay, because of adverse social and economic conditions.

The Municipality utilises the Equitable Share allocation towards assisting the poor. The National Treasury has allocated the following amounts towards the Equitable Share in terms of the Division of Revenue Act (DORA) for this purpose: -

2024/25 = R 1,523,361,000,
2025/26 = R 1,643,573,000, and
2026/27 = R 1,775,087,000.

The following table gives an indication of how the Equitable Share allocation is utilised: -

TABLE 57 (SPLIT OF HOW EQUITABLE SHARE IS ALLOCATED ACROSS THE INSTITUTION)

Various Services	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Debtors Management Collections_ Property Rates	1,000,000	1,000,000	1,000,000
Rates and Related Income_ Property Rates	173,454,650	182,994,660	193,974,340
Income_ Electricity	23,491,930	24,666,530	25,899,860
Income_ Water	150,070,080	154,572,190	159,209,360
Sewerage Administration	218,175,560	224,720,920	231,462,550
Refuse Administration	91,754,000	96,554,000	107,099,000
Water Loss Detection	31,852,280	34,180,390	36,687,420
Chemical Toilets	21,565,070	22,642,980	23,785,560
TOTAL - Various Services	711,363,570	741,331,670	779,118,090
Indigent Control _ ATTP Administration	27,920,200	34,961,470	32,521,210
Safety & Security	784,077,230	867,279,860	963,447,700
TOTAL - Other	811,997,430	902,241,330	995,968,910
TOTAL - Gazetted Allocation (Equitable Share)	1,523,361,000	1,643,573,000	1,775,087,000

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The Local Government: Municipal Finance Management Act (MFMA) (56 of 2003) and the Local Government: Municipal Budget and Reporting Regulations (MBRR) require budget related policies to be reviewed, and where applicable, be updated on an annual basis. This process will be concluded leading up to the final approval of the budget by the end of May 2024.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be prepared to support the achievement of the longer-term financial and strategic targets. The circulars issued by National Treasury (latest being Circulars 126 & 128) guiding municipalities on budget processes are considered.

The municipal fiscal environment is influenced by a variety of macroeconomic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Budget through the Circulars mentioned in the previous paragraph, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases and the Department of Water and Sanitation regulates bulk water tariff increases. The municipality's employee related costs are also influenced by collective agreements concluded in the South African Local Government Bargaining Council. Various government departments also affect municipal service delivery through the level of grants and subsidies allocated to the NMBM, such as Library Subsidies, etc.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to enhance the municipality's revenue base.
- The impact of the water drought situation.
- The level of property rates and tariff increases to consider the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- Compliance with National Treasury Budget Circulars 126 and 128, and also the requirements of the Municipal Standard Chart of Accounts (MSCOA) reforms.
- No budget allocations have been made to programmes and projects unless the respective programme and project plans / procurement plans / cash flows have been submitted by the relevant Acting/Executive Directors.
- An assessment of the relative human resources capacity to implement the Budget.

The Municipality faced the following significant challenges in preparing the 2024/25 – 2026/27 Budget:

- Declining Collection Rate.
- Inability to budget for a surplus on the Operating Budget.
- Maintaining electricity and water losses at acceptable levels.
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of rates and tariff increases.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the municipality's cash position into account.
- The limitations created by the non-existence of an MSCOA compliant accounting system to enable the full implementation of the regulated MSCOA reforms.
- The continuous drought situation that requires more financial resources to deal with the urgent demands.

2.6 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

The following table indicates all grants to be transferred to the NMBM for the 2023/24 MTREF period:

TABLE 58 (GRANTS ALLOCATED IN TERMS OF THE DIVISION OF REVENUE ACT BY NATIONAL GOVERNMENT)

ALLOCATION OF GRANTS in terms of THE DIVISION OF REVENUE BILL (2024/2025 to 2026/27)				
GRANT NAME	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2024/25	2025/26 (1st Outer Year Projections)	2026/27 (2nd Outer Year Projections)
OPERATING GRANTS				
		R'000	R'000	R'000
Equitable Share (Schedule 3)	Unconditional	1,523,361,000	1,643,573,000	1,775,087,000
Financial Management Grant	Conditional	1,000,000	1,000,000	1,200,000
Infrastructure Skills Development Grant	Conditional	13,800,000	13,800,000	14,000,000
EPWP	Conditional	3,480,000	-	-
City Led Public Employment Program (Included in the NDPG)	Conditional	15,000,000		
General Fuel Levy	Unconditional	824,005,000	860,980,000	900,487,000
Programme and Project Preparation Support Grant	Conditional	15,000,000	20,000,000	25,000,000
TOTAL - OPERATING		2,395,646,000	2,539,353,000	2,715,774,000
GRANT NAME	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2024/25	2025/26 (1st Outer Year Projections)	2026/27 (2nd Outer Year Projections)
CAPITAL GRANTS				
		R'000	R'000	R'000
Urban Settlements Development Grant (USDG) Annexure W5)	Conditional	635,473,000	663,817,000	786,561,000
Informal Settlement Upgrading Partnership Grant	Conditional	361,684,000	377,887,000	395,200,000
Neighbourhood Partnership Development Grant (NDPG)	Conditional	17,213,000	25,000,000	35,000,000
Public Transport Network Operations Grant	Conditional	339,948,000	333,476,000	323,165,000
Regional Bulk Infrastructure Grant (Page 312 of 336)	Conditional	250,000,000	390,000,000	
Energy Efficiency and Demand Side Management Grant	Conditional	7,000,000	7,000,000	8,500,000
TOTAL - CAPITAL		1,611,318,000	1,797,180,000	1,548,426,000
TOTAL GRANTS (OPERATING AND CAPITAL)		4,006,964,000	4,336,533,000	4,264,200,000

2.7 COUNCILLORS AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

The salaries and allowances paid to Councillors are in terms of the Remuneration of Public Office Bearer's Act and the Board of Directors' emoluments are paid based on approval by the parent municipality at the applicable rates. The following table indicates the actual results for 2022/23, 2023/24 Original Budget, 2023/24 Revised Budget and estimates for the 2024/25 MTREF.

TABLE 59 (COUNCILLORS ALLOWANCES AND BENEFITS)

DETAIL	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Remuneration of Councillors	81,903,295	91,089,190	90,829,190	94,452,050	98,217,590	102,132,620
TOTAL	81,903,295	91,089,190	90,829,190	94,452,050	98,217,590	102,132,620

2.8 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – DIRECTORATES

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality's delivery of services and its annual budget, which must include the following:

- (a) Monthly projections of
 - Revenue to be collected, by source; and
 - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Executive Mayor is required to approve the SDBIP within 28 days after the final approval of the budget. Furthermore, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and

performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Executive Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the City Manager to monitor the performance of the Executive Directors, the Executive Mayor/Council to monitor the performance of the City Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2024/25 financial year must be approved by the Executive Mayor, following the approval of the Budget by the end of May 2024.

2.9 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Below the schedule of contracts impacting on future budgets:

TABLE 60 (CONTRACTS IMPACTING ON THE MUNICIPALITY'S REVENUE)

Description	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
	Total	Original Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Parent Municipality:													
Revenue Obligation By Contract													
<i>Contract 1</i>													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
<i>Absa Bank Costs</i>	9,946	5,425	5,750	6,095	0	0							27,216
Total Operating Expenditure Implication	9,946	5,425	5,750	6,095	0	-0	-	-	-	-	-	-	27,216
Capital Expenditure Obligation By Contract													
<i>Contract 1</i>													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication	9,946	5,425	5,750	6,095	0	0	-	-	-	-	-	-	27,216
Entities:													
Revenue Obligation By Contract													
<i>Contract 1</i>													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
<i>Contract 1 Banking Service Contract</i>	44	24	25	27	28	30	32	34	36	38	0	0	318
Total Operating Expenditure Implication	44	24	25	27	28	30	32	34	36	38	0	0	318
Capital Expenditure Obligation By Contract													
<i>Contract 1</i>													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication	44	24	25	27	28	30	32	34	36	38	0	0	318

Contracts Impacting on the Municipality's Expenditure

No contracts exceeding the R5 million limit in respect of MFMA section 33 expenditure except for the case of a contract of nine-years entered into with the Vehicle Operating Company (VOCA) under the IPTS (I&E).

2.10 LEGISLATION COMPLIANCE STATUS

Below a discussion of the Municipality's progress relating to the implementation of the Local Government: Municipal Finance Management Act (MFMA) (56 of 2003):

Implementation of the MFMA

The municipality has been implementing the provisions of the MFMA since its inception. The municipality monitors its implementation status on an ongoing basis through reporting via its various committees as established by Council, including the following:

- The City Manager's Executive Management Team which includes the Chief Financial Officer (CFO), Chief Operating Officer (COO) and all the Executive Directors, which meets on a regular basis.
- The Budget and Treasury Standing Committee – a standing committee of the Council established in terms of Section 79 of the Municipal Structures Act, which meets every six weeks. The committee considers specific MFMA implementation issues and reports via the Mayoral Committee to Council.
- The NMBM has also established Municipal Public Accounts Committee, an Audit Committee, and a Risk Management Committee, which play an oversight role.
- The municipality also has an Internal Audit Function.
- A Disciplinary Board established in terms of the applicable Regulations is also in existence.

The following reflects the status of implementation of some of the key MFMA areas:

IDP

The Municipal Systems Act (32 of 2000) requires that Council must approve a five-year Integrated Development Plan (IDP), and as such the IDP document that guides the budgeting process is also subjected to the review due to the establishment of Council that came into being after the Local Government Elections in November 2021.

Budget

The annual budget document has been developed taking into account, the MFMA and National Treasury (NT) requirements as guided by the National Treasury Circulars 126 and 128.

In-Year Reporting

The municipality submits the various required reports to the Executive Mayor, Council and NT on an ongoing basis, in accordance with the MFMA.

Supply Chain Management Policy (SCM)

A Supply Chain Management Policy has been adopted and implemented in accordance with the MFMA and NT requirements.

The required SCM committee structures (or Bid Committees) are in place. Whilst the municipality is working at making these processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines as it relates to these matters. National Treasury has also been able to assist in identifying capacity in this area due to challenges that are experienced as can be identified in the audit reports by the Auditor General South Africa (AGSA).

Budget and Treasury Office (BTO)

A Budget and Treasury Office (BTO) / Directorate has been established in accordance with Chapter 9 of the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

The BTO is split into the following Directorates: -

- (i) Budget and Financial Accounting.
- (ii) Expenditure Management.
- (iii) Revenue Management & Customer Care.
- (iv) Office of the Treasury & Financial Support, and ‘
- (v) Supply Chain Management (SCM).

Audit Committee

An Audit Committee (AC) has been established and meets on a quarterly basis.

Internal Audit Function

The Municipality has an Internal Audit sub-directorate reporting to the City Manager and operating in accordance with an approved audit plan.

Financial Internship Programme

The Finance Internship programme is funded from National Treasury’s Finance Management Grant (FMG), whilst Finance interns are rotated within various Sub Directorates of Budget and Treasury Directorate, to capacitate them. So far, the institution has been able to recruit many of the Finance Interns into fulltime employment due to their relevant work exposure and relevant qualifications. Finance Interns also undertake the training program in the form of the applicable Unit Standards as part of the training and development strategy.

2.11 IMPORTANCE OF THE NATIONAL TREASURY GUIDELINES ISSUED THROUGH BUDGET CIRCULARS

National Treasury issues Budget Circulars in each MTREF period to guide the budgeting process. For the 2024/25 MTREF period National Treasury has already issued Budget Circulars 126 and 128. Budget Circular 126 was issued in December 2023, whilst a second Budget Circular 128 was issued after the Budget Speech by the Minister of Finance on 21 February 2024.

Budget Circulars give guidance on various issues that municipalities must consider when preparing their budgets, with the credibility and funding status of the budgets being assessed by National Treasury before Council’s consideration for final approval by the end of May of each year.

The following table provides a summary of critical issues raised in the National Treasury Budget Circular 126:

TABLE 61 (CRITICAL ISSUES RAISED IN THE NATIONAL TREASURY BUDGET CIRCULAR 126)

PARAGRAPH NUMBER	COMMENTS
3.3. Consumer Deposits and Securities	<ul style="list-style-type: none"> - Credit Control Policies should be reviewed and amended to include the raising of consumer deposits, - The authority to raise deposits should be deleted where it is still in the Electricity & Water By-Laws, - Raising of consumer deposits should be included in the Credit Control and Debt Collection By-Laws, and - Deposits should be equal or more than two months bulk accounts from Water Services Authorities and ESKOM.
5.1. Approval of Deficit Budgets	<ul style="list-style-type: none"> - National / Provincial Treasuries encourage municipalities to prepare a surplus budget to avoid placing the municipality’s resources in financial difficulties, - NB: With effect from 1 July 2024 ALL municipal Councils are advised <i>not to approve a deficit budget</i>, as such Mayors who table budgets to Council must be aware of the implications of the deficit budget, - NB: Accounting Officers and their Chief Financial Officers are responsible for preparing budgets and accordingly are tasked with ensuring that the Mayor is guarded against submitting deficit budget to Council for adoption, - NB: Failure thereof may result in Councils implementing Section 171 of the Local Government: Municipal Finance Management Act (56 of 2003) to both the Accounting Officer and Chief Financial Officer. <p>NB: This is the new Paragraph that has been incorporated in the Budget Circular by National Treasury and non-compliance implications are quite serious, as stated. For us to be able to present or table a surplus</p>

PARAGRAPH NUMBER	COMMENTS
	<p>budget to Council, there are budget decisions that will have to be implemented with effect from the draft 2024/25 Budget when tabled to Council on or before end March 2024. The days of just adding budgets during the final stages of the budgeting process, as was done when the 2023/24 original budget was finalised in May/June 2023 are over, based on this requirement. Our emphasis now must be aiming for the surplus budget, however, in our case prior year decisions are going to haunt the institution.</p>
5.2. Funded Budgets	<ul style="list-style-type: none"> - Municipalities must adopt funded budgets, - Municipalities must fund their MTREF Budgets from the realistically anticipated revenues to be collected as required in terms of Section 18 of the MFMA, - Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired Collection Rates, - Municipalities are encouraged to limit expenditure according to the anticipated revenue projections, - NB: Municipalities should note that the Office of the Auditor General South Africa (AGSA) will soon start auditing those municipalities that have tabled and adopted unfunded budgets over an extended period given that this practice is not only illegal but also compromise their financial sustainability. <p>NB: This is the new Paragraph that has been incorporated in the Budget Circular by National Treasury and non-compliance implications are as indicated. We must, however, be comforted that the NMBM has never tabled an unfunded budget to Council for several years now, so this non-compliance factor is not referring to the NMBM yet.</p>
5.5. Burial of councillors using public funds	<ul style="list-style-type: none"> - In terms of Circular 126 all municipalities are reminded about the contents of Circulars 122 & 123, wherein municipalities were urged to ensure that public funds are not used for burial of councillors, - Municipalities are reminded that the issuance of this requirement would have required, in certain cases, amendment of Council approved Policies dealing with the burial of councillors, - NB: Municipalities are reminded in terms of Circular 126 to ensure that any policies to this effect are rescinded, - NB: National Treasury, through Circular 126 further indicates that this matter will be referred to the Auditor General South Africa (AGSA), to confirm if during the 2023/24 financial year there were any funds that were utilised by the municipality for the burial of a councillor, - The Circular further states that if, during the 2023/24 financial year, instances of this nature are identified by the AGSA, both the Accounting Officer and the Chief Financial Officer will be held responsible in terms of Section 171 of the MFMA. <p>It can be confirmed that Circulars 122 and 123 of 2022 & 2023 gave the warning signals of non-support by National Treasury in utilising public funds for the burial of councillors. The previous budget circulars (i.e. 122 & 123) fell short of indicating / stating the implications of non-compliance as are stated in the latest Circular. The best is for ensuring first that any policies dealing with this matter are rescinded as required, to be in line with these requirements to avoid the implications thereof.</p>
5.6. The use of Mayoral discretionary accounts and any other Council discretionary accounts	<ul style="list-style-type: none"> - In terms of Circular 126 National Treasury re-emphasises previous Circulars where municipalities were cautioned against the utilising Mayoral Discretionary accounts, - The key reason for National Treasury's objection in this approach is due to the fact that public funds are availed/allocated or given out to other bodies or institutions or individuals by the Mayor of a municipality outside a budgeting process, - These allocations are done outside Council or without the knowledge of Council, meaning that there was a lack of transparency during the budgeting processes, - Municipalities are urged to ensure that any policies that support these activities, such policies are rescinded when Council approves the 2024/25 MTREF Budget, - NB: Circular 126 also indicates that with effect from 1 July 2024 the AGSA will be auditing the utilisation of public funds in this manner, and Accounting Officers / Executive Mayors and Chief Financial Officers that allow such practices to continue in their municipalities will be held personally responsible.
<p align="center"><u>PARAGRAPH 6 – MUNICIPAL STANDARD CHART OF ACCOUNTS (MSCOA)</u></p> <p>NB: Paragraph 6 of the NT Budget Circular 126 summarises the Municipal Standard Chart of Accounts (MSCOA) demands effective from the preparation of the 2024/25 MTREF Budget. Respectfully, it will be important that we concentrate to this paragraph due to the implications for non-compliance & our experience on MSCOA challenges in our municipality, as widely reported by National Treasury in various previous communications.</p> <p>The following paragraphs discuss the Municipal Standard Chart of Accounts (MSCOA) requirements in terms of NT Circular 126: -</p>	
6.1. Release of Version 6.8 of the Chart	<ul style="list-style-type: none"> - This paragraph is emphasising that effective from the 2024/25 Version 6.8 must be used when compiling the 2024/25 MTREF budget, - MSCOA Version 6.8 is accessible from GoMuni on the link under the MSCOA / List MSCOA WIP account linkages menu option.
6.2. Improving MSCOA data strings credibility	<p>This paragraph emphasises the importance of the submission of the credible data strings when uploading them to the GoMuni Upload portal of the NT.</p> <p>The NT Circular 126 also enlists the areas of concern that remain problematic for municipalities as follows:</p> <ul style="list-style-type: none"> - - Transacting against line items without a budget,

PARAGRAPH NUMBER	COMMENTS
	<ul style="list-style-type: none"> - Opening balances for the previous year not transferred in the first month (M01) of the current financial year, - Cash flow tables (Tables A7, B7 and C7) are still not populating correctly and fully, - Budget and transacting for water inventory is not done correctly, as per guidance given in terms of NT Budget Circular 115 and 122, - Some municipalities do not budget & transact correctly or completely for irrecoverable debt written off and impairment loss. <p>NB: It must be emphasised that without a proper MSCOA compliant system, and high reliance on human intervention, the municipality will continue to be seen as a failure in this regard, so the sooner we acquire or procure an MSCOA compliant system, the better.</p>
6.3. MSCOA reporting on Value Added Tax (VAT)	In this paragraph NT is reminding municipalities to make use of the guidance provided through MSCOA Circular No. 12 when reporting VAT related issues.
6.4. Use of function segment to achieve GRAP 18 segmental reporting	In this paragraph NT is reminding municipalities to make use of the guidance provided in the Accounting Guideline on GRAP 18 Segment Reporting (February 2020).
6.5. Period closure and reconciliation of General Ledger	<p>In this paragraph NT is reminding municipalities about the requirements contained in Section 65(2)(j) of the MFMA as it relates to the closure of all financial accounts & their reconciliation to the municipality's records at the end of each month.</p> <p>This circular also reminds municipalities about Annexure B of the MFMA Circular No. 80 (8 March 2016) relating to the minimum system requirements.</p>
6.6. MSCOA Governance & Implementation	<p>In this paragraph NT is reminding municipalities of the need to develop MSCOA Roadmap (Action Plan) to fast track the implementation of MSCOA. Annexure A attached to NT Circular 126 contains the focus areas that should be considered, at a minimum, when the MSCOA Roadmap is developed.</p> <p>What is also critically important herein is the operationalisation of the MSCOA STEERCOM and as previously advised by National Treasury, inviting them as a participant to the STEERCOM will yield results.</p>
6.7. Regulating the minimum business processes and system specifications for MSCOA	In this paragraph NT is sensitising all municipalities that with effect from towards the end of 2025/26 NT will regulate the minimum business processes and system specifications for MSCOA. The outputs to be included in this part of the project is listed in terms of NT Circular 126.
6.8. Training Initiatives	In this paragraph NT is sensitising all municipalities that several training initiatives on MSCOA aimed at capacitating municipalities, government departments, system vendors and other stakeholders have been introduced. These training interventions are listed in this paragraph of NT Budget Circular 126.
7.1. Assistance with the compilation of the budgets	According to this paragraph municipalities are advised as to their respective contact officials at National Treasury to consult relating to budget compilation or enquiries thereof.
8.1. Timeframes for submission budget documentation & A Schedules for 2024/25 MTREF	<p>This paragraph of NT Circular 126 emphasises the closing date for the submission of financial information to NT (i.e. on the 10th Working Day of every month), and importantly, that the closed periods will not be opened to correct errors or to accommodate non-submission of data strings.</p> <p>It is also emphasised that municipalities must verify the credibility and accuracy of information in their financial system prior to closing the month & submitting the MSCOA data strings to NT's portal (LGDRS).</p>
8.2. Updating of contact details on GoMuni	This paragraph emphasises the importance of municipalities' updating their contact details on GoMuni as soon as changes occur, so that important information and deadlines reach the intended GoMuni users.
8.3. Submission of monthly sign-off	<p>This paragraph of NT Budget Circular 126 indicates that with effect from 2024/25 <u>all</u> municipalities will be required to sign off on MSCOA data strings submitted for Section 71 of the MFMA & grant reporting monthly.</p> <p>The monthly sign-off certificates will be system generated from the LGDRS and must be uploaded monthly with data strings submission to the GoMuni Upload portal.</p> <p>NB: This is another reason why it is considered important to prioritise the acquisition of a MSCOA compliant system. The priority now is on the system for us to ensure that we submit credible information without any human intervention. This alone will be another tedious process that involves consultation with National Treasury, etc.</p>
8.4. Training on GoMuni	This paragraph offers guidance on what to do for those role-players who want to be capacitated on the utilisation of GoMuni.

National Treasury Budget Circular 128 re-enforces Circular 126 with some additional or repeat topics being included in this Circular. Both National Treasury Budget Circulars are attached hereto as Annexures to this Budget Report, for perusal. Both National Treasury Budget Circulars will be used by National Treasury when assessing the credibility of the noted budget in around April or May 2024.

2.12 COUNCIL'S INVESTMENT PORTFOLIO (ACTUALS AND ESTIMATED FIGURES)

In ensuring that Council's cash is managed efficiently and effectively as required in terms of Council's Cash Management and Investment Policy, excess cash is invested with banks registered in terms of the

Banks Act (Act 94 of 1990). The investments are diversified across various banks based on the types of investments (Term or Call) as well as their maturity dates depending on the cashflow requirements.

The following Table gives an illustration of the historic investment portfolio for prior years, current financial year and the anticipated Investment Portfolio for the three financial years (2024/25 to 2026/27).

TABLE 63 (NMBM'S PROJECTED INVESTMENT PORTFOLIO)

INSTITUTION	2022/23 ACTUAL INVESTMENT	ACTUAL INVESTMENTS 29 FEBRUARY 2024	PROJECTED INVESTMENT BALANCE 30 JUNE 2024	PROJECTED INVESTMENT BALANCE 30 JUNE 2025	PROJECTED INVESTMENT BALANCE 30 JUNE 2026	PROJECTED INVESTMENT BALANCE 30 JUNE 2027
ABSA	920,000,000	500,000,000	650,000,000	950,000,000	1,025,000,000	1,000,000,000
ABSA CALL	5,310,000	7,676,969	7,676,969	7,700,000	3,500,000	3,500,000
FNB	925,000,000	925,000,000	1,060,000,000	1,180,000,000	1,320,000,000	1,150,000,000
NEDBANK	825,000,000	470,000,000	990,000,000	1,020,000,000	1,055,000,000	1,000,000,000
NEDBANK CALL	100,500,000	680,500,000	50,500,000	50,500,000	50,500,000	50,500,000
STANDARD BANK	926,700,000	1,006,700,000	1,076,700,000	1,196,700,000	1,231,700,000	1,150,000,000
INVESTEC	159,020,770	178,983,455	186,823,952	199,434,572	213,394,992	215,000,000
Stanlib	259,657	259,657	259,657	-	-	-
ABSA Current Account	815,061,490	379,777,830	650,000,000	670,000,000	650,000,000	600,000,000
TOTAL INVESTMENTS	4,676,851,917	4,148,897,911	4,671,960,578	5,274,334,572	5,549,094,992	5,169,000,000

The above investments are committed to finance other operations or commitments against the municipality, such as ESKOM payments, Salary & Wages, Repayments of Loans, and Grant funded projects, etc.

2.13 ATTACHMENTS TO THE BUDGET REPORT

Attached to this Budget Report are the following Annexures: -

- Capital Works Plan (2024/25 to 2026/27) (*refer to Annexure "A1"*);
- Ward Budget / Allocations (2024/25 to 2026/27) (*refer to Annexure "A2"*);
- National Treasury Budget Circular 126 (*refer to Annexure "A3"*), and
- National Treasury Budget Circular 128 (*refer to Annexure "A4"*).

2.14 CITY MANAGER'S QUALITY CERTIFICATE

I, **L Magalela (Mr)**, Acting City Manager of the Nelson Mandela Bay Metropolitan Municipality, hereby certify that the budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act (56 of 2003) and the Municipal Budget and Reporting Regulations (32141 dated 17 April 2009) made under that Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : L Magalela (Mr)

Acting City Manager of Nelson Mandela Bay Municipality (EC000)

Signature : _____

Date : 22 March 2024