



nelson mandela bay

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

PORT ELIZABETH | UITENHAGE | DESPATCH

# **2023/24 – 2025/26 BUDGET**

# TABLE OF CONTENTS

<b>Item</b>	<b>Subject</b>	<b>Page</b>
	<b>TABLE OF CONTENTS</b>	2
	<b>LIST OF TABLES</b>	3-4
	<b>PART 1 – ANNUAL BUDGET</b>	5
1.1	EXECUTIVE MAYOR'S FOREWORD – TABLING OF 2023/24 TO 2025/26 DRAFT BUDGET FOR NOTING	5-7
1.2	COUNCIL RESOLUTIONS	8-10
1.3	EXECUTIVE SUMMARY	12-14
1.4	HISTORIC PROPERTY RATES AND TARIFFS INCREASES	14
1.5	OPERATING REVENUE FRAMEWORK	14-24
1.6	OPERATING EXPENDITURE FRAMEWORK	24-49
1.7	CAPITAL EXPENDITURE	49-51
1.8	ANNUAL CONSOLIDATED BUDGET TABLES	51-70
1.9	ANNUAL BUDGET TABLES – PARENT MUNICIPALITY	70-86
1.10	CONSOLIDATED BUDGET SUPPORTING TABLES	86
1.11	THE FINANCIAL IMPACT OF UNDERFUNDED MANDATES	86-87
1.12	THE PROJECTED FINANCIL PERFORMANCE OF VARIOUS TRADING SERVICES	87-90
1.13	THE FINANCIAL IMPACT OF SAFETY AND SECURITY SERVICE	90
	<b>PART 2 – SUPPORTING DOCUMENTATION</b>	91
2.1	OVERVIEW OF ANNUAL BUDGET PROCESS	91
2.2	ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN	91-93
2.3	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	93-95
2.4	OVERVIEW OF BUDGET RELATED POLICIES	95
2.5	OVERVIEW OF BUDGET ASSUMPTIONS	95-96
2.6	EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES	96
2.7	ALLOCATIONS OR GRANTS TO MUNICIPALITY BY NATIONAL GOVERNMENT ITO DORA	96-97
2.8	COUNCILLORS AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS	97
2.9	ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – DIRECTORATES	97
2.10	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	97-98
2.11	LEGISLATION COMPLIANCE STATUS	98-100
2.12	IMPORTANCE OF THE NATIONAL TREASURY GUIDELINES ISSUED THROUGH BUDGET CIRCULARS	100-101
2.13	COUNCIL'S INVESTMENT PORTFOLIO (ACTUALS & ESTIMATED FIGURES)	101
2.14	ATTACHMENTS TO THE BUDGET REPORT	101
2.15	CITY MANAGER'S QUALITY CERTIFICATE	102

## LIST OF TABLES

Item	Subject	Page
1.	CONSOLIDATED OVERVIEW OF 2023/24 MTREF	13
2.	2023/24 MEDIUM-TERM CAPITAL BUDGET PER VOTE/DIRECTORATE	13
3.	2023/24 MEDIUM-TERM CAPITAL BUDGET PER FUNDING SOURCE NMBM ONLY	14
4.	HISTORIC PERCENTAGE INCREASES FOR SERVICES	14
5.	BUDGETED DEBT PERCENTAGE IMPAIRMENT & COLLECTION RATES PER SERVICE	15
6.	DEBT IMPAIRMENT PER SERVICE FOR 2023/24 MTREF – EXCL TRAFFIC FINES	15
7.	SUMMARY OF MAIN REVENUE SOURCES	16
8.	MIX OF MAIN REVENUE SOURCES	16-17
9.	OPERATING TRANSFERS & GRANT RECEIPTS (ONLY DORA GRANTS)	18
10.	HOUSEHOLD BILLS – MIDDLE INCOME RANGE	21-22
11.	HOUSEHOLD BILLS – AFFORDABLE RANGE	22
12.	HOUSEHOLD BILLS – NON-ATTP SMALL RANGE	22-23
13.	HOUSEHOLD BILLS – ATTP SMALL RANGE	23
14.	HOUSEHOLD BILLS – ATTP SMALL RANGE	23-24
15.	HOUSEHOLD BILLS – ATTP SMALL RANGE BASED ON NATIONAL TREASURY INDIGENT POLICY	24
16.	SUMMARY OF OPERATING EXPENDITURE BY STANDARD CLASSIFICATION ITEM & MIX	25
17.	DEBT IMPAIRMENT FOR PROPERTY RATES & SERVICES	26
18.	WATER BULK PURCHASES	27
19.	VARIOUS PROJECTS INCLUDED IN CONTRACTED SERVICES CATEGORY FUNDED FROM CONDITIONAL GRANTS	27-28
20.	REPAIRS & MAINTENANCE PER ASSET CLASS	28-30
21.	REPAIRS & MAINTENANCE PER ASSET CLASS	30-34
22.	CAPITAL EXPENDITURE ON RENEWAL OF EXISTING ASSETS BY ASSET CLASS	35-40
23.	DEPRECIATION BY ASSET CLASS	40-43
24.	CAPITAL EXPENDITURE ON UPGRADING OF EXISTING ASSETS BY ASSET CLASS	44-48
25.	FREE BASIC SERVICES SUBSIDISED FROM EQUITABLE SHARE	49
26.	2023/24 MEDIUM-TERM CAPITAL BUDGET PER VOTE/DIRECTORATE – NMBM ONLY & PERCENTAGE ALLOCATION	49
27.	2023/24 MEDIUM-TERM CAPITAL BUDGET PER FUNDING SOURCE	50
28.	CONSOLIDATED BUDGET SUMMARY	51-53
29.	CONSOLIDATED BUDGETED FINANCIAL PERFORMANCE	53-54
30.	CONSOLIDATED BUDGETED FINANCIAL PERFORMANCE (REVENUE & EXPENDITURE BY MUNICIPAL VOTE)	54-55
31.	BUDGETED FINANCIAL PERFORMANCE (REVENUE & EXPENDITURE)	55-57
32.	CONSOLIDATED BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION & FUNDING SOURCE	57-58
33.	CONSOLIDATED BUDGETED FINANCIAL POSITION	58-60
34.	CONSOLIDATED BUDGETED CASH FLOW STATEMENT	60-61
35.	CASH-BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION	61-62
36.	ASSET MANAGEMENT	62-68
37.	CONSOLIDATED BASIC SERVICE DELIVERY MEASUREMENT	68-70
38.	BUDGET SUMMARY	70-71
39.	BUDGETED FINANCIAL PERFORMANCE (REVENUE & EXPENDITURE BY FUNCTIONAL CLASSIFICATION)	71-72
40.	BUDGETED FINANCIAL PERFORMANCE (REVENUE & EXPENDITURE BY MUNICIPAL VOTE)	72-73
41.	BUDGETED FINANCIAL PERFORMANCE (REVENUE & EXPENDITURE)	73-74
42.	CONSOLIDATED BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION & FUNDING SOURCE	74-76
43.	BUDGETED FINANCIAL POSITION	76-77

44.	BUDGETED CASH FLOWS	78
45.	CASH-BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION	78
46.	ASSET MANAGEMENT	78-84
47.	BASIC SERVICE DELIVERY MEASUREMENT	84-86
48.	UNDERFUNDED MANDATES – LIBRARY SERVICES	86
49.	HIGH LEVEL SUMMARY OF ELECTRICITY SERVICE	87
50.	HIGH LEVEL SUMMARY OF WATER SERVICE	88
51.	HIGH LEVEL SUMMARY OF SANITATION TRADING SERVICE	88-89
52.	HIGH LEVEL SUMMARY OF REFUSE TRADING SERVICE	89
53.	HIGH LEVEL SUMMARY OF SAFETY & SECURITY SERVICE	90
54.	BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES (OPERATING REVENUE)	92
55.	BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES (OPERATING EXPENDITURE)	92
56.	MEASURABLE PERFORMANCE OBJECTIVES & INDICATORS	93-94
57.	SPLIT OF HOW EQUITABLE SHARE IS ALLOCATED ACROSS INSTITUTION	94-95
58.	GRANTS ALLOCATED ITO DORA BY NATIONAL GOVERNMENT	96-97
59.	COUNCILLORS' ALLOWANCES & BENEFITS	97
60.	CONTRACTS IMPACTING ON MUNICIPALITY'S REVENUE	98
61.	SECTION 33 EXPENDITURE	98
62.	ISSUES RAISED IN NATIONAL TREASURY BUDGET CIRCULAR 123	100-101
63.	NMBM'S PROJECTED INVESTMENT PORTFOLIO	101

## LIST OF FIGURES

Item	Subject	Page
1.	GRAPH - PERCENTAGE SPLIT OF VARIOUS REVENUE SOURCES (OPERATING)	17
1.	GRAPH - OPERATING EXPENDITURE ITEMS (2023/24)	25
1.	GRAPH – CAPITAL BUDGET	50
1.	GRAPH – CAPITAL BUDGET PER FUNDING SOURCES (2023/24)	51

## PART 1 – ANNUAL BUDGET

### 1.1 EXECUTIVE MAYOR’S FOREWORD – TABLING OF THE 2023/24 TO 2025/26 DRAFT BUDGET FOR NOTING

Section 16(1) of the Local Government: Municipal Finance Management Act (MFMA), (Act No. 56 of 2003) requires that the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. Section 24(1) of the MFMA further states that the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget.

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 22 February 2023, the Minister of Finance tabled the 2023/24 to 2025/26 Budget in Parliament. The budget as tabled by the Minister of Finance in Parliament, includes various grant allocations to municipalities, in terms of the DORA. The municipality’s budget includes the following grant allocations:

ALLOCATION OF GRANTS IN TERMS OF THE DIVISION OF REVENUE BILL (2023/24 to 2025/26)				
GRANT NAME	GRANT TYPE(CONDITIONAL / UNCONDITIONAL)	2023/24	2024/25 (1st Outer Year Projections)	2025/26 (2nd Outer Year Projections)
<b>OPERATING GRANTS</b>				
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Equitable Share (Schedule 3)	Unconditional	1,419,053	1,544,894	1,694,225
Financial Management Grant	Conditional	1,000	1,000	1,138
Infrastructure Skills Development Grant	Conditional	13,750	13,500	14,500
EPWP	Conditional	8,397	-	-
City Led Public Employment Program (Included in the NDPG)	Conditional	20,000	-	-
Programme and Project Preparation Support Grant	Conditional	20,000	22,000	22,000
Fuel Levy Grant	Unconditional	783,478	823,949	866,384
<b>TOTAL - OPERATING</b>		<b>2,265,678</b>	<b>2,405,343</b>	<b>2,598,247</b>
GRANT NAME	GRANT TYPE CONDITIONAL / UNCONDITIONAL	2023/24	2024/25 (1st Outer Year Projections)	2025/26 (2nd Outer Year Projections)
<b>CAPITAL GRANTS</b>				
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Urban Settlements Development Grant (USDG) Annexure W5)	Conditional	614,902	642,517	671,302
Informal Settlement Upgrading Partnership Grant	Conditional	349,635	365,337	381,704
Neighbourhood Partnership Development Grant (NDPG)	Conditional	9,700	20,000	20,000
Public Transport Network Operations Grant	Conditional	346,376	344,365	338,242
Regional Bulk Infrastructure Grant (Page 312 of 336)	Conditional	348,000	250,000	390,000
Energy Efficiency and Demand Side Management Grant	Conditional	9,000	10,000	8,000
<b>TOTAL - CAPITAL</b>		<b>1,677,613</b>	<b>1,632,219</b>	<b>1,809,248</b>
<b>TOTAL GRANTS (OPERATING AND CAPITAL)</b>		<b>3,943,291</b>	<b>4,037,562</b>	<b>4,407,495</b>

In terms of the above table, the total Operating Grants amount to R2.27 billion, R2.41 billion and R2.60 billion for the three financial years, whilst the total Capital Grants amount to R1.68 billion, R1.63 billion and R1.81 billion over the same period.

The above allocations include the Informal Settlements Upgrading Partnership Grant (ISUPG), which has been gazetted, amounting to R349.64 million, R365.33 million and R381.70 million over the three-year period. The Human Settlements Directorate, in conjunction with the affected Service Delivery Directorates have ensured that the projects to be funded from this grant, are in line with the latest

Business Plan as approved by the National Department of Human Settlements, to enable final approval of budget by Council.

A new allocation, being the Regional Bulk Infrastructure Grant has been allocated to the municipality amounting to R348 million, R250 million and R390 million over the three-year period. The Infrastructure & Engineering 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 the service level agreement entered into with the Coega Development Corporation (CDC).

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 electricity tariff increases 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 January 2023, compared to the position as at the end of June 2022:-

Detail	OVERDUE AMOUNTS		
	June 2022	January 2023	Difference
Trade and Other Receivables from Exchange Transactions – Water	R 4,064,691,059	R 6,787,253,671	R 2,722,562,612
Trade and Other Receivables from Exchange Transactions – Electricity	R 773,487,147	R 831,703,143	R 58,215,996
Receivables from Non-exchange Transactions - Property Rates	R 1,076,022,931	R 1,355,128,067	R 279,105,136
Receivables from Exchange Transactions - Waste Water Management	R 935,759,248	R 1,073,693,614	R 137,934,366
Receivables from Exchange Transactions - Waste Management	R 529,232,047	R 609,915,254	R 80,683,207
Receivables from Exchange Transactions - Property Rental Debtors	R 36,642,937	R 40,178,497	R 3,535,560
Interest on Arrear Debtor Accounts	R 1,430,696,992	R 1,744,895,947	R 314,198,955
Other	R 404,536,706	R 417,612,174	R 13,075,468
<b>Total By Income Source</b>	<b>R 9,251,069,067</b>	<b>R 12,860,380,367</b>	<b>R 3,609,311,300</b>
<b>Debtors Age Analysis By Customer Group</b>			
Organs of State	R 150,887,128	R 174,827,696	R 23,940,568
Commercial	R 1,816,207,856	R 1,996,042,621	R 179,834,765
Households	R 7,242,667,376	R 10,648,762,048	R 3,406,094,672
Other NMBM	R 41,306,707	R 40,748,002	-R 558,705
<b>Total By Customer Group</b>	<b>R 9,251,069,067</b>	<b>R 12,860,380,367</b>	<b>R 3,609,311,300</b>

The aforementioned table indicates that the arrear debt has increased by R3.6 billion from R9.3 billion in June 2022 to R12.9 billion in January 2023, with the biggest contributor being arrear water debt, which has increased by R2.7 billion from R4.1 billion to R6.8 billion.

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 loss, requiring to be supported by 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. In order to

guide salary increases the projected average CPI, as indicated in the latest National Treasury Budget Circulars, was considered.

Let me take this opportunity to sincerely thank all role players who assisted in ensuring that the Budget is submitted to Council for consideration on 7 June 2023.

I therefore table the 2023/24-2025/26 Draft Budget and the accompanying documents before Council for APPROVAL.

**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 2023/24 and the indicative allocations for the projected outer years 2024/25 and 2025/26, and the multi-year and single year capital appropriations, be **approved** 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 54] (A2);
  - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type / municipal vote); [Page 54 to 55] (A3);
  - 1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source (A5); [Page 57 to 58];
  - 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 58 to 60];
    - 1.7 Budgeted Cash Flows (A7); [Page 60 to 61];
    - 1.8 Cash backed reserves and accumulated surplus reconciliation (A8); [Page 61 to 62];
    - 1.9 Asset Management (A9); [Page 62 to 68]; and
    - 1.10 Basic service delivery measurement (A10). [Page 68 to 70].
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 R133.1 million (2023/24), R139.8 million (2024/25) and R146.8 million (2025/26) 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 2023/24 (1 July 2023) financial year are as follows:

Property rates	-	5%
Water	-	6.00%
Sanitation	-	6.00%
Refuse	-	6.00%
Electricity	-	15.10% (On average (depending on the various customer categories), subject to NERSA's final approval).
5. That the indicative tariffs for 2024/25 and 2025/26 be increased as follows (considering the external factors impacting on Electricity and Water Services):

	<b>2024/25</b>	<b>2025/26</b>
Property Rates	5.50%	6.00%
Water	6.50%	7.00%
Sanitation	6.50%	7.00%
Refuse	6.50%	7.00%
Electricity	15.10%	15.10%

6. That Council notes the contents of National Treasury MFMA **Circulars 122 and 123** (attached elsewhere to the Budget Report) for guiding the budgeting processes leading up to budget approval by the end of May 2023.
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 by the end of May 2023:

JOB NUMBER / ORG CODE	NAME OF ORGANISATION	2023/24	2024/25	2025/26	Authority
2018NSRA0 0266/7	Sport & Recreation - Sport Programs	1,580,343	1,675,164		Mandate
2018NSRA0 5839	COSAFA & Swimming Pool Championship	1,994,917	2,500,000	2,500,000	Council Resolution
00648503	Support: ABC Motsepe League Teams	763,200	809,000	850,000	Mandate
00648504	Nelson Mandela Bay Sports Summit	1,059,930	1,162,926	-	Council Resolution/ SLA ends 2024/25
00648535	Nedbank Runified Race	1,272,000	-	-	SLA ends 2023/24 (renewal to be sort)
2018NSRA0 5871	RICHMOND HILL FESTIVAL	250,000	0	0	Council Resolution: The 2023/24 is the last financial year. New event proposal will be submitted to Council for consideration for the following 3 years. Budget will be increased to R300 000 per/annum Vat inclusive.
2018NSRA0 5873	SOUTH END MUSEUM	750,000	0	0	SLA ends 2023/24.
2018NSRA0 0275	Repatriation - Reburials	314,608	333,484	500,000	Mandate
2018NSRA0 0381	LEVIES: SPECIAL EVENTS - 20050254 (1)	813,183	861,974	1,500,000	Mandate: the budget amount to be increased to deal with unsolicited events proposals requests for sponsorship that address local government mandate related to SRAC
2018NSRA0 5878	SPLASH FESTIVAL	3,853,915	0	0	Council Resolution: SLA ends 2023/24 (renewal for the next 3 years will be advertised budget to be increased to R4,5 per/annum)
2018NSRA0 5881	EP ATHLETICS	6,000,000	0	0	SLA ends 2023/24. No Council Resolution for outer years.
2018NSRA0 5884	NELSON MANDELA BAY GOLF CHAMPIONSHIP	1,600,000	0	0	Council Resolution: SLA ends in 2023/24. No Council Resolution for outer years.
2018NSRA0 5885	HERALD CYCLE TOUR	1,000,000	0	0	SLA ends 2023/24 (renewal to be sort)
2018NSRA0 5889	RIVER MILE	300,000	0	0	SLA ends 2023/24 (renewal to be sort)
2018NSRA0 0382	Levies: Memorial Lectures	337,080	357,305	400,000	Mandate
2018NSRA0 0379	Heritage Month	337,080	357,305	400,000	Mandate
11148506	Lifesaving Championships	1,100,000	0	0	SLA ends 2023/24 (renewal to be sought)
11148507	Ebubeleni Music Festival	2,550,000	3,050,000	-	SLA valid 2023/24-2024/25
<b>TOTAL</b>		<b>25,876,256</b>	<b>9,944,232</b>	<b>6,150,000</b>	

8. That Council notes that payments made to the aforementioned organisations will be in line with approved Service Level Agreements (SLA's) entered between the NMBM and the individual organisation.

9. Considers and approves the proposed changes to the 2023/24 to 2025/26 Draft Budget and authorises the Chief Financial Officer to effect the changes prior to submission of the Budget to National Treasury.

**THE 2023/24 TO 2025/26  
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. The imposition of steeper punitive water tariffs, 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 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 2023/24 MTREF, including the latest MFMA Circulars 122 and 123. These two MFMA Circulars are attached elsewhere as Annexures to the budget report.

The Municipality is faced with the following significant challenges during the compilation of the 2023/24 MTREF:

- The declining collection rate and load shedding 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.
- Ensuring that electricity and water losses are reduced to acceptable levels.
- 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 following budget principles and guidelines directly informed the compilation of the 2023/24 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 2023/24 Medium-Term Revenue and Expenditure Framework:

**TABLE 1 (CONSOLIDATED OVERVIEW OF THE 2023/24 MTREF)**

R thousands	Original Budget 2022/23	Adjusted Budget 2022/23	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
Total Operating Revenue (Including Fuel Levy)	14,846,441	16,345,994	16,055,280	17,339,891	19,013,452
<b>Total Operating Expenditure</b>	15,397,727	16,429,657	17,272,542	18,330,617	19,780,855
Actual Surplus/(Deficit)	(551,287)	(83,663)	(1,217,262)	(990,726)	(767,403)
<b>Total Capital expenditure (Incl. Entity)</b>	<b>1,638,618</b>	<b>1,831,306</b>	1,995,957	1,783,612	1,926,802

The above table indicates that the total revenue has increased from R14.8 billion in the 2022/23 original budget, R16.3 billion in the 2022/23 Adjustments Budget and is projected to range between R16.0 billion to R19.0 billion during the 2023/24 MTREF. The expenditure increased from R15.4 billion in the 2022/23 original budget, R16.4 billion in the 2022/23 Adjustments Budget and ranges between R17.3 billion to R19.8 billion during the 2023/24 MTREF. The projected deficits for the 2023/24 MTREF period are R1.2 billion, R991.0 million and R767.4 million for the 2023/24, 2024/25 and 2025/26 financial years respectively.

To support the 2023/24 Operating Budget, the following increase in property rates and service charges are recommended, with effect from 1 July 2023:

Property rates	-	5%	
Water	-	6%	
Sanitation	-	6%	
Refuse	-	6%	
Electricity (Average)	-	15.10%	(On average depending on various customer categories, subject to NERSA's final approval).

### 1.3.1. Summary of the Capital Budget (2023/24 to 2025/26)

The capital budget for the 2023/24, 2024/25 and 2025/26 financial years amounts to R1.99 billion, R1,78 billion and R1.93 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 (2023/24 MEDIUM-TERM CAPITAL BUDGET PER VOTE / DIRECTORATE)**

Directorate	2023/24 Approved Capital Budget	% Allocation	2024/25 Approved Capital Budget	2025/26 Approved Capital Budget
Budget & Treasury	21,902,500	1.1%	4,060,460	1,030,000
Corporate Services	37,465,000	1.9%	29,500,000	34,500,000
Economic Development, Tourism and Agriculture	3,010,000	0.2%	-	-
Sport and Recreation	51,579,980	2.6%	40,500,000	43,500,000
Human Settlements	150,351,880	7.5%	404,147,480	415,533,220
Electricity and Energy	315,810,800	15.8%	158,404,850	157,665,720
Roads, Stormwater, Transportation & Fleet	612,215,030	30.7%	489,526,300	491,141,300
Water Services	466,838,434	23.4%	381,791,300	503,530,430
Sanitation Services	142,205,180	7.1%	120,440,570	138,595,560
Public Health	79,221,290	4.0%	54,600,000	50,400,000
Safety & Security	60,950,000	3.1%	43,350,000	29,950,000
<b>TOTAL NMBM CAPITAL BUDGET</b>	<b>1,941,550,095</b>		<b>1,726,320,960</b>	<b>1,865,846,230</b>
<b>MBDA - 1657 5718</b>	54,407,000	2.7%	57,292,000	60,955,000
<b>Consolidated Capital Budget</b>	<b>1,995,957,095</b>	<b>100%</b>	<b>1,783,612,960</b>	<b>1,926,801,230</b>

The above table gives a high-level breakdown of the Capital Budget per Vote / Directorate and percentage allocation per vote / Directorate for the first financial year (2023/24). 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 (i.e. Roads, Stormwater, IPTS, Transportation & Fleet, Water Services, Electricity & Energy, etc.). The details of the capital budget per Directorate are found in the Capital Works Plan, which is attached as an Annexure to the Budget Report.

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

**TABLE 3 (2023/24 MEDIUM-TERM CAPITAL BUDGET PER FUNDING SOURCE NMBM ONLY)**

Sources of Funding	2023/24 Approved Capital Budget	% Allocation	2024/25 Approved Capital Budget	2025/26 Approved Capital Budget
Total CRR - 901	126,200,500	6.3%	45,110,460	30,000,000
Total Levies Replacement Grant Funding - 959	445,459,000	22.3%	460,392,000	476,205,000
Total Public Contributions Funding - 923	40,000,000	2.0%	40,000,000	40,000,000
Urban Settlements Development Grant - 951	526,676,930	26.4%	550,329,770	574,984,760
Informal Settlements Upgrading Partnership Grant - 972	294,465,205	14.8%	254,147,480	265,533,220
IPTS Grant - 918	185,200,000	9.3%	190,155,000	176,600,000
Neighbourhood Development Grant - 919	8,434,780	0.4%	17,391,300	17,391,300
External Finance Fund - 962	76,338,080	3.8%	-	-
Regional Bulk Infrastructure Grant - 973	285,356,520	14.3%	217,391,300	339,130,430
Energy Efficiency & Demand Side Management Grant - 976	7,826,080	0.4%	8,695,650	6,956,520
<b>Total Capital Budget Funding</b>	<b>1,995,957,095</b>	<b>100%</b>	<b>1,783,612,960</b>	<b>1,926,801,230</b>

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	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
	%	%	%	%	%	%	%	%	%	%
Electricity	15.10(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	5	6	6	7.5	8.5	9	9	13	12
Sanitation	6	5	6	6	7.5	8.5	9	9	12	12
Property Rates	5	5.5	6	6	7.77	5	4.4	9.5	9.5	9.5
Refuse	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.
- Tariff and Credit Control Policies.

- 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 2023/24 MTREF, which is based on the anticipated revenue that may not be collected as calculated above:

**TABLE 6 (DEBT IMPAIRMENT PER SERVICE FOR THE 2023/24 MTREF - EXCL. TRAFFIC FINES)**

Debt Impairment	2023/24	2024/25	2025/26
Impairment Loss: Receivables from Exchange Transactions: Wastewater Management	234,514,970	249,758,450	267,241,540
Impairment Loss: Receivables from Exchange Transactions: Waste Management	143,441,270	152,764,950	163,485,500
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Water	1,589,639,190	1,678,447,780	1,780,615,790
Impairment Loss: Other Receivables from Non-exchange Revenue: Property Rates	299251810	316416960	336811970
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Electricity	111,346,940	119,664,550	128,603,500
<b>Total Impairment of Receivables (Excl. Traffic Fines Impairment)</b>	<b>2,378,194,180</b>	<b>2,517,052,690</b>	<b>2,676,758,300</b>

The impact of the punitive water tariffs is the biggest contributor to debt impairment, ranging from 66.04%, 65.9% and 65.8% for the three financial years.

### 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	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>							
<b>Revenue</b>							
<b>Exchange Revenue</b>							
Service charges - Electricity	4,215,000	4,708,773	4,486,192	4,486,192	5,159,121	5,932,989	6,822,937
Service charges - Water	2,832,242	2,693,767	4,307,977	4,307,977	2,943,776	3,108,237	3,297,437
Service charges - Waste Water Management	724,346	776,924	790,145	790,145	837,553	891,994	954,434
Service charges - Waste Management	291,403	294,378	294,178	294,178	311,829	332,098	352,606
Sale of Goods and Rendering of Services	79,994	113,680	106,678	106,678	117,720	124,860	132,400
Agency services	4,032	3,453	3,453	3,453	3,716	3,998	4,302
Interest earned from Receivables	498,117	399,628	553,833	553,833	573,984	602,705	632,935
Interest earned from Current and Non-Current Assets	182,208	179,558	194,798	194,798	208,088	216,375	225,640
Rental from Fixed Assets	28,006	29,488	29,508	29,508	31,021	32,658	34,438
Licence and permits	19,169	16,848	17,157	17,157	18,157	19,359	20,638
Operational Revenue	23,500	34,909	36,304	36,304	38,583	39,134	41,623
<b>Non-Exchange Revenue</b>							
Property rates	2,661,453	2,838,816	2,838,816	2,838,816	2,980,757	3,144,699	3,333,381
Fines, penalties, and forfeits	109,210	94,347	78,347	78,347	82,843	87,028	91,746
Licences or permits	1	2	2	2	1	-	-
Transfer and subsidies - Operational	2,023,691	1,907,396	1,853,682	1,853,682	1,964,652	1,979,809	2,202,553
Fuel Levy	-	754,473	754,473	754,473	783,478	823,949	866,384
Gains on disposal of Assets	740	-	450	450	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>13,693,112</b>	<b>14,846,441</b>	<b>16,345,994</b>	<b>16,345,994</b>	<b>16,055,280</b>	<b>17,339,891</b>	<b>19,013,452</b>

The above table reflects the various revenue sources that are utilised to fund the municipality's budget from the 2021/22 audited outcomes, the 2022/23 MTREF period and the projected 2023/24 MTREF period.

The following table is a summary of the 2023/24 MTREF (classified by main revenue source indicating the level of % contribution per service:

**TABLE 8 (MIX OF MAIN REVENUE SOURCES)**

Description	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework					
		Adjusted Budget	Budget Year 2023/24	%	Budget Year 2024/25	%	Budget Year 2025/26
<b>R thousands</b>							
<b>Revenue</b>							
<b>Exchange Revenue</b>							
Service charges - Electricity	4,486,192	5,159,121	32.1%	5,932,989	34.2%	6,822,937	35.9%
Service charges - Water	4,307,977	2,943,776	18.3%	3,108,237	17.9%	3,297,437	17.3%
Service charges - Waste Water Management	790,145	837,553	5.2%	891,994	5.1%	954,434	5.0%
Service charges - Waste Management	294,178	311,829	1.9%	332,098	1.9%	352,606	1.9%
Sale of Goods and Rendering of Services	106,678	117,720	0.7%	124,860	0.7%	132,400	0.7%
Agency services	3,453	3,716	0.0%	3,998	0.0%	4,302	0.0%
Interest earned from Receivables	553,833	573,984	3.6%	602,705	3.5%	632,935	3.3%
Interest earned from Current and Non-Current Assets	194,798	208,088	1.3%	216,375	1.2%	225,640	1.2%
Rental from Fixed Assets	29,508	31,021	0.2%	32,658	0.2%	34,438	0.2%
Licence and permits	17,157	18,157	0.1%	19,359	0.1%	20,638	0.1%

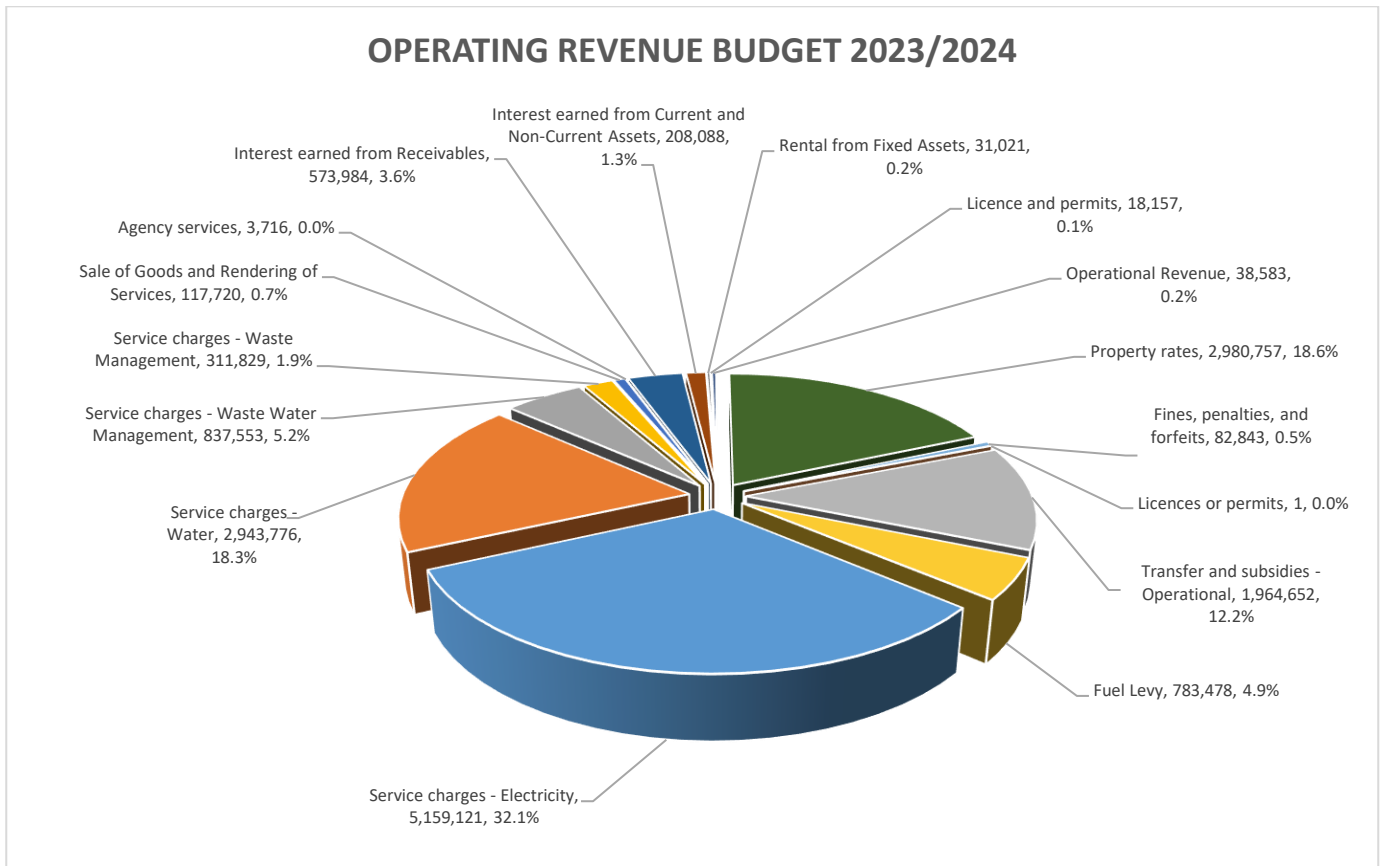
Description	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework					
		Adjusted Budget	Budget Year 2023/24	%	Budget Year 2024/25	%	Budget Year 2025/26
<b>R thousands</b>							
<b>Revenue</b>							
Operational Revenue	36,304	38,583	0.2%	39,134	0.2%	41,623	0.2%
<b>Non-Exchange Revenue</b>							
Property rates	2,838,816	2,980,757	18.6%	3,144,699	18.1%	3,333,381	17.5%
Fines, penalties, and forfeits	78,347	82,843	0.5%	87,028	0.5%	91,746	0.5%
Licences or permits	2	1	0.0%	-	0.0%	-	0.0%
Transfer and subsidies - Operational	1,853,682	1,964,652	12.2%	1,979,809	11.4%	2,202,553	11.6%
Fuel Levy	754,473	783,478	4.9%	823,949	4.8%	866,384	4.6%
Gains on disposal of Assets	450	-	0.0%	-	0.0%	-	0.0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>16,345,994</b>	<b>16,055,280</b>	<b>100%</b>	<b>17,339,891</b>	<b>100%</b>	<b>19,013,452</b>	<b>100%</b>

Based on the above during the 2023/24 financial year, rates and service charges are estimated to amount to R12.2 billion or 76.2% of the total revenue. This increases to R13.4 billion and R14.8 billion for the 2024/25 and 2025/26 financial years, respectively. Property rates represent the second largest revenue source, amounting to 18.6% or R2.98 billion in 2023/24, increasing to R3.14 billion in 2024/25 and R3.33 billion in 2025/26.

Operating grants and transfers amounted to R1.9 billion in the 2023/24 financial year, increases to R2.0 billion in 2024/25 and to R2.2 billion in the 2025/26 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 2023/24 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 (2023/24 to 2025/26)				
GRANT NAME	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2023/24	2024/25 (1st Outer Year Projections)	2025/26 (2nd Outer Year Projections)
<b>OPERATING GRANTS</b>				
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Equitable Share (Schedule 3)	Unconditional	1,419,053	1,544,894	1,694,225
Financial Management Grant	Conditional	1,000	1,000	1,138
Infrastructure Skills Development Grant	Conditional	13,750	13,500	14,500
EPWP	Conditional	8,397	-	-
City Led Public Employment Program (Included in the NDPG)	Conditional	20,000	-	-
Programme and Project Preparation Support Grant	Conditional	20,000	22,000	22,000
Fuel Levy Grant	Unconditional	783,478	823,949	866,384
<b>TOTAL - OPERATING</b>		<b>2,265,678</b>	<b>2,405,343</b>	<b>2,598,247</b>

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 2023.

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.
- Operationalisation of the previously approved commitments by Council, such as insourcing decisions of about 672 private security guards (Watchmen), etc., and
- 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 and 123); 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 2023. 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 18.49% as from 1 July 2023. Considering the Eskom tariff increase, the Municipality's consumer tariffs have been set at 15.10% 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 and 123); 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 2023. 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 2023/24 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 2023.

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.

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	2020/21	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome t	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
							% incr.			
<b>Rates and services charges:</b>										
<b>Property rates R700 000</b>	<b>762.00</b>	<b>807.72</b>	<b>762.00</b>	<b>852.14</b>	<b>852.14</b>	<b>852.14</b>	<b>5.0</b>	<b>894.75</b>	<b>943.96</b>	<b>1,000.60</b>
<b>Electricity: Consumption (1000 Kwh)</b>	<b>1,972.04</b>	<b>2,259.76</b>	<b>1,972.04</b>	<b>2,428.56</b>	<b>2,428.56</b>	<b>2,428.56</b>	<b>15.10</b>	<b>2,877.63</b>	<b>3,243.08</b>	<b>3,654.96</b>
0 - 350	579.56	664.12	579.56	713.73	713.73	713.73	15.10	845.70	953.10	1,074.15
351 - 600	499.61	572.50	499.61	615.27	615.27	615.27	15.10	729.03	821.62	925.97
601 - 900	663.26	760.03	663.26	816.80	816.80	816.80	15.10	967.83	1,090.74	1,229.26
901 - 1000	229.62	263.12	229.62	282.78	282.78	282.78	15.10	335.07	377.62	425.58
<b>Water: Basic levy</b>	<b>51.30</b>	<b>54.38</b>	<b>51.30</b>	<b>57.64</b>	<b>57.64</b>	<b>57.64</b>	<b>6.0</b>	<b>61.10</b>	<b>65.07</b>	<b>69.62</b>
<b>Water: Consumption (30 Kl)</b>	<b>493.76</b>	<b>523.39</b>	<b>493.76</b>	<b>554.79</b>	<b>554.79</b>	<b>554.79</b>	<b>6.0</b>	<b>588.07</b>	<b>626.30</b>	<b>670.14</b>
0 - 24	375.95	398.51	375.95	422.42	422.42	422.42	6.0	447.77	476.88	510.26
>24	117.80	124.87	117.80	132.36	132.36	132.36	6.0	140.30	149.42	159.88
<b>Sanitation</b>	<b>332.26</b>	<b>352.20</b>	<b>332.26</b>	<b>373.33</b>	<b>373.33</b>	<b>373.33</b>	<b>6.0</b>	<b>395.73</b>	<b>421.45</b>	<b>450.95</b>

Monthly Account for Household - 'Middle Income Range'	2020/21	2021/22	2020/21	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome t	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
							% incr.			
Sanitation Availability Levy	51.30	54.38	51.30	57.64	57.64	57.64	6.0	61.10	65.07	69.62
Refuse removal	124.95	132.45	124.95	140.40	140.40	140.40	6.0	148.82	158.50	169.59
Sub-total	3,787.60	4,184.28	3,787.60	4,464.50	4,464.50	4,464.50		5,027.20	5,523.43	6,085.48
VAT on Services	453.84	506.48	453.84	541.85	541.85	541.85	15.0	619.87	686.92	762.73
Total large household bill:	4,241.43	4,690.76	4,241.43	5,006.35	5,006.35	5,006.35		5,647.07	6,210.35	6,848.21
% increase/-decrease	6.12%	10.59%	6.12%	6.73%	6.73%	6.73%		12.80%	9.97%	10.27%

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'	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
						% incr.			
<b>Rates and services charges:</b>									
Property rates R500 000	539.51	571.88	603.33	603.33	603.33	5.0	633.50	668.34	708.44
Electricity: Consumption (500 Kwh)	879.33	1,007.62	1,082.88	1,082.88	1,082.88	15.10	1,283.13	1,446.08	1,629.74
0 - 350	579.56	664.12	713.73	713.73	713.73	15.10	845.70	953.10	1,074.15
351 -500	299.77	343.51	369.17	369.17	369.17	15.10	437.43	492.98	555.59
Water: Basic levy	51.30	54.38	57.64	57.64	57.64	6.0	61.10	65.07	69.62
Water: Consumption (25 Kl)	395.58	419.30	444.46	444.46	444.46	6.0	471.14	501.76	536.88
0 – 24	375.95	398.51	422.42	422.42	422.42	6.0	447.77	476.87	510.25
>24	19.62	20.80	22.05	22.05	22.05	6.0	23.37	24.89	26.63
Sanitation	276.89	293.50	311.11	311.11	311.11	6.0	329.78	351.21	375.80
Sanitation Availability Levy	51.30	54.38	57.64	57.64	57.64	6.0	61.10	65.07	69.62
Refuse removal	124.95	132.45	140.40	140.40	140.40	6.0	148.82	158.50	169.59
Sub-total	2,318.85	2,533.54	2,697.46	2,697.46	2,697.46		2,988.57	3,256.03	3,559.69
VAT on Services	266.90	294.25	314.12	314.12	314.12		353.26	388.15	427.69
Total small household bill:	2,585.76	2,827.79	3,011.58	3,011.58	3,011.58		3,341.83	3,644.18	3,987.38
% increase/-decrease	6.09%	9.36%	6.50%	6.50%	6.50%		10.97%	9.05%	9.42%

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	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
						% incr.			
<b>Rates and services charges:</b>									
Property rates R300 000	317.04	336.06	354.54	354.54	354.54	5.0	372.27	392.74	416.31
Electricity: Consumption (350Kwh)	579.56	664.12	713.73	713.73	713.73	15.10	845.70	953.10	1,074.15
0 -350	579.56	664.12	713.73	713.73	713.73				

Monthly Account for Household - 'Non-Indigent' Household receiving free basic services	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
						% incr.			
						15.10	845.70	953.10	1,074.15
Water: Basic levy	51.30	54.38	57.64	57.64	57.64	6.0	61.10	65.07	69.62
Water: Consumption (20 KL)	313.29	332.09	352.02	352.02	352.02	6.0	373.14	397.40	425.21
Sanitation	221.51	234.80	253.13	253.13	253.13	6.0	268.32	285.76	305.76
Sanitation Availability Levy	51.30	54.38	57.64	57.64	57.64	6.0	61.10	65.07	69.62
Refuse removal	124.95	132.45	140.40	140.40	140.40	6.0	148.82	158.50	169.59
Sub-total	1,658.95	1,808.28	1,929.10	1,929.10	1,929.10		2,130.45	2,317.64	2,530.26
VAT on Services	201.29	220.83	236.18	236.18	236.18		263.73	288.74	317.09
Total small household bill:	1,860.24	2,029.11	2,165.28	2,165.28	2,165.28		2,394.18	2,606.38	2,847.35
% increase/-decrease	6.08%	9.08%	6.71%	6.71%	6.71%		10.57%	8.86%	9.25%

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	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
						% incr.			
Rates and services charges:									
Property rates R300 000	299.09	336.06	354.54	354.54	354.54	5.0	372.27	392.74	416.31
Electricity: Consumption (350Kwh)	381.37	464.19	498.86	498.86	498.86	15.10	591.11	666.18	750.78
0 - 75	75.88	92.36	99.26	99.26	99.26	15.10	117.61	132.55	149.38
75-350	305.49	371.83	399.61	399.61	399.61	15.10	473.50	533.63	601.40
Water: Basic levy	48.40	54.38	57.64	57.64	57.64	6.0	61.10	65.07	69.62
Water: Consumption (20 KL)	295.56	332.09	352.02	352.02	352.02	6.0	373.14	397.40	425.21
Sanitation	208.97	234.80	253.13	253.13	253.13	6.0	268.32	285.76	305.76
Sanitation Availability Levy	48.40	54.38	57.64	57.64	57.64	6.0	61.10	65.07	69.62
Refuse removal	117.87	132.45	140.40	140.40	140.40	6.0	148.82	158.50	169.59
Sub-total	1,399.66	1,608.35	1,714.23	1,714.23	1,714.23		1,875.86	2,030.72	2,206.89
VAT on Services	165.09	190.84	203.95	203.95	203.95		225.54	245.70	268.59
Total small household bill:	1,564.75	1,799.19	1,918.18	1,918.18	1,918.18		2,101.40	2,276.42	2,475.48
% increase/-decrease	9.05%	8.41%	6.61%	6.61%	6.61%		9.55%	8.33%	8.74%

The following table illustrates what would be payable by an 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 after applying the NMBM ATTP policy.

**TABLE 14 (TABLE SA14 – HOUSEHOLD BILLS – ATTP - SMALL RANGE)**

Monthly Account for Household - 'Indigent' Household receiving free basic services – after reduction of funding from E-Share	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
						% incr.			
Rates and services charges:									
Property rates R300 000			-	-	-	5.0%	-	-	-
Electricity: Consumption (350Kwh)	324.49	371.83	399.61	399.61	399.61	15.10%	473.50	533.63	601.40

Monthly Account for Household - 'Indigent' Household receiving free basic services prior to free services	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
0 - 75	-	-	-	-	-	-	-	-	-
75-350	324.49	371.83	399.61	399.61	399.61	15.10%	473.50	533.63	601.40
Water: Basic levy	-	-	-	-	-	-	-	-	-
Water: Consumption (20 KL) less 8 kl free	187.97	199.25	211.21	211.21	211.21	6.00%	223.88	238.43	255.13
Sanitation less 11kl free	99.67	105.65	111.99	111.99	111.99	6.00%	118.71	126.43	135.28
Refuse removal	-	-	-	-	-	6.00%	-	-	-
Sub-total	612.14	676.73	722.81	722.81	722.81		816.09	898.49	991.81
VAT on Services	91.82	101.51	108.42	108.42	108.42		122.41	134.77	148.77
Total small household bill:	703.96	778.24	831.23	831.23	831.23		938.50	1,033.26	1,140.58
% increase/-decrease	6.12%	10.55%	6.81	6.81	6.81		12.90%	10.10%	10.39%

It is important to note that an ATTP qualifying consumer using the above level of services will only pay R938.50 compared to the R2,394.18 to be paid by a consumer using the same level of service, but not qualifying for NMBM ATTP assistance.

**TABLE 15 (TABLE SA14 – HOUSEHOLD BILLS – ATTP - 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	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
						% incr.			
Rates and services charges:									
Property rates R300 000	317.04	336.06	354.54	354.54	354.54	5.0%	372.27	392.74	416.31
Electricity: Consumption (350Kwh)	353.99	405.64	435.94	435.94	435.94	15.10%	516.55	582.15	656.08
0 - 50	-	-	-	-	-				
50 -350	353.99	405.64	435.94	435.94	435.94	15.10%	516.55	582.15	656.08
Water: Basic levy	51.3	51.3	54.38	54.38	54.38	6%	57.64	61.39	65.69
Water: Consumption (20 KL) less 6 kl free	219.3	232.46	246.41	246.41	246.41	6%	261.19	278.17	297.64
Sanitation	-	-	-	-	-	-	-	-	-
Sanitation Availability	-	-	-	-	-	-	-	-	-
Refuse removal	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Sub-total	941.63	1,025.46	1,091.27	1,091.27	1,091.27	6.42%	1,207.65	1,314.45	1,435.72
VAT on Services	93.69	103.41	110.51	110.51	110.51		125.31	138.26	152.91
Total small household bill:	1,035.32	1,128.87	1,201.78	1,201.78	1,201.78	6.46%	1,332.96	1,452.71	1,588.63
% increase/-decrease	6.09%	9.04%	6.46%	6.46%	6.46%		10.92%	8.98%	9.36%

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 2023/24 financial year a resident will be billed in the amount of R938.50 compared to the R1,332.96 if the National Indigent Policy was enforced.

## 1.6. OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2023/24 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.
- The asset renewal strategy and the repairs and maintenance plan.
- 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.

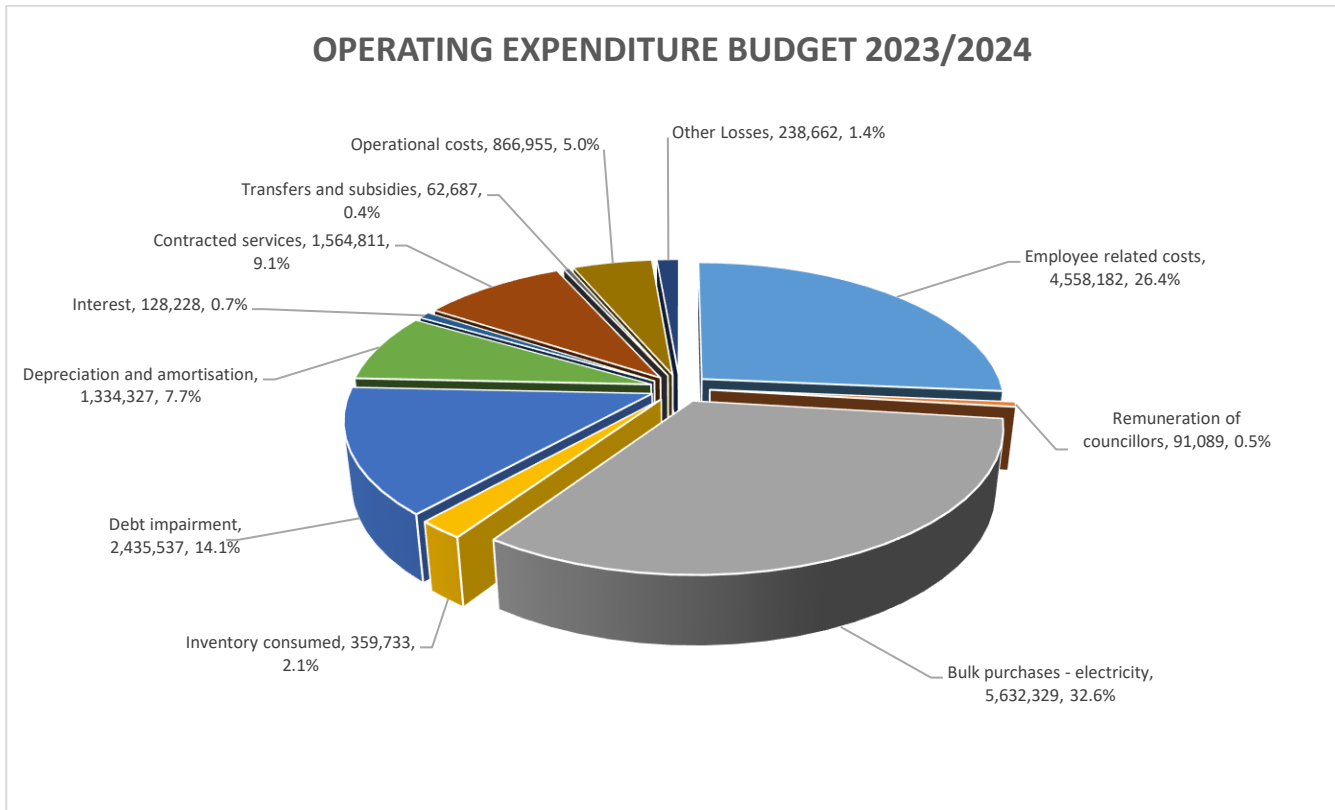
The following table is a high-level summary of the 2023/24 MTREF (classified as per main type of operating expenditure):

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

Description	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework						
		R thousands	Adjusted Budget	Budget Year 2023/24	%	Budget Year 2024/25	%	Budget Year 2025/26
<b>Expenditure</b>								
Employee related costs	4,196,711	4,558,182	26.4%	4,721,637	25.8%	5,016,392	25.4%	
Remuneration of councillors	87,895	91,089	0.5%	95,188	0.5%	99,472	0.5%	
Bulk purchases - electricity	4,754,625	5,632,329	32.6%	6,347,635	34.6%	7,153,785	36.2%	
Inventory consumed	311,696	359,733	2.1%	351,544	1.9%	384,083	1.9%	
Debt impairment	3,277,836	2,435,537	14.1%	2,576,138	14.1%	2,736,567	13.8%	
Depreciation and amortisation	1,294,092	1,334,327	7.7%	1,361,981	7.4%	1,393,210	7.0%	
Interest	123,596	128,228	0.7%	107,856	0.6%	87,815	0.4%	
Contracted services	1,445,494	1,564,811	9.1%	1,532,095	8.4%	1,590,330	8.0%	
Transfers and subsidies	67,070	62,687	0.4%	65,729	0.4%	69,262	0.4%	
Operational costs	799,985	866,955	5.0%	909,004	5.0%	969,272	4.9%	
Other Losses	70,655	238,662	1.4%	261,809	1.4%	280,668	1.4%	
<b>Total Expenditure</b>	<b>16,429,657</b>	<b>17,272,542</b>	<b>100%</b>	<b>18,330,617</b>	<b>100%</b>	<b>19,780,855</b>	<b>100%</b>	

The above table clearly indicates the main cost drivers, which include Electricity Bulk Purchases (32.6%), Employee Related costs (26.4%) and Debt Impairment (14.1%). In terms of the aforementioned table, the total operating expenditure is projected at R17.3 billion, R18.3 billion and R19.8 billion for the 2023/24, 2024/25 and 2025/26 financial years, respectively.

**FIGURE 2: OPERATING EXPENDITURE ITEMS FOR THE 2023/24 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 2023/24 draft budget provides for annual increments, where applicable, and a general increase in line with the three-year Collective Agreement.

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 2023/24 financial year, 81.09% for the 2024/25 financial year and 81.57% for the 2025/26 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 2023/24 MTREF period:

**TABLE 17 (DEBT IMPAIRMENT FOR PROPERTY RATES & SERVICES)**

Debt Impairment	2023/24	2024/25	2025/26
Impairment Loss: Receivables from Exchange Transactions: Wastewater Management	234,514,970	249,758,450	267,241,540
Impairment Loss: Receivables from Exchange Transactions: Waste Management	143,441,270	152,764,950	163,485,500
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Water	1,589,639,190	1,678,447,780	1,780,615,790
Impairment Loss: Other Receivables from Non-exchange Revenue: Property Rates	299,251,810	316,416,960	336,811,970
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Electricity	111,346,940	119,664,550	128,603,500
<b>Total Impairment of Receivables (Excl. Traffic Fines Impairment)</b>	<b>2,378,194,180</b>	<b>2,517,052,690</b>	<b>2,676,758,300</b>

### 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 18.49% for 2023/24, 12.70% for 2023/24 and 2024/25.

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 2022/23 adjustments budget to the 2023/24 MTREF period.

**TABLE 18 (WATER BULK PURCHASES)**

Water Bulk Purchases	2022/23 Adjustments Budget	2023/24 Budget	% Increase	2024/25 Budget	% Increase	2025/26 Budget	% Increase
Water purchases	163 343 220	186 909 860	14.4	211 581 970	13.2	239 510 810	13.2

## 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	2023/24 Budget	2024/25 Budget	2025/26 Budget
Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management	48,191,900	49,066,210	49,066,210
Expenditure: Contracted Services: Consultants and Professional Services: Legal Cost: Collection	42,258,740	44,371,770	44,371,770
Expenditure: Contracted Services: Consultants and Professional Services: Legal Cost: Legal Advice and Litigation	64,252,980	62,127,830	62,127,830
Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities	207,774,850	215,780,910	215,780,910
Expenditure: Contracted Services: Contractors: Maintenance of Equipment	642,370,330	619,694,110	673,243,110
Expenditure: Contracted Services: Contractors: Sewerage Services	75,182,040	80,755,220	80,755,220
Expenditure: Contracted Services: Contractors: Transportation	45,303,270	47,412,680	47,412,680
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	238,848,010	237,081,910	237,081,910
Expenditure: Contracted Services: Outsourced Services: Clearing and Grass Cutting Services	40,923,990	52,247,260	52,247,260

Impairment	2023/24 Budget	2024/25 Budget	2025/26 Budget
Expenditure: Contracted Services: Outsourced Services: Electrical	44,800,000	47,488,000	47,488,000
Expenditure: Contracted Services: Outsourced Services: Hygiene Services	61,057,350	18,727,250	19,699,210
Expenditure: Contracted Services: Outsourced Services: Refuse Removal	53,848,040	57,341,590	61,055,850
<b>TOTAL</b>	<b>1,564,811,500</b>	<b>1,532,005,740</b>	<b>1,590,330,960</b>

### 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	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
<b>R thousands</b>						
<b>Repairs and Maintenance Expenditure by Asset Class/Sub-class</b>						
<b>Infrastructure</b>	<b>351,565</b>	<b>357,265</b>	<b>357,265</b>	<b>441,186</b>	<b>426,124</b>	<b>457,632</b>
Roads Infrastructure	76,136	93,916	93,916	105,984	91,219	100,104
<i>Roads</i>	16,321	36,431	36,431	38,083	26,112	26,143
<i>Road Structures</i>	48,860	45,060	45,060	59,300	57,503	66,278
<i>Road Furniture</i>	10,805	11,775	11,775	8,101	7,103	7,153
<i>Capital Spares</i>	150	650	650	500	500	530
Storm water Infrastructure	27,064	9,554	9,554	16,427	16,443	16,459
<i>Drainage Collection</i>	200	200	200	201	202	203
<i>Storm water Conveyance</i>	26,664	9,154	9,154	16,026	16,040	16,053
<i>Attenuation</i>	200	200	200	200	201	203
Electrical Infrastructure	64,180	67,430	67,430	102,850	109,021	115,562
<i>Power Plants</i>	7,356	7,356	7,356	7,300	7,738	8,202
<i>MV Substations</i>	7,685	8,085	8,085	13,400	14,204	15,056
<i>MV Networks</i>	38,118	40,968	40,968	62,800	66,568	70,562
<i>LV Networks</i>	11,021	11,021	11,021	19,350	20,511	21,742
Water Supply Infrastructure	105,146	108,685	108,685	130,713	118,320	127,436
<i>Dams and Weirs</i>	1,558	708	708	1,592	1,679	1,770
<i>Reservoirs</i>	2,826	2,816	2,816	2,571	2,589	3,089
<i>Pump Stations</i>	37,515	41,967	41,967	42,698	44,985	47,425
<i>Water Treatment Works</i>	9,005	4,452	4,452	6,565	6,906	7,122
<i>Bulk Mains</i>	12,469	12,469	12,469	15,533	17,477	20,165
<i>Distribution</i>	41,773	46,273	46,273	61,754	44,685	47,866
Sanitation Infrastructure	76,255	74,895	74,895	81,652	87,374	94,130
<i>Pump Station</i>	12,738	12,378	12,378	13,894	14,786	16,403
<i>Waste Water Treatment Works</i>	62,976	62,076	62,076	67,177	71,967	77,062
<i>Toilet Facilities</i>	541	441	441	580	621	664

Description	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
<b>R thousands</b>						
Rail Infrastructure	2,285	2,285	2,285	2,310	2,423	2,536
<i>Rail Lines</i>	2,226	2,226	2,226	2,250	2,363	2,476
<i>Rail Furniture</i>	60	60	60	60	60	60
Information and Communication Infrastructure	500	500	500	1,250	1,325	1,405
<i>Data Centres</i>						
<i>Core Layers</i>	500	500	500	1,250	1,325	1,405
<b>Community Assets</b>	<b>30,325</b>	<b>27,178</b>	<b>27,178</b>	<b>29,665</b>	<b>31,016</b>	<b>32,748</b>
Community Facilities	22,739	18,940	18,940	19,587	20,245	21,147
<i>Halls</i>	10,689	8,589	8,589	7,814	8,212	8,632
<i>Clinics/Care Centres</i>	50	50	50	50	50	50
<i>Museums</i>	762	632	632	670	709	753
<i>Galleries</i>	25	25	25	26	27	29
<i>Libraries</i>	3,293	2,343	2,343	1,988	2,087	2,178
<i>Police</i>	127	127	127	136	146	158
<i>Parks</i>	3,154	3,164	3,164	3,320	3,364	3,411
<i>Public Open Space</i>	2,619	2,379	2,379	2,711	2,607	2,711
<i>Nature Reserves</i>	80	70	70	70	70	70
<i>Public Ablution Facilities</i>	385	106	106	685	685	685
<i>Markets</i>	1,556	1,456	1,456	2,118	2,287	2,470
Sport and Recreation Facilities	7,587	8,238	8,238	10,078	10,771	11,601
<i>Indoor Facilities</i>	6,735	7,406	7,406	9,498	10,147	10,928
<i>Outdoor Facilities</i>	852	832	832	580	624	673
<i>Capital Spares</i>						
<b>Heritage assets</b>	<b>616</b>	<b>616</b>	<b>616</b>	<b>638</b>	<b>662</b>	<b>686</b>
Monuments	370	370	370	393	416	441
Conservation Areas	245	245	245	245	245	245
<b>Other assets</b>	<b>63,804</b>	<b>75,595</b>	<b>75,595</b>	<b>74,292</b>	<b>75,831</b>	<b>80,289</b>
Operational Buildings	59,180	71,037	71,037	69,303	70,479	74,524
<i>Municipal Offices</i>	47,819	60,136	60,136	56,144	56,737	60,143
<i>Workshops</i>	400	350	350	400	401	402
<i>Laboratories</i>	105	105	105	382	410	441
<i>Training Centres</i>	530	290	290	296	311	326
<i>Depots</i>	10,326	10,155	10,155	12,081	12,620	13,211
Housing	4,623	4,558	4,558	4,989	5,352	5,766
<i>Staff Housing</i>	281	281	281	345	362	381
<i>Social Housing</i>	4,342	4,277	4,277	4,644	4,989	5,385
<i>Capital Spares</i>						
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-
Biological or Cultivated Assets						
<b>Intangible Assets</b>	<b>5,176</b>	<b>5,026</b>	<b>5,026</b>	<b>5,455</b>	<b>5,751</b>	<b>6,064</b>
<i>Servitudes</i>						
<i>Licences and Rights</i>	5,176	5,026	5,026	5,455	5,751	6,064

Description	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
<b>R thousands</b>						
<i>Computer Software and Applications</i>	5,157	5,007	5,007	5,435	5,731	6,045
<i>Unspecified</i>	20	20	20	20	20	20
<b>Computer Equipment</b>	7,559	7,205	7,205	5,501	5,637	6,037
Computer Equipment	7,559	7,205	7,205	5,501	5,637	6,037
<b>Furniture and Office Equipment</b>	3,562	3,318	3,318	4,347	4,228	4,426
Furniture and Office Equipment	3,562	3,318	3,318	4,347	4,228	4,426
<b>Machinery and Equipment</b>	89,096	62,879	62,879	59,462	63,401	67,924
Machinery and Equipment	89,096	62,879	62,879	59,462	63,401	67,924
<b>Transport Assets</b>	43,193	39,553	39,553	51,781	53,256	59,670
Transport Assets	43,193	39,553	39,553	51,781	53,256	59,670
<b>Total Capital Expenditure on new assets</b>	<b>594,896</b>	<b>578,635</b>	<b>578,635</b>	<b>672,327</b>	<b>665,904</b>	<b>715,478</b>

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

**TABLE 21 (REPAIRS AND MAINTENANCE PER ASSET CLASS (SA34a))**

Description	Ref	2019/20			2020/21			2021/22			Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26						
<b>R thousand</b>	1															
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>																
<b>Infrastructure</b>		<b>318,392</b>	<b>460,781</b>	<b>620,688</b>	<b>685,196</b>	<b>936,427</b>	<b>932,751</b>	<b>912,302</b>	<b>663,396</b>	<b>822,596</b>						
Roads Infrastructure		140,065	177,745	125,440	259,860	366,544	366,544	319,715	195,002	222,750						
<i>Roads</i>		134,713	141,783	121,389	242,210	340,355	340,355	301,065	175,852	206,600						
<i>Road Structures</i>		2,878	31,441	1,474	14,300	23,039	23,039	14,800	14,300	11,300						
<i>Road Furniture</i>		2,474	4,521	2,576	3,350	3,150	3,150	3,850	4,850	4,850						
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-						
Storm water Infrastructure		4,076	11	6,172	20,935	26,478	26,478	26,625	23,781	27,050						
<i>Drainage Collection</i>		-	-	-	-	-	-	-	-	-						
<i>Storm water Conveyance</i>		4,076	11	6,172	20,935	26,478	26,478	26,625	23,781	27,050						
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-						
Electrical Infrastructure		74,911	94,773	110,705	124,871	187,446	183,770	132,313	74,555	72,316						
<i>Power Plants</i>		-	-	-	-	-	-	-	-	-						
<i>HV Substations</i>		4,868	15,999	3,432	2,200	2,200	2,200	2,520	2,520	2,520						
<i>HV Switching Station</i>		-	-	-	-	-	-	-	-	-						
<i>HV Transmission Conductors</i>		-	1,791	2,499	20,000	20,000	20,000	27,389	-	-						
<i>MV Substations</i>		496	-	4,344	-	40,828	40,828	24,937	-	-						
<i>MV Switching Stations</i>		-	-	-	-	-	-	-	-	-						

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<i>MV Networks</i>		69,434	50,100	87,937	74,024	90,771	87,096	36,572	30,000	30,000
<i>LV Networks</i>		113	26,883	12,493	28,647	33,647	33,647	40,895	42,035	39,796
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		80,037	182,246	369,410	219,335	304,691	304,691	386,500	294,007	407,030
<i>Dams and Weirs</i>		-	-	-	-	-	-	-	-	-
<i>Boreholes</i>		22,477	13,919	125,052	16,500	77,400	77,400	70,215	86,957	165,217
<i>Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Pump Stations</i>		-	3,958	2,379	96,000	49,950	49,950	65,000	-	-
<i>Water Treatment Works</i>		27,719	110,684	156,691	25,541	98,103	98,103	1,000	-	-
<i>Bulk Mains</i>		-	-	-	-	-	-	-	-	-
<i>Distribution</i>		29,841	53,685	85,288	81,295	79,238	79,238	250,285	207,051	241,813
<i>Distribution Points</i>		-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		7,256	6,006	7,372	57,195	41,534	41,534	40,399	76,051	93,450
<i>Pump Station</i>		-	-	-	200	-	-	-	500	500
<i>Reticulation</i>		3,757	4,872	7,372	52,995	41,034	41,034	36,799	50,551	47,950
<i>Wastewater Treatment Works</i>		3,500	1,134	-	4,000	500	500	3,600	25,000	45,000
<i>Outfall Sewers</i>		-	-	-	-	-	-	-	-	-
<i>Toilet Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	8,734	8,734	1,150	-	-
<i>Landfill Sites</i>		-	-	-	-	-	-	1,150	-	-
<i>Waste Transfer Stations</i>		-	-	-	-	-	-	-	-	-
<i>Waste Processing Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Waste Drop-off Points</i>		-	-	-	-	8,734	8,734	-	-	-
<i>Waste Separation Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Electricity Generation Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<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>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<i>Sand Pumps</i>		-	-	-	-	-	-	-	-	-
<i>Piers</i>		-	-	-	-	-	-	-	-	-
<i>Revetments</i>		-	-	-	-	-	-	-	-	-
<i>Promenades</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		12,046	-	1,590	3,000	1,000	1,000	5,600	-	-
<i>Data Centres</i>		12,046	-	1,590	3,000	1,000	1,000	5,600	-	-
<i>Core Layers</i>		-	-	-	-	-	-	-	-	-
<i>Distribution Layers</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>3,610</b>	<b>16,279</b>	<b>17,716</b>	<b>18,243</b>	<b>25,196</b>	<b>25,196</b>	<b>43,962</b>	<b>30,600</b>	<b>22,600</b>
Community Facilities		3,610	15,888	3,739	12,243	16,049	16,049	30,136	30,600	21,600
<i>Halls</i>		-	1,299	1,235	-	325	325	-	-	-
<i>Centres</i>		1,607	265	-	3,200	2,852	2,852	3,300	8,500	10,500
<i>Crèches</i>		-	-	-	-	-	-	-	-	-
<i>Clinics/Care Centres</i>		-	-	499	1,000	1,000	1,000	1,100	1,100	1,100
<i>Fire/Ambulance Stations</i>		-	-	-	-	-	-	-	1,000	-
<i>Testing Stations</i>		-	-	-	-	-	-	-	-	-
<i>Museums</i>		-	-	-	-	-	-	-	-	-
<i>Galleries</i>		-	-	-	-	-	-	-	-	-
<i>Theatres</i>		-	-	-	-	-	-	-	-	-
<i>Libraries</i>		-	-	-	-	-	-	-	-	-
<i>Cemeteries/Crematoria</i>		-	-	-	-	-	-	-	-	-
<i>Police</i>		-	-	-	-	-	-	-	-	-
<i>Parks</i>		-	-	-	-	-	-	-	-	-
<i>Public Open Space</i>		2,003	13,459	456	-	-	-	-	-	-
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		-	865	1,549	6,177	8,068	8,068	20,226	10,000	5,000
<i>Markets</i>		-	-	-	-	-	-	510	-	-
<i>Stalls</i>		-	-	-	1,865	3,804	3,804	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		-	-	-	-	-	-	5,000	10,000	5,000
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	390	13,976	6,000	9,148	9,148	13,826	-	1,000
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		-	390	13,976	6,000	9,148	9,148	13,826	-	1,000
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Heritage assets</b>		-	-	-	2,100	1,900	1,900	-	-	-
Monuments		-	-	-	2,100	1,900	1,900	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		1,845	1,037	1,766	39,718	11,615	11,615	46,323	294,408	302,533
Operational Buildings		1,845	1,037	1,766	39,718	10,625	10,625	46,323	40,260	37,000
<i>Municipal Offices</i>		667	1,220	1,602	26,568	10,100	10,100	31,823	10,260	500
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	-	-	-	-	-	-	-	1,500
<i>Laboratories</i>		-	-	-	12,500	-	-	12,500	-	-
<i>Training Centres</i>		-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-
<i>Depots</i>		1,178	(184)	164	650	525	525	2,000	30,000	35,000
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	990	990	-	254,147	265,533
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	990	990	-	254,147	265,533
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		1,615	3,068	802	28,091	8,372	8,372	41,200	26,155	45,858
Servitudes		-	-	-	2,000	2,000	2,000	-	-	-
Licences and Rights		1,615	3,068	802	26,091	6,372	6,372	41,200	26,155	45,858
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		1,615	3,068	802	26,091	6,372	6,372	41,200	26,155	45,858
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		3,970	2,310	6,821	21,922	20,106	20,106	19,515	30,400	40,022
Computer Equipment		3,970	2,310	6,821	21,922	20,106	20,106	19,515	30,400	40,022
<b>Furniture and Office Equipment</b>		830	1,121	60	5,200	2,594	2,594	5,350	1,800	2,200
Furniture and Office Equipment		830	1,121	60	5,200	2,594	2,594	5,350	1,800	2,200
<b>Machinery and Equipment</b>		10,692	22,478	13,030	66,065	37,221	37,221	51,200	42,000	56,350
Machinery and Equipment		10,692	22,478	13,030	66,065	37,221	37,221	51,200	42,000	56,350
<b>Transport Assets</b>		13,280	21,259	7,085	58,100	33,163	33,163	47,055	57,500	85,100
Transport Assets		13,280	21,259	7,085	58,100	33,163	33,163	47,055	57,500	85,100
<b>Land</b>		377	17,706	-	1,500	32,196	32,196	-	-	-
Land		377	17,706	-	1,500	32,196	32,196	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	354,612	546,039	667,968	926,134	1,108,790	1,105,114	1,166,907	1,146,259	1,377,259

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	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>125,232</b>	<b>400,504</b>	<b>237,579</b>	<b>272,189</b>	<b>294,196</b>	<b>293,396</b>	<b>289,134</b>	<b>210,477</b>	<b>213,750</b>
Roads Infrastructure		16,194	160,241	55,945	60,700	58,950	58,950	75,000	64,830	64,500
<i>Roads</i>		14,583	158,767	52,445	57,700	55,950	55,950	70,000	59,830	59,500
<i>Road Structures</i>		1,611	1,473	3,499	3,000	3,000	3,000	5,000	5,000	5,000
<i>Road Furniture</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		4,920	4,567	6,816	7,500	15,446	15,446	10,000	10,000	10,000
<i>Drainage Collection</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Conveyance</i>		4,920	4,567	6,816	7,500	15,446	15,446	10,000	10,000	10,000
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		7,672	57,272	44,698	58,939	60,819	60,019	58,424	57,250	58,250
<i>Power Plants</i>		-	-	-	-	-	-	-	-	-
<i>HV Substations</i>		25	3,038	-	2,000	2,000	2,000	-	-	-
<i>HV Switching Station</i>		-	-	-	-	-	-	-	-	-
<i>HV Transmission Conductors</i>		754	8,476	9,993	16,185	16,185	16,185	17,174	17,500	18,500
<i>MV Substations</i>		1,473	2,755	1,710	1,000	1,000	1,000	1,500	1,000	1,000
<i>MV Switching Stations</i>		-	-	-	-	-	-	-	-	-
<i>MV Networks</i>		5,420	43,003	32,994	39,754	41,634	40,834	39,750	38,750	38,750
<i>LV Networks</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		91,541	156,966	129,630	108,000	136,629	136,629	72,767	50,000	53,000
<i>Dams and Weirs</i>		-	3,559	-	1,000	-	-	1,500	2,000	3,000
<i>Boreholes</i>		-	-	-	-	-	-	-	-	-
<i>Reservoirs</i>		7,999	11,687	-	-	-	-	-	-	-
<i>Pump Stations</i>		-	4,801	32,558	5,000	36,629	36,629	10,000	10,000	10,000
<i>Water Treatment Works</i>		67,326	36,003	2,802	2,000	-	-	3,000	4,000	5,000
<i>Bulk Mains</i>		-	-	-	-	-	-	-	-	-
<i>Distribution</i>		16,216	100,916	94,270	100,000	100,000	100,000	58,267	34,000	35,000
<i>Distribution Points</i>		-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Sanitation Infrastructure		4,905	21,458	490	33,000	18,302	18,302	57,292	20,397	18,000
<i>Pump Station</i>		883	-	490	10,000	3,302	3,302	15,000	10,000	10,000
<i>Reticulation</i>		4,022	1,445	-	22,500	15,000	15,000	35,992	10,397	8,000
<i>Wastewater Treatment Works</i>		-	20,014	-	500	-	-	6,300	-	-
<i>Outfall Sewers</i>		-	-	-	-	-	-	-	-	-
<i>Toilet Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	4,050	4,050	4,050	15,652	8,000	10,000
<i>Landfill Sites</i>		-	-	-	-	-	-	-	-	-
<i>Waste Transfer Stations</i>		-	-	-	-	-	-	-	-	-
<i>Waste Processing Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Waste Drop-off Points</i>		-	-	-	4,050	4,050	4,050	15,652	8,000	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		-	-	-	-	-	-	-	-	-
<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>		-	-	-	-	-	-	-	-	-

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>243</b>	<b>1,075</b>	<b>8,180</b>	<b>11,200</b>	<b>4,785</b>	<b>4,785</b>	<b>17,330</b>	<b>13,800</b>	<b>7,300</b>
Community Facilities		243	514	3,545	4,800	1,370	1,370	15,330	12,800	6,300
Halls		-	-	-	-	-	-	7,000	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		243	514	849	300	300	300	5,000	800	1,300
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	1,101	4,500	1,070	1,070	3,330	12,000	5,000
Cemeteries/Crematoria		-	-	1,311	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	285	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	561	4,635	6,400	3,415	3,415	2,000	1,000	1,000
Indoor Facilities		-	388	2,546	2,200	1,315	1,315	-	-	-
Outdoor Facilities		-	174	2,088	4,200	2,100	2,100	2,000	1,000	1,000
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		<b>309</b>	<b>1,158</b>	<b>4,429</b>	<b>4,900</b>	<b>2,370</b>	<b>2,370</b>	<b>2,250</b>	<b>3,250</b>	<b>3,880</b>
Operational Buildings		309	1,158	4,429	4,900	2,370	2,370	2,250	3,250	3,880
<i>Municipal Offices</i>		-	1,158	4,429	1,900	2,370	2,370	1,250	2,250	1,880
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-
<i>Workshops</i>		309	-	-	3,000	-	-	1,000	1,000	2,000
<i>Yards</i>		-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	-	-	-	-	-	-	-	-
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-
<i>Training Centres</i>		-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-
<i>Depots</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 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
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	-	-	-	-	-	-	-
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	1,000	-	-
Machinery and Equipment		-	-	-	-	-	-	1,000	-	-
<b>Transport Assets</b>		-	-	-	10,000	1,000	1,000	22,500	15,000	-
Transport Assets		-	-	-	10,000	1,000	1,000	22,500	15,000	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Total Capital Expenditure on renewal of existing assets	1	125,783	402,738	250,188	298,289	302,351	301,551	332,214	242,527	224,930

**TABLE 23 (SA34d DEPRECIATION BY ASSET CLASS)**

Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
<b>Depreciation by Asset Class/Sub-class</b>							
<b>Infrastructure</b>	<b>704,878</b>	<b>972,247</b>	<b>970,995</b>	<b>-</b>	<b>1,001,061</b>	<b>1,021,712</b>	<b>1,045,113</b>
Roads Infrastructure	222,115	319,840	319,428	-	329,319	336,112	343,810
Roads	207,283	300,582	300,195	-	309,490	315,875	323,110
Road Structures	12,012	15,622	15,602	-	16,085	16,417	16,793
Road Furniture	2,820	3,635	3,631	-	3,743	3,820	3,908
Capital Spares	-	-	-	-	-	-	-
Storm water Infrastructure	27,269	34,664	34,620	-	35,692	36,428	37,262
Drainage Collection	-	-	-	-	-	-	-
Storm water Conveyance	27,269	34,664	34,620	-	35,692	36,428	37,262
Attenuation	-	-	-	-	-	-	-
Electrical Infrastructure	123,929	165,445	165,232	-	170,348	173,862	177,845
Power Plants	-	-	-	-	-	-	-
HV Substations	141	174	174	-	179	183	187
HV Switching Station	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-
MV Substations	22,433	33,454	33,411	-	34,445	35,156	35,961
MV Switching Stations	-	-	-	-	-	-	-
MV Networks	64,436	84,587	84,478	-	87,094	88,891	90,927
LV Networks	36,919	47,230	47,169	-	48,630	49,633	50,770
Capital Spares	-	-	-	-	-	-	-
Water Supply Infrastructure	143,998	200,004	199,747	-	205,932	210,180	214,994
Dams and Weirs	3,024	3,715	3,710	-	3,825	3,904	3,994
Boreholes	5,777	7,578	7,568	-	7,802	7,963	8,145
Reservoirs	7,837	9,847	9,835	-	10,139	10,348	10,585
Pump Stations	6,797	10,871	10,857	-	11,193	11,424	11,686
Water Treatment Works	43,649	58,403	58,328	-	60,134	61,374	62,780
Bulk Mains	-	-	-	-	-	-	-
Distribution	76,618	109,102	108,961	-	112,335	114,653	117,279
Distribution Points	296	488	487	-	502	513	524
PRV Stations	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Sanitation Infrastructure	136,127	169,026	168,809	-	174,036	177,626	181,694
Pump Station	13,456	16,544	16,523	-	17,035	17,386	17,784
Reticulation	47,913	60,607	60,529	-	62,403	63,691	65,149
Wastewater Treatment Works	74,758	91,875	91,756	-	94,598	96,549	98,760
Outfall Sewers	-	-	-	-	-	-	-

Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
<i>Toilet Facilities</i>	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-
Solid Waste Infrastructure	49,442	83,267	83,160	-	85,735	87,504	89,508
<i>Landfill Sites</i>	-	-	-	-	-	-	-
<i>Waste Transfer Stations</i>	1,075	1,320	1,318	-	1,359	1,387	1,419
<i>Waste Processing Facilities</i>	-	-	-	-	-	-	-
<i>Waste Drop-off Points</i>	48,367	81,947	81,842	-	84,376	86,117	88,089
<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	1,997	-	-	-	-	-	-
<i>Data Centres</i>	-	-	-	-	-	-	-
<i>Core Layers</i>	1,997	-	-	-	-	-	-
<i>Distribution Layers</i>	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-
<b>Community Assets</b>	<b>130,645</b>	<b>173,258</b>	<b>173,034</b>	-	<b>178,392</b>	<b>182,072</b>	<b>186,242</b>
Community Facilities	56,844	73,366	73,272	-	75,540	77,099	78,865
<i>Halls</i>	-	-	-	-	-	-	-
<i>Centres</i>	8,498	11,233	11,219	-	11,566	11,805	12,075
<i>Crèches</i>	-	-	-	-	-	-	-
<i>Clinics/Care Centres</i>	402	179	179	-	184	188	193
<i>Fire/Ambulance Stations</i>	3,319	4,424	4,418	-	4,555	4,649	4,756
<i>Testing Stations</i>	-	-	-	-	-	-	-
<i>Museums</i>	-	-	-	-	-	-	-
<i>Galleries</i>	-	-	-	-	-	-	-
<i>Theatres</i>	-	-	-	-	-	-	-
<i>Libraries</i>	4,195	1,605	1,603	-	1,652	1,687	1,725
<i>Cemeteries/Crematoria</i>	26,071	38,060	38,011	-	39,188	39,996	40,912
<i>Police</i>	-	-	-	-	-	-	-

Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
<b>R thousand</b>							
<i>Parks</i>	6,372	7,973	7,963	-	8,209	8,379	8,571
<i>Public Open Space</i>	-	-	-	-	-	-	-
<i>Nature Reserves</i>	525	660	659	-	680	694	710
<i>Public Ablution Facilities</i>	508	617	616	-	635	648	663
<i>Markets</i>	700	860	859	-	886	904	925
<i>Stalls</i>	-	-	-	-	-	-	-
<i>Abattoirs</i>	-	-	-	-	-	-	-
<i>Airports</i>	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>	6,254	7,754	7,745	-	7,984	8,149	8,336
<i>Capital Spares</i>	-	-	-	-	-	-	-
<b>Sport and Recreation Facilities</b>	<b>73,802</b>	<b>99,891</b>	<b>99,763</b>	<b>-</b>	<b>102,852</b>	<b>104,974</b>	<b>107,378</b>
<i>Indoor Facilities</i>	1,328	1,213	1,211	-	1,249	1,274	1,303
<i>Outdoor Facilities</i>	72,473	98,679	98,552	-	101,603	103,699	106,074
<i>Capital Spares</i>	-	-	-	-	-	-	-
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Monuments</i>	-	-	-	-	-	-	-
<i>Historic Buildings</i>	-	-	-	-	-	-	-
<i>Works of Art</i>	-	-	-	-	-	-	-
<i>Conservation Areas</i>	-	-	-	-	-	-	-
<i>Other Heritage</i>	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>11,011</b>	<b>13,524</b>	<b>13,507</b>	<b>-</b>	<b>13,925</b>	<b>14,212</b>	<b>14,538</b>
<i>Revenue Generating</i>	5,506	6,762	6,753	-	6,962	7,106	7,269
<i>Improved Property</i>	5,506	6,762	6,753	-	6,962	7,106	7,269
<i>Unimproved Property</i>	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>	5,506	6,762	6,753	-	6,962	7,106	7,269
<i>Improved Property</i>	5,506	6,762	6,753	-	6,962	7,106	7,269
<i>Unimproved Property</i>	-	-	-	-	-	-	-
<b>Other assets</b>	<b>8,430</b>	<b>36,290</b>	<b>36,244</b>	<b>-</b>	<b>37,366</b>	<b>38,137</b>	<b>39,010</b>
<i>Operational Buildings</i>	27,571	35,339	35,293	-	36,386	37,136	37,987
<i>Municipal Offices</i>	20,414	26,413	26,379	-	27,196	27,757	28,392
<i>Pay/Enquiry Points</i>	-	-	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	-	-	-	-	-
<i>Workshops</i>	314	386	386	-	397	406	415
<i>Yards</i>	-	-	-	-	-	-	-
<i>Stores</i>	-	-	-	-	-	-	-
<i>Laboratories</i>	-	-	-	-	-	-	-
<i>Training Centres</i>	860	1,139	1,137	-	1,173	1,197	1,224
<i>Manufacturing Plant</i>	-	-	-	-	-	-	-
<i>Depots</i>	5,982	7,401	7,391	-	7,620	7,777	7,955
<i>Capital Spares</i>	-	-	-	-	-	-	-
<i>Housing</i>	(19,140)	952	951	-	980	1,000	1,023
<i>Staff Housing</i>	-	-	-	-	-	-	-
<i>Social Housing</i>	(19,140)	952	951	-	980	1,000	1,023
<i>Capital Spares</i>	-	-	-	-	-	-	-

Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
<b>R thousand</b>							
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-
<b>Intangible Assets</b>	49,702	58,127	58,052	-	59,849	61,084	62,483
Servitudes	-	-	-	-	-	-	-
Licences and Rights	49,702	58,127	58,052	-	59,849	61,084	62,483
<i>Water Rights</i>	-	-	-	-	-	-	-
<i>Effluent Licenses</i>	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>	49,702	58,127	58,052	-	59,849	61,084	62,483
<i>Load Settlement Software Applications</i>	-	-	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	23,148	26,490	26,456	-	27,275	27,838	28,475
Machinery and Equipment	23,148	26,490	26,456	-	27,275	27,838	28,475
<b>Transport Assets</b>	33,275	21,661	21,633	-	22,303	22,763	23,284
Transport Assets	33,275	21,661	21,633	-	22,303	22,763	23,284
<b>Land</b>	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
<b>Living resources</b>	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-
<i>Policing and Protection</i>	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-
<i>Policing and Protection</i>	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>	-	-	-	-	-	-	-
<b>Total Depreciation</b>	<b>961,089</b>	<b>1,301,596</b>	<b>1,299,921</b>	<b>-</b>	<b>1,340,171</b>	<b>1,367,817</b>	<b>1,399,145</b>

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>300,248</b>	<b>270,204</b>	<b>227,616</b>	<b>286,074</b>	<b>291,336</b>	<b>292,136</b>	<b>246,149</b>	<b>268,485</b>	<b>225,337</b>
Roads Infrastructure		70,962	112,245	80,222	101,668	110,865	110,865	77,435	97,391	52,391
<i>Roads</i>		70,962	112,245	80,222	101,668	110,865	110,865	77,435	97,391	52,391
<i>Road Structures</i>		-	-	-	-	-	-	-	-	-
<i>Road Furniture</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		18,795	16,711	22,704	35,500	30,400	30,400	26,437	31,000	31,000
<i>Drainage Collection</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Conveyance</i>		18,795	16,711	22,704	35,500	30,400	30,400	26,437	31,000	31,000
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		39,498	17,601	53,725	17,406	52,924	53,724	76,857	22,100	22,100
<i>Power Plants</i>		-	-	-	-	-	-	-	-	-
<i>HV Substations</i>		-	-	31,942	1,250	22,554	22,554	10,165	600	600
<i>HV Switching Station</i>		-	-	-	-	-	-	-	-	-
<i>HV Transmission Conductors</i>		-	-	5,075	-	-	-	-	-	-
<i>MV Substations</i>		6,664	-	8,355	6,156	14,370	16,170	43,608	10,500	10,500
<i>MV Switching Stations</i>		-	-	-	-	-	-	-	-	-
<i>MV Networks</i>		32,834	14,786	7,295	10,000	11,000	10,000	8,000	10,000	10,000
<i>LV Networks</i>		-	2,815	1,058	-	5,000	5,000	15,083	1,000	1,000
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		36,240	42,231	45,792	16,500	10,010	10,010	11,000	59,000	56,000
<i>Dams and Weirs</i>		-	-	-	-	-	-	-	-	-
<i>Boreholes</i>		-	-	-	-	-	-	-	-	-
<i>Reservoirs</i>		2,000	9,854	500	4,000	-	-	3,000	2,000	1,000
<i>Pump Stations</i>		33,272	14,597	42,143	3,000	8,510	8,510	-	-	-
<i>Water Treatment Works</i>		969	2,594	1,166	7,500	500	500	5,000	52,000	50,000
<i>Bulk Mains</i>		-	-	-	-	-	-	-	-	-
<i>Distribution</i>		-	15,186	1,983	2,000	1,000	1,000	3,000	5,000	5,000
<i>Distribution Points</i>		-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		124,288	76,136	24,248	110,000	82,137	82,137	49,420	49,994	54,846

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<i>Pump Station</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		52,540	34,214	23,833	97,500	79,887	79,887	4,950	38,494	39,346
<i>Waste Water Treatment Works</i>		71,748	41,922	416	12,500	2,250	2,250	44,470	11,500	15,500
<i>Outfall Sewers</i>		-	-	-	-	-	-	-	-	-
<i>Toilet Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		8,596	5,272	-	3,000	3,000	3,000	3,000	6,000	6,000
<i>Landfill Sites</i>		-	5,272	-	3,000	3,000	3,000	3,000	6,000	6,000
<i>Waste Transfer Stations</i>		8,596	-	-	-	-	-	-	-	-
<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		1,870	8	924	2,000	2,000	2,000	2,000	3,000	3,000
<i>Data Centres</i>		-	-	-	-	-	-	-	-	-
<i>Core Layers</i>		-	-	-	-	-	-	-	-	-
<i>Distribution Layers</i>		1,870	8	924	2,000	2,000	2,000	2,000	3,000	3,000

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>49,273</b>	<b>66,693</b>	<b>43,276</b>	<b>64,850</b>	<b>66,593</b>	<b>66,593</b>	<b>59,377</b>	<b>46,200</b>	<b>48,700</b>
Community Facilities		43,323	55,975	34,100	46,250	39,600	39,600	48,377	42,400	42,200
<i>Halls</i>		215	2,555	1,523	200	-	-	75	300	1,000
<i>Centres</i>		1,536	624	118	3,850	1,600	1,600	1,850	2,500	500
<i>Crèches</i>		-	-	-	-	-	-	-	-	-
<i>Clinics/Care Centres</i>		37	56	101	350	350	350	350	200	200
<i>Fire/Ambulance Stations</i>		-	-	-	100	100	100	1,000	1,000	800
<i>Testing Stations</i>		-	-	-	-	-	-	-	-	1,900
<i>Museums</i>		-	497	3,543	2,500	2,100	2,100	400	500	5,500
<i>Galleries</i>		-	-	-	-	-	-	-	-	-
<i>Theatres</i>		-	-	-	-	-	-	-	-	-
<i>Libraries</i>		3,673	1,943	275	9,450	6,750	6,750	12,700	12,600	8,500
<i>Cemeteries/Crematoria</i>		12,337	44,504	2,571	3,700	4,000	4,000	7,350	5,500	3,200
<i>Police</i>		-	-	-	-	-	-	-	-	-
<i>Parks</i>		2,125	57	6,408	2,700	2,000	2,000	3,374	2,000	4,000
<i>Public Open Space</i>		23,138	5,084	18,946	13,100	13,100	13,100	17,778	15,900	12,800
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		262	656	613	800	1,600	1,600	1,000	1,900	3,800
<i>Markets</i>		-	-	-	1,500	-	-	2,500	-	-
<i>Stalls</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	8,000	8,000	8,000	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		5,950	10,718	9,176	18,600	26,993	26,993	11,000	3,800	6,500
<i>Indoor Facilities</i>		-	1,826	1,505	3,100	7,985	7,985	5,000	2,000	2,500
<i>Outdoor Facilities</i>		5,950	8,892	7,670	15,500	19,009	19,009	6,000	1,800	4,000
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>	1									
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		7,583	5,333	11,022	8,923	7,237	7,237	9,905	4,500	5,970
Operational Buildings		7,583	5,333	11,022	8,923	7,237	7,237	9,905	4,500	5,970
<i>Municipal Offices</i>		5,775	4,176	8,125	5,423	3,862	3,862	5,405	500	1,970
<i>Pay/Enquiry Points</i>		-	140	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	-	-	-	-	-	-	-	-
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-
<i>Training Centres</i>		-	174	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-
<i>Depots</i>		1,807	843	2,897	3,500	3,375	3,375	4,500	4,000	4,000
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	1,800	1,800	1,800	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	1,800	1,800	1,800	-	-	-
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 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
<b>R thousand</b>	1	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Full Year Forecast</b>	<b>Budget Year 2023/24</b>	<b>Budget Year +1 2024/25</b>	<b>Budget Year +2 2025/26</b>
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	-	1,800	1,800	1,800	-	-	-
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		319	252	978	1,500	2,150	2,150	1,000	1,000	1,000
Computer Equipment		319	252	978	1,500	2,150	2,150	1,000	1,000	1,000
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	2,400	-	-
Machinery and Equipment		-	-	-	-	-	-	2,400	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	<b>357,422</b>	<b>342,482</b>	<b>282,891</b>	<b>363,147</b>	<b>369,117</b>	<b>369,917</b>	<b>318,831</b>	<b>320,185</b>	<b>281,007</b>

### 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 is to be 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 will automatically qualify 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	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Indigent Control _ ATTP Administration	26,621,050	28,297,440	30,083,790
Debtors Management Collections_ Property Rates	1,000,000	1,000,000	1,000,000
Rates and Related Income_ Property Rates	114,370,550	121,804,640	129,721,950
Income_ Electricity	27,638,990	29,703,630	31,922,500
Income_ Water	119,336,100	126,496,270	134,718,530
Sewerage Administration	120,127,970	128,536,930	138,177,200
Refuse Administration	90,143,120	95,551,710	101,762,580
<b>TOTAL - Various Services</b>	<b>499,237,780</b>	<b>531,390,620</b>	<b>567,386,550</b>

The above 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

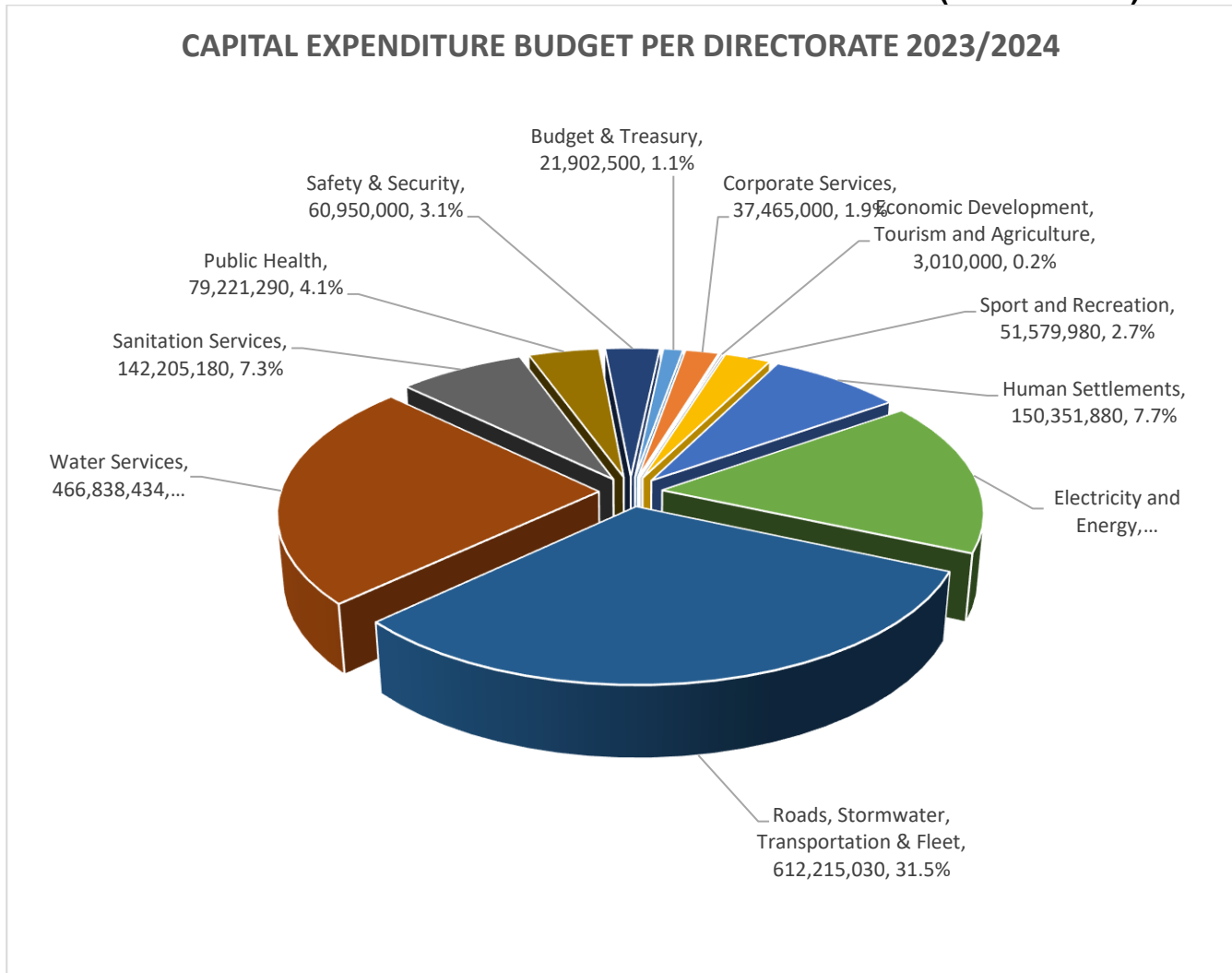
The following table provides a breakdown of budgeted capital expenditure by vote:

**TABLE 26 (2023/24 MEDIUM-TERM CAPITAL BUDGET PER VOTE / DIRECTORATE – NMBM ONLY & PERCENTAGE ALLOCATION)**

Directorate	2023/24 Approved Capital Budget	% Allocation	2024/25 Approved Capital Budget	2025/26 Approved Capital Budget
Budget & Treasury	21,902,500	1.1%	4,060,460	1,030,000
Corporate Services	37,465,000	1.9%	29,500,000	34,500,000
Economic Development, Tourism and Agriculture	3,010,000	0.2%	-	-
Sport and Recreation	51,579,980	2.7%	40,500,000	43,500,000
Human Settlements	150,351,880	7.7%	404,147,480	415,533,220
Electricity and Energy	315,810,800	16.3%	158,404,850	157,665,720
Roads, Stormwater, Transportation & Fleet	612,215,030	31.5%	489,526,300	491,141,300
Water Services	466,838,434	24.0%	381,791,300	503,530,430
Sanitation Services	142,205,180	7.3%	120,440,570	138,595,560
Public Health	79,221,290	4.1%	54,600,000	50,400,000
Safety & Security	60,950,000	3.1%	43,350,000	29,950,000
<b>TOTAL NMBM CAPITAL BUDGET</b>	<b>1,941,550,095</b>	<b>100%</b>	<b>1,726,320,960</b>	<b>1,865,846,230</b>

The following is a graphical presentation of the 2023/24 Capital Budget per vote or Directorate: -

**FIGURE 3: CAPITAL BUDGET FOR THE 2023/24 FINANCIAL YEAR (NMBM ONLY)**



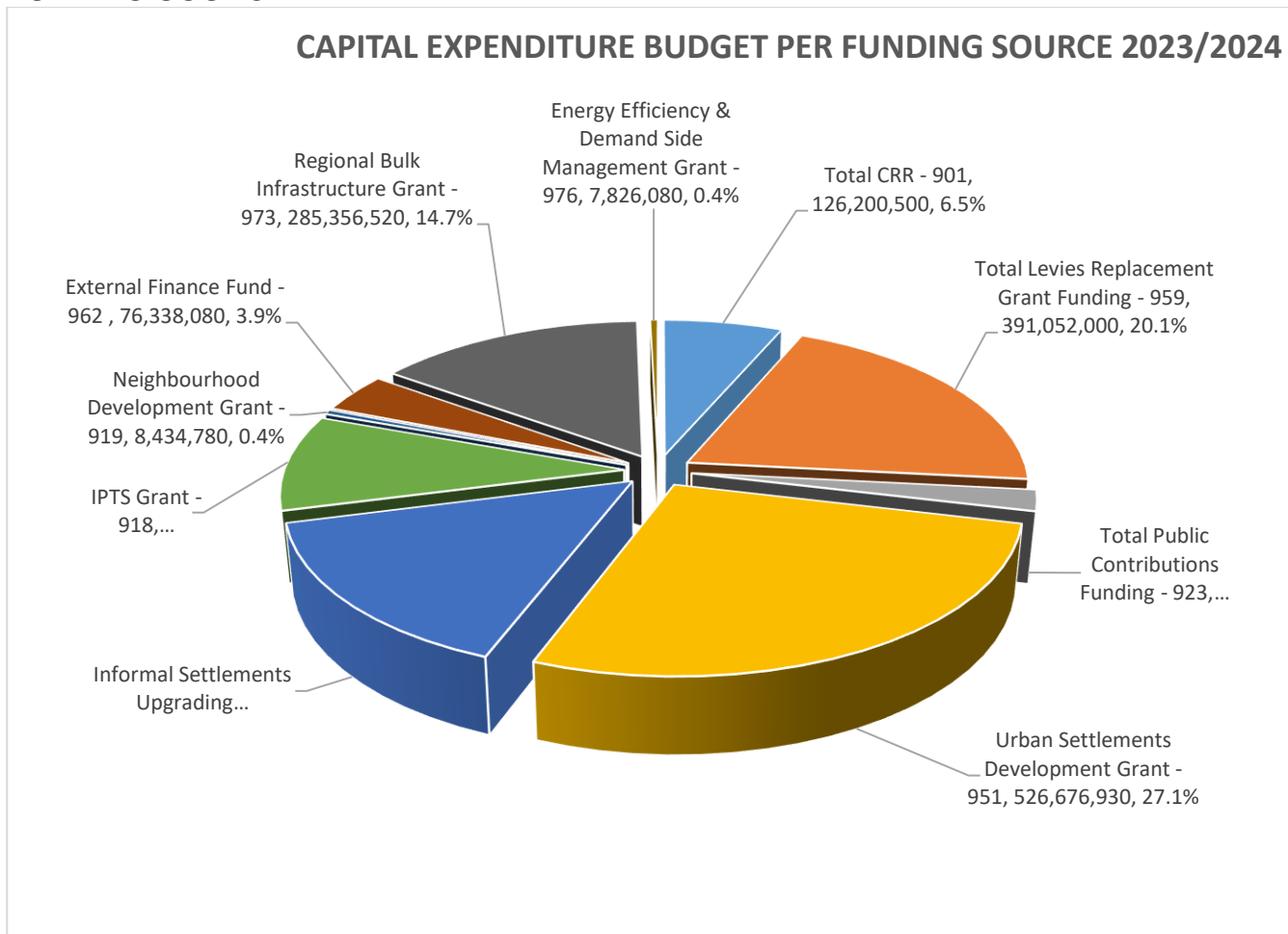
The table below provides a breakdown of the funding sources supporting the Capital Budget:

**TABLE 27 (2023/24 MEDIUM-TERM CAPITAL BUDGET PER FUNDING SOURCE)**

Sources of Funding	2023/24 Approved Capital Budget	% Allocation	2024/25 Approved Capital Budget	2025/26 Approved Capital Budget
Total CRR - 901	126,200,500	6.5%	45,110,460	30,000,000
Total Levies Replacement Grant Funding - 959	391,052,000	20.1%	403,100,000	415,250,000
Total Public Contributions Funding - 923	40,000,000	2.1%	40,000,000	40,000,000
Urban Settlements Development Grant - 951	526,676,930	27.1%	550,329,770	574,984,760
Informal Settlements Upgrading Partnership Grant - 972	294,465,205	15.2%	254,147,480	265,533,220
IPTS Grant - 918	185,200,000	9.5%	190,155,000	176,600,000
Neighbourhood Development Grant - 919	8,434,780	0.4%	17,391,300	17,391,300
External Finance Fund - 962	76,338,080	3.9%	-	-
Regional Bulk Infrastructure Grant - 973	285,356,520	14.7%	217,391,300	339,130,430
Energy Efficiency & Demand Side Management Grant - 976	7,826,080	0.4%	8,695,650	6,956,520
<b>Total Capital Budget Funding</b>	<b>1,941,550,095</b>	<b>100%</b>	<b>1,726,320,960</b>	<b>1,865,846,230</b>

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

**FIGURE 4: CAPITAL BUDGET FOR THE 2023/24 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 2023/24 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	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>							
<b>Financial Performance</b>							
Property rates	2,661,453	2,838,816	2,838,816	2,838,816	2,980,757	3,144,699	3,333,381
Service charges	8,062,990	8,473,842	9,878,492	9,878,492	9,252,279	10,265,318	11,427,413
Investment revenue	182,208	179,558	194,798	194,798	208,088	216,375	225,640
Transfer and subsidies - Operational	2,023,691	1,907,396	1,853,682	1,853,682	1,964,652	1,979,809	2,202,553
Other own revenue	762,770	1,446,828	1,580,206	1,580,206	1,649,504	1,733,691	1,824,466
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>13,693,112</b>	<b>14,846,441</b>	<b>16,345,994</b>	<b>16,345,994</b>	<b>16,055,280</b>	<b>17,339,891</b>	<b>19,013,452</b>
Employee costs	3,584,515	4,210,662	4,196,711	4,196,711	4,558,182	4,721,637	5,016,392
Remuneration of councillors	75,900	87,809	87,895	87,895	91,089	95,188	99,472
Depreciation and amortisation	1,000,452	1,295,759	1,294,092	1,294,092	1,334,327	1,361,981	1,393,210

Description	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>							
Finance charges	125,550	123,596	123,596	123,596	128,228	107,856	87,815
Inventory consumed and bulk purchases	4,503,763	5,003,156	5,066,322	5,066,322	5,992,062	6,699,179	7,537,868
Transfers and subsidies	121,062	63,912	67,070	67,070	62,687	65,729	69,262
Other expenditure	4,836,236	4,612,833	5,593,970	5,593,970	5,105,966	5,279,047	5,576,838
<b>Total Expenditure</b>	<b>14,247,478</b>	<b>15,397,727</b>	<b>16,429,657</b>	<b>16,429,657</b>	<b>17,272,542</b>	<b>18,330,617</b>	<b>19,780,855</b>
<b>Surplus/(Deficit)</b>	<b>(554,366)</b>	<b>(551,287)</b>	<b>(83,663)</b>	<b>(83,663)</b>	<b>(1,217,262)</b>	<b>(990,726)</b>	<b>(767,403)</b>
Transfers and subsidies - capital (monetary allocations)	818,115	785,686	1,008,854	1,008,854	1,434,548	1,360,660	1,506,844
Transfers and subsidies - capital (in-kind)	11,417	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>275,166</b>	<b>234,399</b>	<b>925,191</b>	<b>925,191</b>	<b>217,286</b>	<b>369,934</b>	<b>739,441</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>275,166</b>	<b>234,399</b>	<b>925,191</b>	<b>925,191</b>	<b>217,286</b>	<b>369,934</b>	<b>739,441</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	<b>30,099,222</b>	<b>1,638,626</b>	<b>1,831,314</b>	<b>1,831,314</b>	<b>1,995,957</b>	<b>1,783,612</b>	<b>1,926,802</b>
Transfers recognised - capital	1,566,503	785,686	1,008,854	1,008,854	1,347,960	1,278,111	1,420,596
Borrowing	-	281,943	296,811	296,811	76,338	-	-
Internally generated funds	19,643	519,942	474,594	474,594	571,660	505,502	506,205
<b>Total sources of capital funds</b>	<b>1,586,146</b>	<b>1,587,570</b>	<b>1,780,258</b>	<b>1,780,258</b>	<b>1,995,957</b>	<b>1,783,613</b>	<b>1,926,801</b>
<b>Financial position</b>							
Total current assets	9,029,086	6,932,390	7,044,272	7,044,272	9,680,062	9,277,297	8,878,263
Total non current assets	18,614,781	18,415,896	20,423,633	20,423,633	19,311,371	19,277,660	19,472,475
Total current liabilities	4,824,410	4,089,706	4,385,244	4,385,244	5,506,360	5,671,180	5,819,163
Total non current liabilities	3,806,337	2,851,576	3,992,781	3,992,781	5,928,608	5,927,782	5,958,904
Community wealth/Equity	19,012,973	18,172,605	18,164,689	18,164,689	19,152,742	19,612,866	18,797,884
<b>Cash flows</b>							
Net cash from (used) operating	859	10,237,920	(860,686)	(860,686)	1,444,436	1,515,151	1,948,302
Net cash from (used) investing	(0)	22,908	-	-	(1,822,952)	(1,720,971)	(1,885,196)
Net cash from (used) financing	-	-	-	-	(139,993)	(140,553)	(140,835)
<b>Cash/cash equivalents at the year end</b>	<b>859</b>	<b>10,656,218</b>	<b>60,882</b>	<b>60,882</b>	<b>4,279,141</b>	<b>3,932,767</b>	<b>3,855,039</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	4,699,138	5,562,194	4,783,358	4,783,358	4,692,195	4,481,677	4,477,439
Application of cash and investments	3,656,738	1,285,797	179,534	179,534	565,006	685,073	897,182
<b>Balance - surplus (shortfall)</b>	<b>1,042,400</b>	<b>4,276,397</b>	<b>4,603,824</b>	<b>4,603,824</b>	<b>4,127,190</b>	<b>3,796,604</b>	<b>3,580,257</b>
<b>Asset management</b>							
Asset register summary (WDV)	18,464,996	18,303,116	20,310,852	20,310,852	19,311,371	19,277,660	19,472,475
Depreciation	1,000,452	1,295,759	1,294,092	1,294,092	1,334,327	1,361,981	1,393,210
Renewal and Upgrading of Existing Assets	29,412,877	662,044	670,824	670,824	686,532	564,182	505,467
Repairs and Maintenance	381,773	594,896	578,635	578,635	672,327	665,904	715,478
<b>Free services</b>							
Cost of Free Basic Services provided	-	530,739	390,739	390,739	357,246	380,289	406,581
Revenue cost of free services provided	-	135,943	135,943	135,943	272,492	202,705	215,970

Description	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>							
<b>Households below minimum service level</b>	-	-	-	-	-	-	-
Water:	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-

### 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	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>							
<b>Revenue - Functional</b>							
<b><i>Municipal governance and administration</i></b>	<b>3,757,906</b>	<b>3,788,675</b>	<b>3,927,960</b>	<b>3,927,960</b>	<b>4,025,071</b>	<b>4,233,717</b>	<b>4,471,737</b>
Executive and council	453	746	125,907	125,907	1,142	1,215	1,294
Finance and administration	3,757,450	3,787,930	3,802,053	3,802,053	4,023,928	4,232,502	4,470,443
Internal audit	3						
<b><i>Community and public safety</i></b>	<b>725,864</b>	<b>1,199,526</b>	<b>1,502,917</b>	<b>1,502,917</b>	<b>1,602,841</b>	<b>1,915,747</b>	<b>2,110,863</b>
Community and social services	41,830	45,490	42,330	42,330	39,766	41,424	43,206
Sport and recreation	2,656	4,875	11,754	11,754	35,161	18,509	19,747
Public safety	611,545	849,165	975,165	975,165	1,098,227	1,207,653	1,337,797
Housing	68,635	298,168	471,334	471,334	427,196	645,296	706,967
Health	1,199	1,828	2,336	2,336	2,491	2,865	3,146
<b><i>Economic and environmental services</i></b>	<b>529,230</b>	<b>647,888</b>	<b>608,076</b>	<b>608,076</b>	<b>842,004</b>	<b>677,737</b>	<b>686,248</b>
Planning and development	285,957	171,988	48,066	48,066	205,247	178,186	186,552
Road transport	216,545	459,757	535,055	535,055	592,485	480,381	484,952
Environmental protection	26,727	16,142	24,955	24,955	44,272	19,170	14,744
<b><i>Trading services</i></b>	<b>9,475,558</b>	<b>9,954,151</b>	<b>11,274,007</b>	<b>11,274,007</b>	<b>10,974,772</b>	<b>11,825,290</b>	<b>13,200,267</b>
Energy sources	4,425,878	4,945,206	4,835,182	4,835,182	5,523,802	6,188,335	7,086,304
Water management	3,551,685	3,118,512	4,911,226	4,911,226	3,830,572	3,926,484	4,280,375
Waste-water management	1,012,815	1,410,268	1,040,668	1,040,668	1,179,150	1,242,896	1,338,596
Waste management	485,180	480,165	486,931	486,931	441,249	467,575	494,992
<b><i>Other</i></b>	<b>34,086</b>	<b>41,887</b>	<b>41,887</b>	<b>41,887</b>	<b>45,140</b>	<b>48,061</b>	<b>51,182</b>
<b>Total Revenue - Functional</b>	<b>14,522,644</b>	<b>15,632,126</b>	<b>17,354,848</b>	<b>17,354,848</b>	<b>17,489,828</b>	<b>18,700,551</b>	<b>20,520,296</b>
<b>Expenditure - Functional</b>							
<b><i>Municipal governance and administration</i></b>	<b>2,734,106</b>	<b>2,280,587</b>	<b>2,284,196</b>	<b>2,284,196</b>	<b>2,067,897</b>	<b>2,084,766</b>	<b>2,216,359</b>
Executive and council	207,969	325,545	331,071	331,071	398,006	394,118	414,757
Finance and administration	2,472,116	1,884,670	1,884,843	1,884,843	1,600,939	1,609,360	1,715,819

Description	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>							
Internal audit	54,021	70,372	68,283	68,283	68,952	81,288	85,783
<b>Community and public safety</b>	<b>1,721,061</b>	<b>2,148,806</b>	<b>2,267,593</b>	<b>2,267,593</b>	<b>2,321,182</b>	<b>2,430,838</b>	<b>2,560,594</b>
Community and social services	340,433	394,718	385,641	385,641	423,240	440,498	462,868
Sport and recreation	467,981	708,365	716,874	716,874	609,396	636,287	668,303
Public safety	548,004	678,809	669,034	669,034	741,508	766,764	812,264
Housing	277,561	252,244	387,615	387,615	335,943	368,431	388,900
Health	87,082	114,670	108,429	108,429	211,096	218,857	228,260
<b>Economic and environmental services</b>	<b>653,020</b>	<b>908,306</b>	<b>954,645</b>	<b>954,645</b>	<b>1,442,938</b>	<b>1,409,513</b>	<b>1,457,239</b>
Planning and development	298,108	384,393	408,204	408,204	404,889	392,029	417,222
Road transport	318,447	443,063	471,022	471,022	932,051	927,176	944,990
Environmental protection	36,465	80,849	75,419	75,419	105,998	90,307	95,027
<b>Trading services</b>	<b>9,074,911</b>	<b>9,972,980</b>	<b>10,837,629</b>	<b>10,837,629</b>	<b>11,335,628</b>	<b>12,292,390</b>	<b>13,426,372</b>
Energy sources	5,139,776	5,703,442	5,684,157	5,684,157	6,659,747	7,410,395	8,260,072
Water management	2,522,366	2,434,556	3,534,510	3,534,510	2,835,548	2,975,479	3,154,420
Waste water management	881,776	1,248,341	1,016,935	1,016,935	1,156,750	1,213,767	1,278,807
Waste management	530,994	586,641	602,028	602,028	683,583	692,749	733,072
<b>Other</b>	<b>64,379</b>	<b>87,048</b>	<b>85,593</b>	<b>85,593</b>	<b>104,897</b>	<b>113,110</b>	<b>120,291</b>
<b>Total Expenditure - Functional</b>	<b>14,247,478</b>	<b>15,397,727</b>	<b>16,429,657</b>	<b>16,429,657</b>	<b>17,272,542</b>	<b>18,330,617</b>	<b>19,780,855</b>
<b>Surplus/(Deficit)</b>	<b>275,166</b>	<b>234,399</b>	<b>925,191</b>	<b>925,191</b>	<b>217,286</b>	<b>369,934</b>	<b>739,441</b>

### 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	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
<b>R thousand</b>							
<b>Revenue by Vote</b>							
Vote 1 - Budget & Treasury	3,603,707	3,703,636	3,719,760	3,719,760	3,939,870	4,146,998	4,380,119
Vote 2 - Public Health	528,973	514,994	527,342	527,342	498,757	500,983	525,052
Vote 3 - Human Settlements	124,364	321,076	494,741	494,741	421,143	671,844	694,280
Vote 4 - Economic Development, Tourism & Agriculture	139,092	171,835	40,226	40,226	54,448	52,283	54,248
Vote 5 - Corporate Services	14,511	15,946	17,395	17,395	17,163	14,308	15,325
Vote 6 - Infrastructure & Engineering Unit - Rate & General	222,221	482,502	536,694	536,694	595,255	484,794	489,565
Vote 7 - Metro Water Service	3,704,647	4,435,966	5,881,239	5,881,239	3,830,572	3,926,484	4,280,375
Vote 8 - Sanitation - Metro	1,009,831	1,388,023	1,040,668	1,040,668	1,179,150	1,242,896	1,338,596

Vote Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
<b>R thousand</b>							
Vote 9 - Electricity & Energy	4,448,786	4,945,206	4,835,182	4,835,182	5,524,976	6,189,639	7,087,348
Vote 10 - Executive & Council	9,663	12,223	139,880	139,880	151,362	146,571	154,163
Vote 11 - Safety & Security	629,624	864,678	990,678	990,678	1,146,029	1,225,431	1,397,548
Vote 12 - Mandela Bay Stadium	43,674	56,590	51,793	51,793	60,891	64,849	69,064
Vote 13 - Special Projects and Programmes	12,915	10,393	18,528	18,528	29,816	10,481	11,192
Vote 14 - Recreational & Cultural Services	35,726	23,777	30,734	30,734	40,398	22,990	23,421
Vote 15 - [NAME OF VOTE 15]	-	-	-	-			
<b>Total Revenue by Vote</b>	<b>14,527,734</b>	<b>16,946,845</b>	<b>18,324,861</b>	<b>18,324,861</b>	<b>17,489,828</b>	<b>18,700,551</b>	<b>20,520,296</b>
<b>Expenditure by Vote to be appropriated</b>							
Vote 1 - Budget & Treasury	1,244,476	1,041,701	1,034,408	1,034,408	1,048,666	1,100,549	1,165,750
Vote 2 - Public Health	889,482	897,669	893,172	893,172	1,089,649	1,133,595	1,196,608
Vote 3 - Human Settlements	257,215	351,083	480,534	480,534	459,332	461,800	487,600
Vote 4 - Economic Development, Tourism & Agriculture	117,962	245,746	111,680	111,680	124,369	126,849	133,267
Vote 5 - Corporate Services	407,504	551,131	547,671	547,671	583,940	603,782	635,135
Vote 6 - Infrastructure & Engineering Unit - Rate & General	902,366	1,084,352	1,087,646	1,087,646	1,231,898	1,248,164	1,292,500
Vote 7 - Metro Water Service	2,619,689	3,404,103	4,252,649	4,252,649	2,827,152	2,964,155	3,139,888
Vote 8 - Sanitation - Metro	777,690	1,057,841	861,681	861,681	907,278	952,692	1,004,766
Vote 9 - Electricity & Energy	5,303,697	5,656,222	5,684,725	5,684,725	6,678,299	7,431,790	8,284,312
Vote 10 - Executive & Council	355,393	365,403	529,449	529,449	492,142	490,805	518,799
Vote 11 - Safety & Security	931,121	1,076,297	1,066,975	1,066,975	1,243,361	1,226,502	1,302,212
Vote 12 - Mandela Bay Stadium	-	202,345	203,017	203,017	55,653	58,625	61,902
Vote 13 - Special Projects and Programmes	10,886	9,164	19,112	19,112	30,736	11,519	12,354
Vote 14 - Recreational & Cultural Services	433,204	492,905	499,011	499,011	500,067	519,788	545,762
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>14,250,687</b>	<b>16,435,962</b>	<b>17,271,731</b>	<b>17,271,731</b>	<b>17,272,542</b>	<b>18,330,617</b>	<b>19,780,855</b>
<b>Surplus/(Deficit) for the year</b>	<b>277,047</b>	<b>510,883</b>	<b>1,053,129</b>	<b>1,053,129</b>	<b>217,286</b>	<b>369,934</b>	<b>739,441</b>

### 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	Ref	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>	<b>1</b>							
<b>Revenue</b>								
<b>Exchange Revenue</b>								
Service charges - Electricity	2	4,215,000	4,708,773	4,486,192	4,486,192	5,159,121	5,932,989	6,822,937
Service charges - Water	2	2,832,242	2,693,767	4,307,977	4,307,977	2,943,776	3,108,237	3,297,437
Service charges - Waste Water Management	2	724,346	776,924	790,145	790,145	837,553	891,994	954,434
Service charges - Waste Management	2	291,403	294,378	294,178	294,178	311,829	332,098	352,606
Sale of Goods and Rendering of Services		79,994	113,680	106,678	106,678	117,720	124,860	132,400
Agency services		4,032	3,453	3,453	3,453	3,716	3,998	4,302
Interest		-	-	-	-	-	-	-
Interest earned from Receivables		498,117	399,628	553,833	553,833	573,984	602,705	632,935
Interest earned from Current and Non Current Assets		182,208	179,558	194,798	194,798	208,088	216,375	225,640
Dividends		-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-
Rental from Fixed Assets		28,006	29,488	29,508	29,508	31,021	32,658	34,438
Licence and permits		19,169	16,848	17,157	17,157	18,157	19,359	20,638
Operational Revenue		23,500	34,909	36,304	36,304	38,583	39,134	41,623
<b>Non-Exchange Revenue</b>								
Property rates	2	2,661,453	2,838,816	2,838,816	2,838,816	2,980,757	3,144,699	3,333,381
Surcharges and Taxes		-	-	-	-	-	-	-
Fines, penalties and forfeits		109,210	94,347	78,347	78,347	82,843	87,028	91,746
Licences or permits		1	2	2	2	1	-	-
Transfer and subsidies - Operational		2,023,691	1,907,396	1,853,682	1,853,682	1,964,652	1,979,809	2,202,553
Interest		-	-	-	-	-	-	-
Fuel Levy		-	754,473	754,473	754,473	783,478	823,949	866,384
Operational Revenue		-	-	-	-	-	-	-
Gains on disposal of Assets		740	-	450	450	-	-	-
Other Gains		-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>13,693,112</b>	<b>14,846,441</b>	<b>16,345,994</b>	<b>16,345,994</b>	<b>16,055,280</b>	<b>17,339,891</b>	<b>19,013,452</b>
<b>Expenditure</b>								
Employee related costs	2	3,584,515	4,210,662	4,196,711	4,196,711	4,558,182	4,721,637	5,016,392
Remuneration of councillors		75,900	87,809	87,895	87,895	91,089	95,188	99,472
Bulk purchases - electricity	2	4,377,705	4,705,312	4,754,625	4,754,625	5,632,329	6,347,635	7,153,785
Inventory consumed	8	126,058	297,844	311,696	311,696	359,733	351,544	384,083
Debt impairment	3	2,945,142	2,221,127	3,277,836	3,277,836	1,874,177	1,997,936	2,141,020
Depreciation and amortisation		1,000,452	1,295,759	1,294,092	1,294,092	1,334,327	1,361,981	1,393,210
Interest		125,550	123,596	123,596	123,596	128,228	107,856	87,815
Contracted services		859,048	1,576,121	1,445,494	1,445,494	1,564,811	1,532,095	1,590,330
Transfers and subsidies		121,062	63,912	67,070	67,070	62,687	65,729	69,262
Irrecoverable debts written off		231,814	-	-	-	561,360	578,201	595,547

Description	Ref	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>	<b>1</b>							
Operational costs		575,474	744,930	799,985	799,985	866,955	909,004	969,272
Losses on disposal of Assets		5,291	-	-	-	-	-	-
Other Losses		219,467	70,655	70,655	70,655	238,662	261,809	280,668
<b>Total Expenditure</b>		<b>14,247,478</b>	<b>15,397,727</b>	<b>16,429,657</b>	<b>16,429,657</b>	<b>17,272,542</b>	<b>18,330,617</b>	<b>19,780,855</b>
<b>Surplus/(Deficit)</b>		<b>(554,366)</b>	<b>(551,287)</b>	<b>(83,663)</b>	<b>(83,663)</b>	<b>(1,217,262)</b>	<b>(990,726)</b>	<b>(767,403)</b>
Transfers and subsidies - capital (monetary allocations)	6	818,115	785,686	1,008,854	1,008,854	1,434,548	1,360,660	1,506,844
Transfers and subsidies - capital (in-kind)	6	11,417	-	-	-	-	-	-
		<b>275,166</b>	<b>234,399</b>	<b>925,191</b>	<b>925,191</b>	<b>217,286</b>	<b>369,934</b>	<b>739,441</b>
<b>Surplus/(Deficit) after capital transfers and contributions</b>								
Income Tax		-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>275,166</b>	<b>234,399</b>	<b>925,191</b>	<b>925,191</b>	<b>217,286</b>	<b>369,934</b>	<b>739,441</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>275,166</b>	<b>234,399</b>	<b>925,191</b>	<b>925,191</b>	<b>217,286</b>	<b>369,934</b>	<b>739,441</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>275,166</b>	<b>234,399</b>	<b>925,191</b>	<b>925,191</b>	<b>217,286</b>	<b>369,934</b>	<b>739,441</b>

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

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	2019/20	2020/21	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousands</b>									
<b>Capital Expenditure - Functional</b>									
<b>Municipal governance and administration</b>	<b>20,712,680</b>	<b>14,301,484</b>	<b>14,301,484</b>	<b>194,734</b>	<b>104,395</b>	<b>104,395</b>	<b>243,158</b>	<b>164,615</b>	<b>177,830</b>
Executive and council	(2,398)	50,347	50,347	8	8	8			
Finance and administration	20,715,077	14,251,137	14,251,137	194,726	104,387	104,387	243,158	164,615	177,830
Internal audit									
<b>Community and public safety</b>	<b>822,924</b>	<b>3,033,031</b>	<b>3,033,040</b>	<b>100,615</b>	<b>129,722</b>	<b>129,722</b>	<b>128,758</b>	<b>350,347</b>	<b>343,333</b>
Community and social services	246,913	2,271,567	2,271,567	33,865	20,624	20,624	40,230	42,500	34,300
Sport and recreation	149,572	257,798	257,798	44,700	46,522	46,522	51,739	24,600	29,100
Public safety	(58,979)	(24,978)	(24,970)	20,300	30,130	30,130	30,422	27,300	12,600
Housing	419,661	461,392	461,392		30,696	30,696	4,417	254,147	265,533

Description	2019/20	2020/21	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
<b>Capital Expenditure - Functional</b>										
Health	65,757	67,253	67,253	1,750	1,750	1,750	1,950	1,800	1,800	
<b>Economic and environmental services</b>	<b>2,391,333</b>	<b>4,041,460</b>	<b>4,041,604</b>	<b>499,926</b>	<b>595,764</b>	<b>595,764</b>	<b>574,965</b>	<b>471,514</b>	<b>479,597</b>	
Planning and development	776,559	896,650	896,650	51,048	51,048	51,048	54,407	57,292	60,955	
Road transport	1,491,701	2,950,614	2,950,757	448,878	544,716	544,716	520,557	414,223	418,641	
Environmental protection	123,072	194,196	194,196							
<b>Trading services</b>	<b>2,966,639</b>	<b>8,700,442</b>	<b>8,701,347</b>	<b>843,351</b>	<b>1,001,433</b>	<b>1,001,433</b>	<b>1,049,078</b>	<b>797,135</b>	<b>926,042</b>	
Energy sources	866,366	4,516,335	4,517,065	214,159	312,246	312,246	315,211	157,905	155,666	
Water management	1,024,782	2,703,592	2,703,767	346,335	451,431	451,431	481,371	404,307	517,330	
Waste water management	666,287	980,557	980,557	277,107	223,272	223,272	244,716	226,923	245,046	
Waste management	409,205	499,958	499,958	5,750	14,484	14,484	7,780	8,000	8,000	
<b>Other</b>	<b>21,464</b>	<b>21,748</b>	<b>21,748</b>							
<b>Total Capital Expenditure - Functional</b>	<b>26,915,039</b>	<b>30,098,166</b>	<b>30,099,222</b>	<b>1,638,626</b>	<b>1,831,314</b>	<b>1,831,314</b>	<b>1,995,957</b>	<b>1,783,612</b>	<b>1,926,802</b>	
<b>Funded by</b>										
National Government	702,212	1,566,328	1,566,503	743,820	972,354	972,354	1,307,960	1,238,111	1,380,596	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)				41,865	36,500	36,500	40,000	40,000	40,000	
<b>Transfers recognised - capital</b>	<b>702,212</b>	<b>1,566,328</b>	<b>1,566,503</b>	<b>785,686</b>	<b>1,008,854</b>	<b>1,008,854</b>	<b>1,347,960</b>	<b>1,278,111</b>	<b>1,420,596</b>	
<b>Borrowing</b>				281,943	296,811	296,811	76,338			
<b>Internally generated funds</b>	<b>1,653,593</b>	<b>19,643</b>	<b>19,643</b>	<b>519,942</b>	<b>474,594</b>	<b>474,594</b>	<b>571,660</b>	<b>505,501</b>	<b>506,206</b>	
<b>Total Capital Funding</b>	<b>2,355,805</b>	<b>1,585,971</b>	<b>1,586,146</b>	<b>1,587,570</b>	<b>1,780,258</b>	<b>1,780,258</b>	<b>1,995,957</b>	<b>1,783,612</b>	<b>1,926,802</b>	

### 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	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
<b>ASSETS</b>								
<b>Current assets</b>								
Cash and cash equivalents	4,699,138	5,562,194	4,783,358	4,783,358	4,797,650	4,174,896	3,852,249	
Trade and other receivables from exchange transactions	2,351,852	742,770	4,653,862	4,653,862	3,301,835	3,444,583	3,211,299	
Receivables from non-exchange transactions	589,023	384,265	(2,639,470)	(2,639,470)	217,452	217,474	223,998	

Description	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>							
Current portion of non-current receivables	-	-	-	-	-	-	-
Inventory	183,259	243,131	246,492	246,492	260,285	237,503	277,876
VAT	1,202,841	30	30	30	1,102,841	1,202,841	1,312,841
Other current assets	2,973	-	-	-	-	-	-
<b>Total current assets</b>	<b>9,029,086</b>	<b>6,932,390</b>	<b>7,044,272</b>	<b>7,044,272</b>	<b>9,680,062</b>	<b>9,277,297</b>	<b>8,878,263</b>
<b>Non-current assets</b>							
Investments	-	-	-	-	-	-	-
Investment property	147,161	152,119	152,119	152,119	153,640	155,944	156,256
Property, plant and equipment	18,058,084	18,016,751	20,026,188	20,026,188	18,706,291	18,677,153	18,858,220
Biological assets	-	-	-	-	-	-	-
Living and non-living resources	-	-	-	-	-	-	-
Heritage assets	218,363	1,700	-	-	217,452	217,474	223,998
Intangible assets	55,484	132,546	132,546	132,546	63,351	55,829	62,117
Trade and other receivables from exchange transactions	135,638	-	-	-	115,638	115,985	116,333
Non-current receivables from non-exchange transactions	50	112,780	112,780	112,780	55,000	55,275	55,551
Other non-current assets	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>18,614,781</b>	<b>18,415,896</b>	<b>20,423,633</b>	<b>20,423,633</b>	<b>19,311,371</b>	<b>19,277,660</b>	<b>19,472,475</b>
<b>TOTAL ASSETS</b>	<b>27,643,867</b>	<b>25,348,286</b>	<b>27,467,905</b>	<b>27,467,905</b>	<b>28,991,433</b>	<b>28,554,957</b>	<b>28,350,739</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft	-	-	-	-	-	-	-
Financial liabilities	192,847	990,167	281,943	281,943	192,379	213,799	220,213
Consumer deposits	156,560	154,652	168,247	168,247	176,659	185,492	194,767
Trade and other payables from exchange transactions	2,048,878	2,711,454	3,926,964	3,926,964	2,878,343	2,896,018	2,910,091
Trade and other payables from non-exchange transactions	361,968	36,032	(189,311)	(189,311)	312,695	314,258	315,830
Provision	562,819	197,401	197,401	197,401	229,572	243,301	255,466
VAT	1,501,338	-	-	-	1,716,713	1,818,311	1,922,797
Other current liabilities	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>4,824,410</b>	<b>4,089,706</b>	<b>4,385,244</b>	<b>4,385,244</b>	<b>5,506,360</b>	<b>5,671,180</b>	<b>5,819,163</b>
<b>Non-current liabilities</b>							
Financial liabilities	1,053,876	196,369	1,286,978	1,286,978	1,055,049	1,058,215	1,060,331
Provision	1,369,398	2,655,207	2,678,629	2,678,629	3,767,977	3,778,267	3,786,839
Long term portion of trade payables	-	-	-	-	-	-	-
Other non-current liabilities	1,383,063	-	27,174	27,174	1,105,582	1,091,300	1,111,734
<b>Total non-current liabilities</b>	<b>3,806,337</b>	<b>2,851,576</b>	<b>3,992,781</b>	<b>3,992,781</b>	<b>5,928,608</b>	<b>5,927,782</b>	<b>5,958,904</b>
<b>TOTAL LIABILITIES</b>	<b>8,630,747</b>	<b>6,941,282</b>	<b>8,378,025</b>	<b>8,378,025</b>	<b>11,434,968</b>	<b>11,598,962</b>	<b>11,778,067</b>
<b>NET ASSETS</b>	<b>19,013,120</b>	<b>18,407,004</b>	<b>19,089,880</b>	<b>19,089,880</b>	<b>17,556,465</b>	<b>16,955,995</b>	<b>16,572,672</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated surplus/(deficit)	18,628,397	18,058,931	18,058,931	18,058,931	18,245,712	18,703,993	17,886,285
Reserves and funds	384,576	113,675	105,758	105,758	907,030	908,873	911,599
Other	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>19,012,973</b>	<b>18,172,605</b>	<b>18,164,689</b>	<b>18,164,689</b>	<b>19,152,742</b>	<b>19,612,866</b>	<b>18,797,884</b>

**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 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
<b>R thousands</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	3,896,174	6,274,553	6,274,553	2,652,874	2,798,782	2,966,709
Service charges	10,731,758	15,218,804	15,218,804	7,144,625	8,006,357	9,012,669
Other revenue	1,923,729	2,030,306	2,030,306	2,410,416	2,585,940	2,800,598
Transfers and Subsidies - Operational	-	976,061	976,061	1,964,652	1,979,809	2,202,553
Transfers and Subsidies - Capital	-	-	-	1,387,960	1,318,111	1,460,596
Interest	-	-	-	208,088	216,375	225,640
<b>Payments</b>						
Suppliers and employees	(6,313,742)	(25,360,410)	(25,360,410)	(14,133,263)	(15,216,637)	(16,563,386)
Finance charges	-	-	-	(128,228)	(107,856)	(87,815)
Transfers and Subsidies	-	-	-	(62,687)	(65,729)	(69,262)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>10,237,920</b>	<b>(860,686)</b>	<b>(860,686)</b>	<b>1,444,436</b>	<b>1,515,151</b>	<b>1,948,302</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	-	-	-	-	-	-
Decrease (Increase) in non-current debtors (not used)	-	-	-	-	-	-
Decrease (increase) in non-current receivables	22,908	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-
<b>Payments</b>						
Capital assets	-	-	-	(1,822,952)	(1,720,971)	(1,885,196)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>22,908</b>	<b>-</b>	<b>-</b>	<b>(1,822,952)</b>	<b>(1,720,971)</b>	<b>(1,885,196)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Short term loans	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-
<b>Payments</b>						
Repayment of borrowing	-	-	-	(139,993)	(140,553)	(140,835)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(139,993)</b>	<b>(140,553)</b>	<b>(140,835)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>10,260,828</b>	<b>(860,686)</b>	<b>(860,686)</b>	<b>(518,509)</b>	<b>(346,374)</b>	<b>(77,728)</b>

Description	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
<b>R thousands</b>						
Cash/cash equivalents at the year begin:	395,390	921,568	921,568	4,797,650	4,279,141	3,932,767
Cash/cash equivalents at the year-end:	10,656,218	60,882	60,882	4,279,141	3,932,767	3,855,039

### 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 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
<b>R thousands</b>						
<b>Cash and investments available</b>						
Cash/cash equivalents at the year end	4,656,218	60,882	60,882	4,279,141	3,932,767	3,855,039
Other current investments > 90 days	905,977	4,722,476	4,722,476	413,054	548,910	622,400
Non-current assets - Investments	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>5,562,194</b>	<b>4,783,358</b>	<b>4,783,358</b>	<b>4,692,195</b>	<b>4,481,677</b>	<b>4,477,439</b>
<b>Application of cash and investments</b>						
Unspent conditional transfers	36,032	(36,524)	(36,524)	55,600	53,200	50,100
Unspent borrowing	-	-	-	-	-	-
Statutory requirements	(30)	(30)	(30)	613,872	615,470	609,956
Other working capital requirements	938,719	(87,071)	(87,071)	(1,241,068)	(1,135,771)	(929,939)
Other provisions	197,401	197,401	197,401	229,572	243,301	255,466
Long term investments committed	-	-	-	-	-	-
Reserves to be backed by cash/investments	113,675	105,758	105,758	907,030	908,873	911,599
<b>Total Application of cash and investments:</b>	<b>1,285,797</b>	<b>179,535</b>	<b>179,535</b>	<b>565,006</b>	<b>685,073</b>	<b>897,182</b>
<b>Surplus(shortfall)</b>	<b>4,276,397</b>	<b>4,603,823</b>	<b>4,603,823</b>	<b>4,127,190</b>	<b>3,796,604</b>	<b>3,580,257</b>

### 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 2023/24 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	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>							
<b>CAPITAL EXPENDITURE</b>							
<b>Total New Assets</b>	<b>686,346</b>	<b>976,582</b>	<b>1,160,490</b>	<b>1,160,490</b>	<b>1,309,426</b>	<b>1,219,431</b>	<b>1,421,335</b>
<i>Roads Infrastructure</i>	102,072	309,908	419,853	419,853	380,220	262,293	288,705
<i>Storm water Infrastructure</i>	549	20,935	29,217	29,217	30,625	23,781	27,050
<i>Electrical Infrastructure</i>	191,048	124,871	187,446	187,446	179,339	74,555	72,316
<i>Water Supply Infrastructure</i>	225,834	219,335	304,691	304,691	393,605	285,007	398,030
<i>Sanitation Infrastructure</i>		63,372	49,602	49,602	64,442	95,051	107,450
<i>Solid Waste Infrastructure</i>			8,734	8,734			
<i>Rail Infrastructure</i>							
<i>Coastal Infrastructure</i>							
<i>Information and Communication Infrastructure</i>		5,000	1,000	1,000	5,600	2,000	
<b>Infrastructure</b>	<b>519,503</b>	<b>743,422</b>	<b>1,000,543</b>	<b>1,000,543</b>	<b>1,053,830</b>	<b>742,688</b>	<b>893,552</b>
Community Facilities	3,733	6,065	6,829	6,829	10,117	10,100	11,600
Sport and Recreation Facilities	2,425	6,000	4,800	4,800	13,826		1,000
<b>Community Assets</b>	<b>6,158</b>	<b>12,065</b>	<b>11,629</b>	<b>11,629</b>	<b>23,943</b>	<b>10,100</b>	<b>12,600</b>
<b>Heritage Assets</b>		1,900	2,700	2,700			
Revenue Generating							
Non-revenue Generating							
<b>Investment properties</b>	-	-	-	-	-	-	-
Operational Buildings		39,118	10,977	10,977	44,471	39,760	37,000
Housing			2,990	2,990		254,147	265,533
<b>Other Assets</b>	-	<b>39,118</b>	<b>13,967</b>	<b>13,967</b>	<b>44,471</b>	<b>293,908</b>	<b>302,533</b>
<b>Biological or Cultivated Assets</b>							
Servitudes							
Licences and Rights	16,669	20,032	6,372	6,372	41,200	26,155	41,100
<b>Intangible Assets</b>	<b>16,669</b>	<b>20,032</b>	<b>6,372</b>	<b>6,372</b>	<b>41,200</b>	<b>26,155</b>	<b>41,100</b>
Computer Equipment	28,541	22,622	20,106	20,106	22,115	34,272	34,850
Furniture and Office Equipment	3,007	12,558	2,594	2,594	7,850	8,058	3,500
<b>Machinery and Equipment</b>	<b>71,121</b>	<b>64,465</b>	<b>39,921</b>	<b>39,921</b>	<b>65,280</b>	<b>46,750</b>	<b>48,100</b>
<b>Transport Assets</b>	<b>23,640</b>	<b>58,900</b>	<b>30,463</b>	<b>30,463</b>	<b>46,320</b>	<b>57,500</b>	<b>85,100</b>
<b>Land</b>	<b>17,706</b>	<b>1,500</b>	<b>32,196</b>	<b>32,196</b>	<b>4,417</b>		
<b>Zoo's, Marine and Non-biological Animals</b>							
Mature							
Immature							

Description	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<b>R thousands</b>							
<b>Living Resources</b>	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>23,967,256</b>	<b>298,297</b>	<b>321,809</b>	<b>321,809</b>	<b>354,464</b>	<b>247,027</b>	<b>232,930</b>
<i>Roads Infrastructure</i>	1,395,275	60,700	76,950	76,950	87,250	64,830	64,500
<i>Storm water Infrastructure</i>		7,500	15,446	15,446	10,000	10,000	10,000
<i>Electrical Infrastructure</i>	288,796	58,939	60,019	60,019	68,424	57,250	58,250
<i>Water Supply Infrastructure</i>		108,000	136,629	136,629	72,767	50,000	53,000
<i>Sanitation Infrastructure</i>		33,000	20,552	20,552	57,292	20,397	18,000
<i>Solid Waste Infrastructure</i>		4,050	4,050	4,050	15,652	8,000	10,000
<i>Rail Infrastructure</i>							
<i>Coastal Infrastructure</i>							
<i>Information and Communication Infrastructure</i>							
<b>Infrastructure</b>	<b>1,684,071</b>	<b>272,189</b>	<b>313,646</b>	<b>313,646</b>	<b>311,384</b>	<b>210,477</b>	<b>213,750</b>
Community Facilities	20,444	4,800	1,370	1,370	15,330	17,300	14,300
Sport and Recreation Facilities		6,400	3,415	3,415	2,000	1,000	1,000
<b>Community Assets</b>	<b>20,444</b>	<b>11,200</b>	<b>4,785</b>	<b>4,785</b>	<b>17,330</b>	<b>18,300</b>	<b>15,300</b>
<b>Heritage Assets</b>							
Revenue Generating							
Non-revenue Generating							
<b>Investment properties</b>	-	-	-	-	-	-	-
Operational Buildings	39,681	4,900	2,370	2,370	2,250	3,250	3,880
Housing							
<b>Other Assets</b>	<b>39,681</b>	<b>4,900</b>	<b>2,370</b>	<b>2,370</b>	<b>2,250</b>	<b>3,250</b>	<b>3,880</b>
<b>Biological or Cultivated Assets</b>							
Servitudes							
Licences and Rights							
<b>Intangible Assets</b>	-	-	-	-	-	-	-
Computer Equipment	24,560						
Furniture and Office Equipment							
Machinery and Equipment	22,197,044	8	8	8	1,000		
<b>Transport Assets</b>		10,000	1,000	1,000	22,500	15,000	
Land							
Zoo's, Marine and Non-biological Animals	1,457						
Mature							
Immature							
<b>Living Resources</b>	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	<b>5,445,621</b>	<b>363,747</b>	<b>349,015</b>	<b>349,015</b>	<b>332,068</b>	<b>317,155</b>	<b>272,537</b>
<i>Roads Infrastructure</i>	809,915	102,668	92,865	92,865	96,685	97,391	52,391
<i>Storm water Infrastructure</i>	195,479	35,500	30,400	30,400	26,437	31,000	31,000

Description	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<i>Electrical Infrastructure</i>	879,689	17,406	48,724	48,724	65,248	22,100	22,100
<i>Water Supply Infrastructure</i>	1,698,728	17,000	10,010	10,010	11,000	59,000	56,000
<i>Sanitation Infrastructure</i>	1,062,856	109,500	79,887	79,887	49,420	49,994	54,846
<i>Solid Waste Infrastructure</i>	38,580	3,000	3,000	3,000	3,000	6,000	6,000
<i>Rail Infrastructure</i>							
<i>Coastal Infrastructure</i>							
<i>Information and Communication Infrastructure</i>	2	2,000	2,000	2,000	2,000	3,000	3,000
<b>Infrastructure</b>	<b>4,685,251</b>	<b>287,074</b>	<b>266,886</b>	<b>266,886</b>	<b>253,790</b>	<b>268,485</b>	<b>225,337</b>
Community Facilities	283,803	48,950	40,600	40,600	54,550	38,400	31,600
Sport and Recreation Facilities	209,902	15,700	28,641	28,641	9,174	4,300	8,500
<b>Community Assets</b>	<b>493,705</b>	<b>64,650</b>	<b>69,241</b>	<b>69,241</b>	<b>63,724</b>	<b>42,700</b>	<b>40,100</b>
<b>Heritage Assets</b>	<b>(4,180)</b>		<b>1,700</b>	<b>1,700</b>	<b>900</b>		
Revenue Generating							
Non-revenue Generating							
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	107,785	8,723	7,237	7,237	12,334	4,970	6,100
Housing	(5,254)						
<b>Other Assets</b>	<b>102,531</b>	<b>8,723</b>	<b>7,237</b>	<b>7,237</b>	<b>12,334</b>	<b>4,970</b>	<b>6,100</b>
<b>Biological or Cultivated Assets</b>	<b>7,951</b>						
Servitudes							
Licences and Rights	29,871	1,800	1,800	1,800			
<b>Intangible Assets</b>	<b>29,871</b>	<b>1,800</b>	<b>1,800</b>	<b>1,800</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>	<b>1,389</b>	<b>1,500</b>	<b>2,150</b>	<b>2,150</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Furniture and Office Equipment</b>	<b>2,144</b>						
<b>Machinery and Equipment</b>					<b>320</b>		
<b>Transport Assets</b>	<b>126,959</b>						
<b>Land</b>							
<b>Zoo's, Marine and Non-biological Animals</b>							
Mature							
Immature							
<b>Living Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure</b>	<b>30,099,222</b>	<b>1,638,626</b>	<b>1,831,314</b>	<b>1,831,314</b>	<b>1,995,957</b>	<b>1,783,612</b>	<b>1,926,802</b>
<i>Roads Infrastructure</i>	2,307,262	473,277	589,668	589,668	564,155	424,514	405,597
<i>Storm water Infrastructure</i>	196,028	63,935	75,062	75,062	67,062	64,781	68,050
<i>Electrical Infrastructure</i>	1,359,533	201,216	296,189	296,189	313,011	153,905	152,666
<i>Water Supply Infrastructure</i>	1,924,562	344,335	451,331	451,331	477,371	394,007	507,030
<i>Sanitation Infrastructure</i>	1,062,856	205,872	150,041	150,041	171,154	165,442	180,296

Description	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<i>Solid Waste Infrastructure</i>	38,580	7,050	15,784	15,784	18,652	14,000	16,000
<i>Rail Infrastructure</i>							
<i>Coastal Infrastructure</i>							
<i>Information and Communication Infrastructure</i>	2	7,000	3,000	3,000	7,600	5,000	3,000
<b>Infrastructure</b>	<b>6,888,824</b>	<b>1,302,685</b>	<b>1,581,075</b>	<b>1,581,075</b>	<b>1,619,004</b>	<b>1,221,650</b>	<b>1,332,638</b>
Community Facilities	307,980	59,815	48,799	48,799	79,997	65,800	57,500
Sport and Recreation Facilities	212,327	28,100	36,857	36,857	25,000	5,300	10,500
<b>Community Assets</b>	<b>520,307</b>	<b>87,915</b>	<b>85,655</b>	<b>85,655</b>	<b>104,997</b>	<b>71,100</b>	<b>68,000</b>
<b>Heritage Assets</b>	(4,180)	1,900	4,400	4,400	900		
Revenue Generating							
Non-revenue Generating							
<b>Investment properties</b>	-	-	-	-	-	-	-
Operational Buildings	147,466	52,741	20,584	20,584	59,054	47,980	46,980
Housing	(5,254)		2,990	2,990		254,147	265,533
<b>Other Assets</b>	<b>142,212</b>	<b>52,741</b>	<b>23,575</b>	<b>23,575</b>	<b>59,054</b>	<b>302,128</b>	<b>312,513</b>
<b>Biological or Cultivated Assets</b>	7,951						
Servitudes							
Licences and Rights	46,540	21,832	8,172	8,172	41,200	26,155	41,100
<b>Intangible Assets</b>	<b>46,540</b>	<b>21,832</b>	<b>8,172</b>	<b>8,172</b>	<b>41,200</b>	<b>26,155</b>	<b>41,100</b>
<b>Computer Equipment</b>	54,490	24,122	22,256	22,256	23,115	35,272	35,850
<b>Furniture and Office Equipment</b>	5,151	12,558	2,594	2,594	7,850	8,058	3,500
<b>Machinery and Equipment</b>	22,268,165	64,473	39,929	39,929	66,600	46,750	48,100
<b>Transport Assets</b>	150,599	68,900	31,463	31,463	68,820	72,500	85,100
<b>Land</b>	17,706	1,500	32,196	32,196	4,417		
<b>Zoo's, Marine and Non-biological Animals</b>	1,457						
Mature							
Immature							
<b>Living Resources</b>	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset Class</b>	<b>30,099,222</b>	<b>1,638,626</b>	<b>1,831,314</b>	<b>1,831,314</b>	<b>1,995,957</b>	<b>1,783,612</b>	<b>1,926,802</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>18,464,996</b>	<b>18,303,116</b>	<b>20,310,852</b>	<b>20,310,852</b>	<b>18,093,096</b>	<b>18,051,542</b>	<b>18,237,923</b>
<i>Roads Infrastructure</i>	2,294,555	502,027	597,268	597,268	212,301	55,016	34,002
<i>Storm water Infrastructure</i>	317,993	53,098	67,562	67,562	32,870	30,353	26,338
<i>Electrical Infrastructure</i>	1,389,554	211,659	312,396	312,396	141,662	(20,958)	(24,179)
<i>Water Supply Infrastructure</i>	1,993,676	346,335	451,431	451,431	207,501	119,233	225,963
<i>Sanitation Infrastructure</i>	993,505	211,209	150,206	150,206	76,556	68,893	81,535
<i>Solid Waste Infrastructure</i>	5,754	8,050	16,784	16,784	(62,303)	(71,504)	(71,508)
<i>Rail Infrastructure</i>							

Description	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
R thousands							
<i>Coastal Infrastructure</i>							
<i>Information and Communication Infrastructure</i>	25,496	9,000	3,000	3,000	9,600	7,000	3,000
<b>Infrastructure</b>	7,020,534	1,341,377	1,598,647	1,598,647	618,188	188,033	275,151
	522,830	78,165	73,486	73,486	(85,939)	(122,975)	(128,187)
<b>Community Assets</b>	522,830	78,165	73,486	73,486	(85,939)	(122,975)	(128,187)
<b>Heritage Assets</b>	218,363	1,700					
	147,161	152,119	152,119	152,119	153,640	155,944	156,256
<b>Investment properties</b>	147,161	152,119	152,119	152,119	153,640	155,944	156,256
	10,252,431	16,508,114	18,266,190	18,266,190	17,315,343	17,768,679	17,865,475
<b>Other Assets</b>	10,252,431	16,508,114	18,266,190	18,266,190	17,315,343	17,768,679	17,865,475
<b>Biological or Cultivated Assets</b>							
	55,484	132,546	132,546	132,546	(18,649)	(30,171)	(21,383)
<b>Intangible Assets</b>	55,484	132,546	132,546	132,546	(18,649)	(30,171)	(21,383)
<b>Computer Equipment</b>	28,913	7,772	4,706	4,706	22,115	35,572	34,850
<b>Furniture and Office Equipment</b>	3,007	2,700	1,994	1,994	8,750	2,000	2,000
<b>Machinery and Equipment</b>	66,265	41,122	17,267	17,267	30,225	8,912	(1,875)
<b>Transport Assets</b>	132,302	37,500	33,203	33,203	45,007	45,547	55,636
<b>Land</b>	17,706		30,696	30,696	4,417		
<b>Zoo's, Marine and Non-biological Animals</b>							
<b>Living Resources</b>							
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>18,464,996</b>	<b>18,303,116</b>	<b>20,310,852</b>	<b>20,310,852</b>	<b>18,093,096</b>	<b>18,051,542</b>	<b>18,237,923</b>
<b>EXPENDITURE OTHER ITEMS</b>							
<b>Depreciation</b>	1,000,452	1,295,759	1,294,092	1,294,092	1,334,327	1,361,981	1,393,210
<b>Repairs and Maintenance by Asset Class</b>	<b>381,773</b>	<b>594,896</b>	<b>578,635</b>	<b>578,635</b>	<b>672,327</b>	<b>665,904</b>	<b>715,478</b>
<i>Roads Infrastructure</i>	40,291	76,136	93,916	93,916	105,984	91,219	100,104
<i>Storm water Infrastructure</i>	9,191	27,064	9,554	9,554	16,427	16,443	16,459
<i>Electrical Infrastructure</i>	66,158	64,180	67,430	67,430	102,850	109,021	115,562
<i>Water Supply Infrastructure</i>	78,615	105,146	108,685	108,685	130,713	118,320	127,436
<i>Sanitation Infrastructure</i>	67,451	76,255	74,895	74,895	81,652	87,374	94,130
<i>Solid Waste Infrastructure</i>							
<i>Rail Infrastructure</i>	393	2,285	2,285	2,285	2,310	2,423	2,536
<i>Coastal Infrastructure</i>							

Description	2021/22	Current year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2024/25
<i>Information and Communication Infrastructure</i>		500	500	500	1,250	1,325	1,405
<b>Infrastructure</b>	<b>262,099</b>	<b>351,565</b>	<b>357,265</b>	<b>357,265</b>	<b>441,186</b>	<b>426,124</b>	<b>457,632</b>
Community Facilities	9,837	22,739	18,940	18,940	19,587	20,245	21,147
Sport and Recreation Facilities	8,351	7,587	8,238	8,238	10,078	10,771	11,601
<b>Community Assets</b>	<b>18,188</b>	<b>30,325</b>	<b>27,178</b>	<b>27,178</b>	<b>29,665</b>	<b>31,016</b>	<b>32,748</b>
<b>Heritage Assets</b>	<b>263</b>	<b>616</b>	<b>616</b>	<b>616</b>	<b>638</b>	<b>662</b>	<b>686</b>
Revenue Generating							
Non-revenue Generating							
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	19,720	59,180	71,037	71,037	69,303	70,479	74,524
Housing	500	4,623	4,558	4,558	4,989	5,352	5,766
<b>Other Assets</b>	<b>20,220</b>	<b>63,804</b>	<b>75,595</b>	<b>75,595</b>	<b>74,292</b>	<b>75,831</b>	<b>80,289</b>
<b>Biological or Cultivated Assets</b>							
Servitudes							
Licences and Rights	4,006	5,176	5,026	5,026	5,455	5,751	6,064
<b>Intangible Assets</b>	<b>4,006</b>	<b>5,176</b>	<b>5,026</b>	<b>5,026</b>	<b>5,455</b>	<b>5,751</b>	<b>6,064</b>
<b>Computer Equipment</b>	<b>3,551</b>	<b>7,559</b>	<b>7,205</b>	<b>7,205</b>	<b>5,501</b>	<b>5,637</b>	<b>6,037</b>
<b>Furniture and Office Equipment</b>	<b>229</b>	<b>3,562</b>	<b>3,318</b>	<b>3,318</b>	<b>4,347</b>	<b>4,228</b>	<b>4,426</b>
<b>Machinery and Equipment</b>	<b>34,202</b>	<b>89,096</b>	<b>62,879</b>	<b>62,879</b>	<b>59,462</b>	<b>63,401</b>	<b>67,924</b>
<b>Transport Assets</b>	<b>39,014</b>	<b>43,193</b>	<b>39,553</b>	<b>39,553</b>	<b>51,781</b>	<b>53,256</b>	<b>59,670</b>
<b>Land</b>							
<b>Zoo's, Marine and Non-biological Animals</b>							
Mature							
Immature							
<b>Living Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>1,382,225</b>	<b>1,890,655</b>	<b>1,872,727</b>	<b>1,872,727</b>	<b>2,006,654</b>	<b>2,027,885</b>	<b>2,108,687</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	97.7%	40.4%	36.6%	36.6%	34.4%	31.6%	26.2%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	2940.0%	51.1%	51.8%	51.8%	51.5%	41.4%	36.3%
<i>R&amp;M as a % of PPE &amp; Investment Property</i>	2.1%	3.2%	2.8%	2.8%	3.7%	3.6%	3.9%
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i>	163.8%	6.9%	6.2%	6.2%	7.5%	6.8%	6.6%

## 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	Re f	Current Year 2022/23			2023/24 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
<b>Household service targets</b>	1						
<b>Water:</b>							
Piped water inside dwelling		403,634	403,634	403,634	404,441	405,250	406,061
Piped water inside yard (but not in dwelling)							
Using public tap (at least min.service level)	2	44,100	44,100	44,100	44,188	44,277	44,365
Other water supply (at least min.service level)	4						
<i>Minimum Service Level and Above sub-total</i>		447,734	447,734	447,734	448,629	449,527	450,426
Using public tap (< min.service level)	3	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	997	1,017	1,037
No water supply		-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>					997	1,017	1,037
<b>Total number of households</b>	5	<b>447,734</b>	<b>447,734</b>	<b>447,734</b>	<b>449,626</b>	<b>450,544</b>	<b>451,463</b>
<b>Sanitation/sewerage:</b>							
Flush toilet (connected to sewerage)		399,442	399,442	399,442	399,841	400,241	400,642
Flush toilet (with septic tank)		4,192	4,192	4,192	4,200	4,209	4,217
Chemical toilet		2,947	2,947	2,947	2,953	2,959	2,965
Pit toilet (ventilated)		167	167	167	184	202	203
Other toilet provisions (> min.service level)		-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		406,748	406,748	406,748	407,178	407,611	408,027
Bucket toilet		6,010	6,010	6,010	6,190	6,438	6,477
Other toilet provisions (< min.service level)		-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		6,010	6,010	6,010	6,190	6,438	6,477
<b>Total number of households</b>	5	<b>412,758</b>	<b>412,758</b>	<b>412,758</b>	<b>413,369</b>	<b>414,049</b>	<b>414,503</b>
<b>Energy:</b>							
Electricity (at least min.service level)		22,465	22,465	22,465	24,712	26,194	26,351
Electricity - prepaid (min.service level)		303,896	303,896	303,896	306,024	307,860	309,399
<i>Minimum Service Level and Above sub-total</i>		326,361	326,361	326,361	330,735	334,054	335,751
Electricity (< min.service level)		-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-
<b>Total number of households</b>	5	<b>326,361</b>	<b>326,361</b>	<b>326,361</b>	<b>330,735</b>	<b>334,054</b>	<b>335,751</b>
<b>Refuse:</b>							
Removed at least once a week		235,644	235,644	235,644	236,822	237,533	238,008
<i>Minimum Service Level and Above sub-total</i>		235,644	235,644	235,644	236,822	237,533	238,008
Removed less frequently than once a week		-	-	-	-	-	-

Description	Ref	Current Year 2022/23			2023/24 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
Using communal refuse dump		38,003	38,003	38,003	39,143	41,492	43,981
Using own refuse dump		-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-
No rubbish disposal		23,119	23,119	23,119	23,581	24,289	25,503
<i>Below Minimum Service Level sub-total</i>		61,122	61,122	61,122	62,724	65,780	69,484
<b>Total number of households</b>	5	<b>296,766</b>	<b>296,766</b>	<b>296,766</b>	<b>299,547</b>	<b>303,313</b>	<b>307,492</b>
<b>Households receiving Free Basic Service</b>	7						
Water (6 kilolitres per household per month)		73,369	73,369	73,369	90,626	95,426	100,226
Sanitation (free minimum level service)		74,217	74,217	74,217	92,156	96,956	101,756
Electricity/other energy (50kwh per household per month)		48,256	48,256	48,256	73,526	78,526	83,126
Refuse (removed at least once a week)		65,191	65,191	65,191	86,954	91,754	96,554
Informal Settlements		-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>							
Water (6 kilolitres per indigent household per month)		136,000	91,000	91,000	119,336	126,496	134,719
Sanitation (free sanitation service to indigent households)		195,000	100,000	100,000	120,128	128,537	138,177
Electricity/other energy (50kwh per indigent household per month)		55,860	55,860	55,860	27,639	29,704	31,923
Refuse (removed once a week for indigent households)		143,879	143,879	143,879	90,143	95,552	101,763
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-
<b>Total cost of FBS provided</b>	8	<b>530,739</b>	<b>390,739</b>	<b>390,739</b>	<b>357,246</b>	<b>380,289</b>	<b>406,581</b>
<b>Highest level of free service provided per household</b>							
Property rates (R value threshold)					130,000	130,000	130,000
Water (kilolitres per household per month)		8	8	8	8	8	8
Sanitation (kilolitres per household per month)		7	7	7	11	11	11
Sanitation (Rand per household per month)		129	129	129	137	146	156
Electricity (kwh per household per month)		75	75	75	75	75	75
Refuse monthly charge for ATTP		168	168	168	178	190	203
<b>Revenue cost of subsidised services provided (R'000)</b>	9						
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)		120,225	120,225	120,225	114,371	121,805	129,722
Water (in excess of 6 kilolitres per indigent household per month)					29,834	31,624	33,680
Sanitation (in excess of free sanitation service to indigent households)		-	-	-			
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	30,018	31,532	33,582
Refuse (in excess of one removal a week for indigent households)		15,719	15,719	15,719	16,662	17,745	18,987
Municipal Housing - rental rebates							
Housing - top structure subsidies	6				81,608		
Other							
<b>Total revenue cost of subsidised services provided</b>		<b>135,943</b>	<b>135,943</b>	<b>135,943</b>	<b>272,492</b>	<b>202,705</b>	<b>215,970</b>

**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	Current Year 2022/23			2023/24 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
<b>R thousands</b>						
<b>Financial Performance</b>						
Property rates	2,838,816	2,838,816	2,838,816	2,980,757	3,144,699	3,333,381
Service charges	8,473,842	9,878,492	9,878,492	9,408,847	10,323,110	11,356,087
Investment revenue	179,558	192,548	192,548	204,088	213,375	222,520
Transfer and subsidies - Operational	1,907,396	1,853,682	1,853,682	1,983,200	2,011,444	2,196,110
Other own revenue	1,446,828	1,582,456	1,582,456	1,647,494	1,733,519	1,823,889
	<b>14,846,441</b>	<b>16,345,994</b>	<b>16,345,994</b>	<b>16,224,387</b>	<b>17,426,147</b>	<b>18,931,986</b>
<b>Total Revenue (excluding capital transfers and contributions)</b>						
Employee costs	4,210,662	4,148,950	4,148,950	4,504,658	4,678,988	4,971,014
Remuneration of councillors	87,809	87,895	87,895	91,089	95,188	99,472
Depreciation and amortisation	1,295,759	1,294,092	1,294,092	1,332,139	1,359,442	1,390,531
Finance charges	123,596	123,596	123,596	128,228	107,856	87,815
Inventory consumed and bulk purchases	5,003,156	5,066,322	5,066,322	5,992,222	6,699,179	7,537,868
Transfers and subsidies	189,049	192,208	192,208	195,830	205,529	216,052
Other expenditure	4,612,833	5,549,522	5,549,522	5,002,817	5,236,911	5,532,786
<b>Total Expenditure</b>	<b>15,522,865</b>	<b>16,462,586</b>	<b>16,462,586</b>	<b>17,246,983</b>	<b>18,383,093</b>	<b>19,835,537</b>
<b>Surplus/(Deficit)</b>	<b>(676,424)</b>	<b>(116,592)</b>	<b>(116,592)</b>	<b>(1,022,597)</b>	<b>(956,946)</b>	<b>(903,552)</b>
Transfers and subsidies - capital (monetary allocations)	783,820	1,008,854	1,008,854	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-
	107,396	892,262	892,262	(1,022,597)	(956,946)	(903,552)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>						
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>107,396</b>	<b>892,262</b>	<b>892,262</b>	<b>(1,022,597)</b>	<b>(956,946)</b>	<b>(903,552)</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	-	-	-	-	-	-
Transfers recognised - capital	743,820	972,354	972,354	1,253,716	1,278,111	1,420,596
Borrowing	281,943	296,811	296,811	-	-	-
Internally generated funds	612,855	562,141	562,141	-	-	-
<b>Total sources of capital funds</b>	<b>1,638,618</b>	<b>1,831,306</b>	<b>1,831,306</b>	<b>1,253,716</b>	<b>1,278,111</b>	<b>1,420,596</b>
<b>Financial position</b>						
Total current assets	6,932,390	6,089,408	6,089,408	8,421,881	8,545,732	8,471,666
Total non-current assets	18,415,896	19,725,592	19,725,592	18,717,717	18,761,635	18,854,149
Total current liabilities	4,089,706	4,366,844	4,366,844	3,774,328	3,837,279	3,883,296
Total non-current liabilities	2,851,576	3,992,781	3,992,781	7,583,489	7,657,867	7,711,526
Community wealth/Equity	18,172,605	18,164,689	18,164,689	19,152,742	19,191,048	19,248,621
<b>Cash flows</b>						
Net cash from (used) operating	3,062,459	1,696,418	1,696,418	2,010,077	2,042,362	2,268,532
Net cash from (used) investing	60,265	(1,761,766)	(1,761,766)	(1,735,352)	(1,739,416)	(1,802,840)
Net cash from (used) financing	200,200	166,188	166,188	(139,993)	(140,553)	(140,835)

Description	Current Year 2022/23			2023/24 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
R thousands						
Cash/cash equivalents at the year end	3,322,924	3,862,394	3,862,394	4,864,862	5,027,254	5,352,112
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	3,322,924	3,862,394	3,862,394	4,864,862	5,027,254	5,352,112
Application of cash and investments	1,102,941	1,180,686	1,180,686	1,097,353	1,087,360	1,084,443
<b>Balance - surplus (shortfall)</b>	<b>2,219,983</b>	<b>2,681,708</b>	<b>2,681,708</b>	<b>3,767,509</b>	<b>3,939,894</b>	<b>4,267,669</b>
<b>Asset management</b>						
Asset register summary (WDV)	18,478,055	18,965,146	18,965,146	-	-	!
Depreciation	1,294,834	1,293,167	1,293,167	1,332,139	1,359,442	1,390,531
Renewal and Upgrading of Existing Assets	666,236	671,668	671,668	-	-	
Repairs and Maintenance	592,396	578,635	578,635	661,829	670,475	715,445

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

Functional Classification Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
R thousand							
<b>Revenue - Functional</b>							
<b>Governance and administration</b>	<b>3,761,464</b>	<b>3,788,675</b>	<b>3,927,960</b>	<b>3,927,960</b>	<b>4,021,031</b>	<b>4,242,291</b>	<b>4,467,085</b>
Executive and council	453	746	125,907	125,907	1,142	1,215	1,294
Finance and administration	3,761,008	3,787,930	3,802,053	3,802,053	4,019,889	4,241,075	4,465,791
Internal audit	3				-	-	-
<b>Community and public safety</b>	<b>728,973</b>	<b>1,199,526</b>	<b>1,306,683</b>	<b>1,306,683</b>	<b>1,318,168</b>	<b>1,490,741</b>	<b>1,664,572</b>
Community and social services	41,830	45,490	42,330	42,330	39,766	41,424	43,206
Sport and recreation	5,745	4,875	4,797	4,797	17,335	4,942	19,747
Public safety	611,545	849,165	975,165	975,165	1,098,227	1,207,653	1,337,797
Housing	68,654	298,168	282,056	282,056	160,349	233,835	260,675
Health	1,199	1,828	2,336	2,336	2,491	2,888	3,148
<b>Economic and environmental services</b>	<b>529,230</b>	<b>647,888</b>	<b>220,938</b>	<b>220,938</b>	<b>388,858</b>	<b>361,776</b>	<b>377,759</b>
Planning and development	285,957	171,988	45,816	45,816	196,837	176,014	183,855
Road transport	216,545	459,757	173,201	173,201	190,220	183,834	191,960
Environmental protection	26,727	16,142	1,921	1,921	1,800	1,928	1,943
<b>Trading services</b>	<b>9,473,981</b>	<b>9,166,215</b>	<b>10,846,275</b>	<b>10,846,275</b>	<b>10,453,189</b>	<b>11,283,278</b>	<b>12,371,389</b>
Energy sources	4,424,301	4,945,206	4,655,419	4,655,419	5,527,505	6,145,592	6,915,182
Water management	3,551,685	2,330,577	4,680,179	4,680,179	447,249	3,543,905	3,757,466
Waste water management	1,012,815	1,410,268	1,023,746	1,023,746	1,101,426	1,126,206	1,203,750
Waste management	485,180	480,165	486,931	486,931	3,377,009	467,575	494,992
<b>Other</b>	<b>34,085</b>	<b>41,887</b>	<b>41,887</b>	<b>41,887</b>	<b>45,140</b>	<b>48,061</b>	<b>51,182</b>
<b>Total Revenue - Functional</b>	<b>14,527,734</b>	<b>14,844,191</b>	<b>16,343,744</b>	<b>16,343,744</b>	<b>16,226,387</b>	<b>17,426,147</b>	<b>18,931,986</b>
<b>Expenditure - Functional</b>							
<b>Governance and administration</b>	<b>2,764,151</b>	<b>2,281,835</b>	<b>2,728,829</b>	<b>2,728,829</b>	<b>2,597,698</b>	<b>2,716,858</b>	<b>2,875,262</b>
Executive and council	207,663	325,545	267,703	267,703	267,281	279,245	292,983
Finance and administration	2,502,467	1,885,919	2,387,396	2,387,396	2,266,331	2,361,527	2,502,055
Internal audit	54,021	70,372	73,730	73,730	64,087	76,086	80,224
<b>Community and public safety</b>	<b>1,552,645</b>	<b>2,148,806</b>	<b>2,153,603</b>	<b>2,153,603</b>	<b>2,131,935</b>	<b>2,286,416</b>	<b>2,407,651</b>
Community and social services	304,307	394,718	377,574	377,574	382,307	399,777	421,943
Sport and recreation	440,942	708,365	664,246	664,246	686,224	711,953	742,237
Public safety	539,600	678,809	643,814	643,814	701,054	729,160	772,831
Housing	180,969	252,244	362,181	362,181	245,999	322,774	340,476
Health	86,828	114,670	105,788	105,788	116,352	122,753	130,164

Functional Classification Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
<b>R thousand</b>							
<b>Economic and environmental services</b>	<b>636,914</b>	<b>959,818</b>	<b>912,416</b>	<b>912,416</b>	<b>1,407,589</b>	<b>1,415,232</b>	<b>1,466,146</b>
Planning and development	286,491	435,905	390,281	390,281	511,230	510,193	538,895
Road transport	314,433	443,063	470,437	470,437	839,390	845,245	864,085
Environmental protection	35,989	80,849	51,698	51,698	56,969	59,794	63,166
<b>Trading services</b>	<b>9,244,865</b>	<b>9,972,980</b>	<b>10,585,159</b>	<b>10,585,159</b>	<b>11,025,762</b>	<b>11,874,795</b>	<b>12,991,077</b>
Energy sources	5,305,810	5,703,442	5,691,756	5,691,756	6,723,047	7,414,294	8,266,180
Water management	2,585,507	2,434,556	3,500,098	3,500,098	2,757,225	2,894,223	3,066,934
Wastewater management	819,898	1,248,341	867,020	867,020	944,859	947,455	999,617
Waste management	533,650	586,641	526,285	526,285	600,631	618,823	658,347
<b>Other</b>	<b>52,112</b>	<b>87,048</b>	<b>80,149</b>	<b>80,149</b>	<b>83,998</b>	<b>89,792</b>	<b>95,401</b>
<b>Total Expenditure - Functional</b>	<b>14,250,687</b>	<b>15,450,488</b>	<b>16,460,157</b>	<b>16,460,157</b>	<b>17,246,983</b>	<b>18,383,093</b>	<b>19,835,537</b>
<b>Surplus/(Deficit) for the year</b>	<b>277,047</b>	<b>(606,297)</b>	<b>(116,413)</b>	<b>(116,413)</b>	<b>(1,020,597)</b>	<b>(956,946)</b>	<b>(903,552)</b>

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

Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
<b>R thousand</b>							
<b>Revenue by Vote</b>							
Vote 1 - Budget & Treasury	3,603,707	3,703,636	3,719,760	3,719,760	3,940,270	4,146,998	4,380,119
Vote 2 - Public Health	528,973	514,994	527,342	527,342	462,285	483,682	512,252
Vote 3 - Human Settlements	124,364	321,076	494,741	494,741	185,405	260,383	288,805
Vote 4 - Economic Development, Tourism & Agriculture	139,092	171,835	40,226	40,226	48,448	52,283	54,248
Vote 5 - Corporate Services	14,511	15,946	17,395	17,395	17,163	14,308	15,325
Vote 6 - Infrastructure & Engineering Unit - Rate & General	222,221	482,502	536,694	536,694	191,725	185,639	193,965
Vote 7 - Metro Water Service	3,704,647	4,435,966	5,881,239	5,881,239	3,377,009	3,543,905	3,757,466
Vote 8 - Sanitation - Metro	1,009,831	1,388,023	1,040,668	1,040,668	1,101,426	1,126,206	1,203,750
Vote 9 - Electricity & Energy	4,448,786	4,945,206	4,835,182	4,835,182	5,567,505	6,185,592	6,955,182
Vote 10 - Executive & Council	9,663	12,223	14,223	14,223	142,952	141,399	148,466
Vote 11 - Safety & Security	629,624	864,678	990,678	990,678	1,076,919	1,187,431	1,318,731
Vote 12 - Mandela Bay Stadium	43,674	56,590	51,793	51,793	60,891	64,849	69,064
Vote 13 - Special Projects and Programmes	12,915	10,393	18,528	18,528	29,816	10,481	11,192
Vote 14 - Recreational & Cultural Services	35,726	23,777	30,734	30,734	22,572	22,990	23,421
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>14,527,734</b>	<b>16,946,845</b>	<b>18,199,204</b>	<b>18,199,204</b>	<b>16,224,386</b>	<b>17,426,147</b>	<b>18,931,986</b>
<b>Expenditure by Vote to be appropriated</b>							
Vote 1 - Budget & Treasury	1,244,476	1,041,701	1,034,408	1,034,408	1,138,861	1,193,149	1,259,337
Vote 2 - Public Health	889,482	897,669	893,172	893,172	1,005,652	1,041,547	1,102,543
Vote 3 - Human Settlements	257,215	351,083	480,534	480,534	378,520	462,435	488,245
Vote 4 - Economic Development, Tourism & Agriculture	117,962	245,746	111,680	111,680	117,709	126,175	132,577
Vote 5 - Corporate Services	407,504	551,131	547,671	547,671	559,322	584,830	615,796
Vote 6 - Infrastructure & Engineering Unit - Rate & General	902,366	1,084,352	1,087,646	1,087,646	1,171,723	1,198,657	1,245,399
Vote 7 - Metro Water Service	2,619,689	3,404,103	4,252,649	4,252,649	2,781,281	2,919,648	3,093,823
Vote 8 - Sanitation - Metro	777,690	1,057,841	861,681	861,681	934,302	936,312	987,830
Vote 9 - Electricity & Energy	5,303,697	5,656,222	5,684,725	5,684,725	6,715,236	7,406,247	8,257,829
Vote 10 - Executive & Council	355,393	365,403	529,449	529,449	516,767	541,476	570,976
Vote 11 - Safety & Security	931,121	1,076,297	1,066,975	1,066,975	1,187,961	1,226,502	1,302,212
Vote 12 - Mandela Bay Stadium	-	202,345	203,017	203,017	208,677	214,711	221,109
Vote 13 - Special Projects and Programmes	10,886	9,164	19,112	19,112	30,736	11,519	12,354
Vote 14 - Recreational & Cultural Services	433,204	492,905	499,011	499,011	500,237	519,886	545,506
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>14,250,687</b>	<b>16,435,962</b>	<b>17,271,731</b>	<b>17,271,731</b>	<b>17,246,983</b>	<b>18,383,093</b>	<b>19,835,537</b>

Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
R thousand							
Surplus/(Deficit) for the year	277,047	510,883	927,472	927,472	(1,022,598)	(956,946)	(903,552)

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

Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
R thousand							
<b>Revenue</b>							
<b>Exchange Revenue</b>							
Service charges - Electricity	4,213,423	4,708,773	4,486,192	4,486,192	5,315,689	5,990,781	6,751,610
Service charges - Water	2,832,242	2,693,767	4,307,977	4,307,977	2,943,776	3,108,237	3,297,437
Service charges - Waste Water Management	724,346	776,924	790,145	790,145	837,553	891,994	954,434
Service charges - Waste Management	291,403	294,378	294,178	294,178	311,829	332,098	352,606
Sale of Goods and Rendering of Services					117,720	124,860	132,400
Agency services	4,032	3,453	3,453	3,453	3,716	3,998	4,302
Interest							
Interest earned from Receivables	184,895	177,308	192,548	192,548	204,088	213,375	222,520
Interest earned from Current and Non-Current Assets	495,430	399,628	553,833	553,833	573,984	602,705	632,935
Dividends							
Rent on Land							
Rental from Fixed Assets	28,006	29,488	29,508	29,508	31,021	32,658	34,438
Licence and permits	19,170	16,850	17,160	17,160	18,157	19,358	20,638
Operational Revenue					36,573	38,962	41,046
<b>Non-Exchange Revenue</b>							
Property rates	2,661,453	2,838,816	2,838,816	2,838,816	2,980,757	3,144,699	3,333,381
Surcharges and Taxes							
Fines, penalties and forfeits	19,170	94,347	78,347	78,347	82,843	87,028	91,746
Licences or permits					1		
Transfer and subsidies - Operational	1,322,118	1,907,396	1,853,682	1,853,682	1,983,200	2,011,444	2,196,110
Interest							
Fuel Levy					783,478	823,949	866,384
Operational Revenue							
Gains on disposal of Assets			450	450			
Other Gains							
Discontinued Operations							
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>12,795,688</b>	<b>13,941,129</b>	<b>15,446,289</b>	<b>15,446,289</b>	<b>16,224,387</b>	<b>17,426,147</b>	<b>18,931,986</b>
<b>Expenditure</b>							
Employee related costs	3,584,287	4,171,912	4,148,949	4,148,949	4,504,658	4,678,988	4,971,014
Remuneration of councillors	75,900	87,809	87,895	87,895	91,089	95,188	99,472
Bulk purchases - electricity	4,377,705	4,705,312	4,754,625	4,754,625	5,632,329	6,347,635	7,153,785
Inventory consumed		-	-	-	359,893	351,544	384,083
Debt impairment	3,158,901	2,221,127	3,277,836	3,277,836	2,435,457	2,576,053	2,736,478

Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
<b>R thousand</b>							
Depreciation and amortisation	1,018,507	1,294,834	1,293,167	1,293,167	1,332,139	1,359,442	1,390,531
Interest	125,550	123,596	123,596	123,596	128,228	107,856	87,815
Contracted services	859,048	1,560,172	1,428,398	1,428,398	1,484,205	1,510,327	1,568,297
Transfers and subsidies	30,565	189,049	192,208	192,208	195,830	205,529	216,052
Irrecoverable debts written off							
Operational costs	-	-	-	-	844,492	888,722	947,342
Losses on disposal of Assets							
Other Losses		70,655	70,655	70,655	238,662	261,809	280,668
<b>Total Expenditure</b>	<b>13,230,463</b>	<b>14,424,466</b>	<b>15,377,329</b>	<b>15,377,329</b>	<b>17,246,983</b>	<b>18,383,093</b>	<b>19,835,537</b>
<b>Surplus/(Deficit)</b>	<b>(434,774)</b>	<b>(483,338)</b>	<b>68,960</b>	<b>68,960</b>	<b>(1,022,597)</b>	<b>(956,946)</b>	<b>(903,552)</b>
Transfers and subsidies - capital (monetary allocations)		785,685	1,008,854	1,008,854	1,253,716	1,278,111	1,420,596
Transfers and subsidies - capital (in-kind)							
	(434,774)	302,348	1,077,813	1,077,813	231,119	321,164	517,045
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>							
Income Tax							
<b>Surplus/(Deficit) after income tax</b>	<b>(434,774)</b>	<b>302,348</b>	<b>1,077,813</b>	<b>1,077,813</b>	<b>231,119</b>	<b>321,164</b>	<b>517,045</b>
Share of Surplus/Deficit attributable to Joint Venture							
Share of Surplus/Deficit attributable to Minorities							
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(434,774)</b>	<b>302,348</b>	<b>1,077,813</b>	<b>1,077,813</b>	<b>231,119</b>	<b>321,164</b>	<b>517,045</b>
Share of Surplus/Deficit attributable to Associate							
Intercompany/Parent subsidiary transactions							
<b>Surplus/(Deficit) for the year</b>	<b>(434,774)</b>	<b>302,348</b>	<b>1,077,813</b>	<b>1,077,813</b>	<b>231,119</b>	<b>321,164</b>	<b>517,045</b>

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

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24
<b>R thousand</b>											
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>											
Vote 1 - Budget and Treasury	116	973	239	17,768	3,200	3,200	-	19,451	3,460	128,927	
Vote 2 - Public Health	18,118	37,043	3,784	12,950	18,942	18,942	3,680	21,550	18,500	14,800	
Vote 3 - Human Settlements	42,429	46,576	35,083	145,539	149,774	149,774	34,376	130,225	379,746	392,133	
Vote 4 - Economic Development, Tourism and Agriculture	10,361	11,167	12,695	1,500				2,500			
Vote 5 - Corporate Services	15,853	3,312	4,549	4,200	2,000	2,000	-	5,950	1,000	1,000	
Vote 6 - Infrastructure & Engineering Unit - Rate & General	210,498	420,629	225,643	463,546	449,380	449,380	131,564	496,968	424,876	446,991	
Vote 7 - Metro Water Service	188,570	362,892	516,917	290,541	405,303	405,303	239,602	436,484	354,891	142,709	
Vote 8 - Sanitation - Metro	132,692	98,964	24,978	158,377	99,054	99,054	5,060	123,412	110,397	476,630	
Vote 9 - Electricity & Energy	121,306	172,442	206,959	203,632	277,046	277,046	130,887	246,159	141,709		
Vote 10 - Executive & Council											

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Vote 11 - Safety & Security	243	290	937	7,812	5,500	5,500	-	11,650	15,100	5,212
Vote 12 - Mandela Bay Stadium										
Vote 13 - Special Projects and Programmes										
Vote 14 - Recreational & Cultural Services	11,653	9,847	23,591	41,650	35,577	35,577	5,551	30,256	26,500	29,000
<b>Capital multi-year expenditure sub-total</b>	<b>751,839</b>	<b>1,164,137</b>	<b>1,055,374</b>	<b>1,347,515</b>	<b>1,445,776</b>	<b>1,445,776</b>	<b>550,720</b>	<b>1,524,604</b>	<b>1,476,181</b>	<b>1,637,403</b>
<b>Single-year expenditure to be appropriated</b>										
Vote 1 - Budget and Treasury	720	845	1,893	3,575	3,575	3,575	539	2,452	600	1,030
Vote 2 - Public Health	33,682	36,770	27,097	29,550	32,292	32,292	8,380	49,955	36,100	35,600
Vote 3 - Human Settlements	-	17,706		24,551	39,504	39,504	30,435	15,655	24,401	23,400
Vote 4 - Economic Development, Tourism and Agriculture	-	-	285	55,213	58,152	8,036	2,804	53,600	55,744	58,532
Vote 5 - Corporate Services	2,741	7,792	15,194	32,100	34,300	34,300	1,448	23,815	28,500	33,500
Vote 6 - Infrastructure & Engineering Unit - Rate & General	10,549	31,753	46,296	39,650	113,852	113,852	3,402	84,650	64,650	44,150
Vote 7 - Metro Water Service	15,660	7,928	20,272	22,750	22,417	22,417	4,507	22,250	26,900	26,900
Vote 8 - Sanitation - Metro	1,207	980	1,066	3,750	13,368	13,368	519	15,976	10,044	9,669
Vote 9 - Electricity & Energy	4,183	10,752	13,637	19,026	37,620	33,945	18,205	19,235	16,696	14,957
Vote 10 - Executive & Council										
Vote 11 - Safety & Security	17,203	4,697	9,045	47,088	12,550	12,550	999	39,300	10,900	42,088
Vote 12 - Mandela Bay Stadium										
Vote 13 - Special Projects and Programmes										
Vote 14 - Recreational & Cultural Services	-	7,760	10,889	13,850	17,900	17,900	1,913	19,550	14,000	14,500
Vote 15 - [NAME OF VOTE 15]										
<b>Capital single-year expenditure sub-total</b>	<b>85,943</b>	<b>126,984</b>	<b>145,673</b>	<b>291,104</b>	<b>385,530</b>	<b>331,739</b>	<b>73,152</b>	<b>346,438</b>	<b>288,535</b>	<b>304,325</b>
<b>Total Capital Expenditure - Vote</b>	<b>837,782</b>	<b>1,291,121</b>	<b>1,201,047</b>	<b>1,638,618</b>	<b>1,831,306</b>	<b>1,777,515</b>	<b>623,871</b>	<b>1,871,042</b>	<b>1,764,715</b>	<b>1,941,728</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>	<b>47,519</b>	<b>46,090</b>	<b>32,188</b>	<b>194,726</b>	<b>104,387</b>	<b>104,387</b>	<b>8,262</b>	<b>228,003</b>	<b>147,265</b>	<b>195,180</b>
Executive and council										
Finance and administration	47,519	46,090	32,188	194,726	104,387	104,387	8,262	228,003	147,265	195,180
Internal audit										
<b>Community and public safety</b>	<b>53,690</b>	<b>94,766</b>	<b>75,425</b>	<b>100,615</b>	<b>129,722</b>	<b>129,722</b>	<b>51,565</b>	<b>113,880</b>	<b>350,347</b>	<b>343,333</b>
Community and social services	17,262	29,066	9,186	32,665	20,624	20,624	6,436	38,030	42,500	34,300
Sport and recreation	34,648	27,153	55,146	45,900	46,522	46,522	14,229	43,478	24,600	29,100
Public safety	1,580	20,766	10,417	20,300	30,130	30,130	418	30,422	27,300	12,600
Housing		17,706			30,696	30,696	30,435		254,147	265,533
Health	201	74	676	1,750	1,750	1,750	48	1,950	1,800	1,800
<b>Economic and environmental services</b>	<b>230,394</b>	<b>455,287</b>	<b>259,700</b>	<b>499,926</b>	<b>595,764</b>	<b>544,716</b>	<b>135,157</b>	<b>543,050</b>	<b>469,967</b>	<b>477,173</b>
Planning and development				51,048	51,048			53,090	55,744	58,532

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Road transport	230,394	448,365	259,700	448,878	544,716	544,716	135,157	489,960	414,223	418,641
Environmental protection		6,922								
<b>Trading services</b>	<b>506,214</b>	<b>695,116</b>	<b>833,734</b>	<b>843,351</b>	<b>1,001,433</b>	<b>997,757</b>	<b>428,887</b>	<b>986,109</b>	<b>797,135</b>	<b>926,042</b>
Energy sources	124,356	181,986	218,172	214,159	312,246	308,571	148,313	264,793	157,905	155,666
Water management	207,819	381,688	544,909	346,335	451,431	451,431	248,739	473,267	404,307	517,330
Wastewater management	165,444	125,991	70,653	277,107	223,272	223,272	31,834	241,898	226,923	245,046
Waste management	8,596	5,452		5,750	14,484	14,484	-	6,150	8,000	8,000
<b>Other</b>										
<b>Total Capital Expenditure - Functional</b>	<b>837,817</b>	<b>1,291,258</b>	<b>1,201,047</b>	<b>1,638,618</b>	<b>1,831,306</b>	<b>1,776,583</b>	<b>623,871</b>	<b>1,871,042</b>	<b>1,764,715</b>	<b>1,941,728</b>
<b>Funded by:</b>										
National Government				529,094	871,213			1,213,716	1,238,111	1,380,596
Provincial Government				-	-					
District Municipality				-	-					
Transfers and subsidies - capital (in-kind)				41,865	36,500			40,000	40,000	40,000
<b>Transfers recognised - capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>570,960</b>	<b>907,713</b>	<b>-</b>	<b>-</b>	<b>1,253,716</b>	<b>1,278,111</b>	<b>1,420,596</b>
<b>Borrowing</b>				303,943	296,811			76,338		
<b>Internally generated funds</b>				763,716	626,783			540,987	486,605	521,132
<b>Total Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,638,618</b>	<b>1,831,306</b>	<b>1,776,583</b>	<b>623,871</b>	<b>1,871,042</b>	<b>1,764,715</b>	<b>1,941,728</b>

**TABLE 43 (A6 BUDGETED FINANCIAL POSITION)**

Description	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand							
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	4,783,358	5,561,994	3,862,194	3,862,194	4,953,760	4,958,236	4,985,641
Trade and other receivables from exchange transactions	2,899,833	1,127,065	1,980,722	1,980,722	3,207,836	3,349,993	3,208,149
Receivables from non-exchange transactions		-	-	-	-	-	-
Current portion of non-current receivables		-					
Inventory		243,131	246,492	246,492	260,285	237,503	277,876
VAT	183,440						
Other current assets							
<b>Total current assets</b>	<b>7,866,631</b>	<b>6,932,190</b>	<b>6,089,408</b>	<b>6,089,408</b>	<b>8,421,881</b>	<b>8,545,732</b>	<b>8,471,666</b>
<b>Non-current assets</b>							
Investments							
Investment property	147,161	152,119	152,119	152,119	153,640	155,944	156,256
Property, plant and equipment	18,299,043	18,016,751	19,328,448	19,328,448	18,378,538	18,430,909	18,522,398
Biological assets							
Living and non-living resources							

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Heritage assets										
Intangible assets			56,361	132,546	130,546	130,546	69,914	53,375	53,482	
Trade and other receivables from exchange transactions										
Non-current receivables from non-exchange transactions			135,689	114,480	114,480	114,480	115,625	121,406	122,013	
Other non-current assets										
<b>Total non-current assets</b>			<b>18,638,253</b>	<b>18,415,896</b>	<b>19,725,592</b>	<b>19,725,592</b>	<b>18,717,717</b>	<b>18,761,635</b>	<b>18,854,149</b>	
<b>TOTAL ASSETS</b>			<b>26,504,884</b>	<b>25,348,086</b>	<b>25,815,001</b>	<b>25,815,001</b>	<b>27,139,598</b>	<b>27,307,368</b>	<b>27,325,816</b>	
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft										
Financial liabilities			192,847	281,943	281,943	281,943	192,379	213,799	220,213	
Consumer deposits			156,560	154,652	168,247	168,247	176,659	185,492	194,767	
Trade and other payables from exchange transactions			2,741,279	2,747,486	3,722,453	3,722,453	2,863,343	2,880,113	2,893,816	
Trade and other payables from non-exchange transactions										
Provision			568,809	197,401	194,201	194,201	226,572	240,801	252,841	
VAT							315,375	317,074	321,659	
Other current liabilities										
<b>Total current liabilities</b>			<b>3,659,496</b>	<b>3,381,482</b>	<b>4,366,844</b>	<b>4,366,844</b>	<b>3,774,328</b>	<b>3,837,279</b>	<b>3,883,296</b>	
<b>Noncurrent liabilities</b>										
Financial liabilities			1,054,416	1,272,110	1,286,978	1,286,978	1,055,049	1,058,214	1,060,331	
Provision			2,752,461	2,655,207	2,705,803	2,705,803	2,754,112	2,762,374	2,767,899	
Long term portion of trade payables										
Other non-current liabilities										
<b>Total non-current liabilities</b>			<b>3,806,877</b>	<b>3,927,317</b>	<b>3,992,781</b>	<b>3,992,781</b>	<b>3,809,161</b>	<b>3,820,589</b>	<b>3,828,230</b>	
<b>TOTAL LIABILITIES</b>			<b>7,466,373</b>	<b>7,308,799</b>	<b>8,359,625</b>	<b>8,359,625</b>	<b>7,583,489</b>	<b>7,657,867</b>	<b>7,711,526</b>	
<b>NET ASSETS</b>			<b>19,038,511</b>	<b>18,039,288</b>	<b>17,455,375</b>	<b>17,455,375</b>	<b>19,556,108</b>	<b>19,649,500</b>	<b>19,614,290</b>	
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated surplus/(deficit)			18,136,862	18,058,931	18,058,931	18,058,931	18,245,684	18,282,175	18,337,022	
Reserves and funds			901,649	113,675	105,758	105,758	907,059	908,873	911,599	
Other										
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>			<b>19,038,511</b>	<b>18,172,605</b>	<b>18,164,689</b>	<b>18,164,689</b>	<b>19,152,742</b>	<b>19,191,048</b>	<b>19,248,621</b>	

**TABLE 44 (A7 BUDGETED CASH FLOWS)**

Description	Current Year 2022/23			2023/24 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
<b>R thousand</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	3,896,174	2,354,935	2,354,935	2,452,874	2,498,782	2,566,709
Service charges	10,731,758	5,592,117	5,592,117	6,329,905	6,622,474	6,716,140
Other revenue	1,923,729	888,107	888,107	805,422	847,326	891,012
Transfers and Subsidies - Operational		1,761,682	1,761,682	1,583,200	1,331,444	1,436,110
Transfers and Subsidies - Capital		972,354	972,354	998,116	1,024,711	1,068,296
Interest		194,798	194,798	204,088	213,375	222,520
Dividends				-	-	-
<b>Payments</b>						
Suppliers and employees	(6,313,742)	(9,876,907)	(9,876,907)	(10,172,613)	(10,322,165)	(10,475,178)

**TABLE 44 (A7 BUDGETED CASH FLOWS)**

Description	Current Year 2022/23			2023/24 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
<b>R thousand</b>						
Finance charges		(123,596)	(123,596)	(128,228)	(107,856)	(87,815)
Transfers and Subsidies		(67,070)	(67,070)	(62,687)	(65,729)	(69,262)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>10,237,920</b>	<b>1,696,418</b>	<b>1,696,418</b>	<b>2,010,077</b>	<b>2,042,362</b>	<b>2,268,532</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE				-	-	-
Decrease (increase) in non-current receivables		(16,572)	(16,572)	(17,401)	(18,445)	(19,644)
Decrease (increase) in non-current investments				-	-	-
<b>Payments</b>						
Capital assets		(1,745,194)	(1,745,194)	(1,717,952)	(1,720,971)	(1,783,196)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-</b>	<b>(1,761,766)</b>	<b>(1,761,766)</b>	<b>(1,735,352)</b>	<b>(1,739,416)</b>	<b>(1,802,840)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Short term loans		281,943	281,943	-	-	-
Borrowing long term/refinancing				-	-	-
Increase (decrease) in consumer deposits				-	-	-
<b>Payments</b>						
Repayment of borrowing		(115,755)	(115,755)	(139,993)	(140,553)	(140,835)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>166,188</b>	<b>166,188</b>	<b>(139,993)</b>	<b>(140,553)</b>	<b>(140,835)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>10,237,920</b>	<b>100,840</b>	<b>100,840</b>	<b>134,732</b>	<b>162,393</b>	<b>324,858</b>
Cash/cash equivalents at the year begin:	4,783,358	3,862,194	3,862,194	4,730,130	4,864,862	5,027,254
Cash/cash equivalents at the year-end:	15,021,278	3,963,034	3,963,034	4,864,862	5,027,254	5,352,112

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

Description	Current Year 2022/23			2023/24 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
<b>R thousand</b>						
<b>Cash and investments available</b>						
Cash/cash equivalents at the year end	3,322,924	3,862,394	3,862,394	4,864,862	5,027,254	5,352,112
Other current investments > 90 days	-	-	-	-	-	-
Investments - Property, plant and equipment	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>3,322,924</b>	<b>3,862,394</b>	<b>3,862,394</b>	<b>4,864,862</b>	<b>5,027,254</b>	<b>5,352,112</b>
<b>Application of cash and investments</b>						
Trade payables from non-exchange transactions: Other	-	41,944	41,944	55,600	53,200	50,100
Unspent borrowing	-	-	-			
Statutory requirements						
Other working capital requirements	(822,720)	(786,911)	(786,911)	(968,091)	(984,115)	(995,533)
Other provisions	1,040,364	1,040,364	1,040,364	1,102,785	1,109,402	1,118,277
Long term investments committed	-	-	-	-	-	-
Reserves to be backed by cash/investments	885,290	885,290	885,290	907,059	908,873	911,599
<b>Total Application of cash and investments:</b>	<b>1,102,933</b>	<b>1,180,686</b>	<b>1,180,686</b>	<b>1,097,353</b>	<b>1,087,360</b>	<b>1,084,443</b>
<b>Surplus(shortfall)</b>	<b>2,219,991</b>	<b>2,681,708</b>	<b>2,681,708</b>	<b>3,767,509</b>	<b>3,939,894</b>	<b>4,267,669</b>

**TABLE 46 (A9 - ASSET MANAGEMENT)**

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>354,612</b>	<b>546,039</b>	<b>667,968</b>	<b>977,182</b>	<b>1,159,838</b>	<b>1,105,114</b>	<b>1,219,996</b>	<b>1,202,003</b>	<b>1,435,791</b>
<i>Roads Infrastructure</i>	140,065	177,745	125,440	259,860	366,544	366,544	327,777	203,467	231,639
<i>Storm water Infrastructure</i>	4,076	11	6,172	20,935	26,478	26,478	26,625	23,781	27,050
<i>Electrical Infrastructure</i>	74,911	94,773	110,705	124,871	187,446	183,770	132,313	74,555	72,316
<i>Water Supply Infrastructure</i>	80,037	182,246	369,410	219,335	304,691	304,691	386,500	294,007	407,030
<i>Sanitation Infrastructure</i>	7,256	6,006	7,372	57,195	41,534	41,534	40,399	76,051	93,450
<i>Solid Waste Infrastructure</i>	-	-	-	-	8,734	8,734	1,150	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	12,046	-	1,590	3,000	1,000	1,000	5,600	-	-
Infrastructure	318,392	460,781	620,688	685,196	936,427	932,751	920,364	671,862	831,485
Community Facilities	3,610	15,888	3,739	63,291	67,097	16,049	54,323	55,996	48,266
Sport and Recreation Facilities	-	390	13,976	6,000	9,148	9,148	18,663	5,079	6,333
Community Assets	3,610	16,279	17,716	69,291	76,244	25,196	72,986	61,075	54,599
Heritage Assets	-	-	-	2,100	1,900	1,900	12,900	13,545	14,222
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1,845	1,037	1,766	39,718	10,625	10,625	46,323	40,260	37,000
Housing	-	-	-	-	990	990	-	254,147	265,533
Other Assets	1,845	1,037	1,766	39,718	11,615	11,615	46,323	294,408	302,533
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	2,000	2,000	2,000	-	-	-
Licences and Rights	1,615	3,068	802	26,091	6,372	6,372	42,006	27,002	46,747
Intangible Assets	1,615	3,068	802	28,091	8,372	8,372	42,006	27,002	46,747
Computer Equipment	3,970	2,310	6,821	21,922	20,106	20,106	20,321	31,247	40,911
Furniture and Office Equipment	830	1,121	60	5,200	2,594	2,594	5,453	1,908	2,313
Machinery and Equipment	10,692	22,478	13,030	66,065	37,221	37,221	51,298	42,103	56,458
Transport Assets	13,280	21,259	7,085	58,100	33,163	33,163	48,345	58,854	86,522
Land	377	17,706	-	1,500	32,196	32,196	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>125,783</b>	<b>402,738</b>	<b>250,188</b>	<b>298,289</b>	<b>302,351</b>	<b>301,551</b>	<b>332,214</b>	<b>242,527</b>	<b>224,930</b>
<i>Roads Infrastructure</i>	16,194	160,241	55,945	60,700	58,950	58,950	75,000	64,830	64,500

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<i>Storm water Infrastructure</i>	4,920	4,567	6,816	7,500	15,446	15,446	10,000	10,000	10,000
<i>Electrical Infrastructure</i>	7,672	57,272	44,698	58,939	60,819	60,019	58,424	57,250	58,250
<i>Water Supply Infrastructure</i>	91,541	156,966	129,630	108,000	136,629	136,629	72,767	50,000	53,000
<i>Sanitation Infrastructure</i>	4,905	21,458	490	33,000	18,302	18,302	57,292	20,397	18,000
<i>Solid Waste Infrastructure</i>	-	-	-	4,050	4,050	4,050	15,652	8,000	10,000
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>125,232</b>	<b>400,504</b>	<b>237,579</b>	<b>272,189</b>	<b>294,196</b>	<b>293,396</b>	<b>289,134</b>	<b>210,477</b>	<b>213,750</b>
Community Facilities	243	514	3,545	4,800	1,370	1,370	15,330	12,800	6,300
Sport and Recreation Facilities	-	561	4,635	6,400	3,415	3,415	2,000	1,000	1,000
Community Assets	243	1,075	8,180	11,200	4,785	4,785	17,330	13,800	7,300
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	309	1,158	4,429	4,900	2,370	2,370	2,250	3,250	3,880
Housing	-	-	-	-	-	-	-	-	-
Other Assets	309	1,158	4,429	4,900	2,370	2,370	2,250	3,250	3,880
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	1,000	-	-
Transport Assets	-	-	-	10,000	1,000	1,000	22,500	15,000	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>	-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	<b>357,422</b>	<b>342,482</b>	<b>282,891</b>	<b>363,147</b>	<b>369,117</b>	<b>369,917</b>	<b>318,831</b>	<b>320,185</b>	<b>281,007</b>
<i>Roads Infrastructure</i>	70,962	112,245	80,222	101,668	110,865	110,865	77,435	97,391	52,391
<i>Storm water Infrastructure</i>	18,795	16,711	22,704	35,500	30,400	30,400	26,437	31,000	31,000
<i>Electrical Infrastructure</i>	39,498	17,601	53,725	17,406	52,924	53,724	76,857	22,100	22,100
<i>Water Supply Infrastructure</i>	36,240	42,231	45,792	16,500	10,010	10,010	11,000	59,000	56,000
<i>Sanitation Infrastructure</i>	124,288	76,136	24,248	110,000	82,137	82,137	49,420	49,994	54,846
<i>Solid Waste Infrastructure</i>	8,596	5,272	-	3,000	3,000	3,000	3,000	6,000	6,000
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<i>Coastal Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>	1,870	8	924	2,000	2,000	2,000	2,000	3,000	3,000
Infrastructure	300,248	270,204	227,616	286,074	291,336	292,136	246,149	268,485	225,337
Community Facilities	43,323	55,975	34,100	46,250	39,600	39,600	48,377	42,400	42,200
Sport and Recreation Facilities	5,950	10,718	9,176	18,600	26,993	26,993	11,000	3,800	6,500
Community Assets	49,273	66,693	43,276	64,850	66,593	66,593	59,377	46,200	48,700
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	7,583	5,333	11,022	8,923	7,237	7,237	9,905	4,500	5,970
Housing	–	–	–	–	–	–	–	–	–
Other Assets	7,583	5,333	11,022	8,923	7,237	7,237	9,905	4,500	5,970
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	1,800	1,800	1,800	–	–	–
Intangible Assets	–	–	–	1,800	1,800	1,800	–	–	–
Computer Equipment	319	252	978	1,500	2,150	2,150	1,000	1,000	1,000
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	2,400	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Mature	–	–	–	–	–	–	–	–	–
Immature	–	–	–	–	–	–	–	–	–
Living Resources	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure</b>	<b>837,817</b>	<b>1,291,258</b>	<b>1,201,047</b>	<b>1,638,618</b>	<b>1,831,306</b>	<b>1,776,583</b>	<b>1,871,041</b>	<b>1,764,715</b>	<b>1,941,728</b>
<i>Roads Infrastructure</i>	227,221	450,230	261,606	422,229	536,359	536,359	472,150	357,223	339,641
<i>Storm water Infrastructure</i>	27,791	21,290	35,693	63,935	72,323	72,323	63,062	64,781	68,050
<i>Electrical Infrastructure</i>	122,081	169,646	209,127	201,216	301,189	297,513	267,593	153,905	152,666
<i>Water Supply Infrastructure</i>	207,819	381,443	544,832	343,835	451,331	451,331	470,267	403,007	516,030
<i>Sanitation Infrastructure</i>	136,449	103,601	32,111	200,195	141,973	141,973	147,110	146,442	166,296
<i>Solid Waste Infrastructure</i>	8,596	5,272	–	7,050	15,784	15,784	19,803	14,000	16,000
<i>Rail Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>	13,915	8	2,514	5,000	3,000	3,000	7,600	3,000	3,000
Infrastructure	743,871	1,131,489	1,085,883	1,243,459	1,521,959	1,518,283	1,447,585	1,142,358	1,261,683
Community Facilities	47,175	72,378	41,385	63,293	57,019	57,019	93,843	85,800	70,100
Sport and Recreation Facilities	5,950	11,670	27,787	31,000	39,557	39,557	26,826	4,800	8,500

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>									
Community Assets	53,125	84,047	69,172	94,293	96,575	96,575	120,669	90,600	78,600
Heritage Assets	-	-	-	2,100	1,900	1,900	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	9,736	7,527	17,216	53,541	20,232	20,232	58,478	48,010	46,850
Housing	-	-	-	-	990	990	-	254,147	265,533
Other Assets	9,736	7,527	17,216	53,541	21,223	21,223	58,478	302,158	312,383
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	2,000	2,000	2,000	-	-	-
Licences and Rights	1,615	3,068	802	27,891	8,172	8,172	41,200	26,155	45,858
Intangible Assets	1,615	3,068	802	29,891	10,172	10,172	41,200	26,155	45,858
Computer Equipment	4,289	2,562	7,798	23,422	22,256	22,256	20,515	31,400	41,022
Furniture and Office Equipment	830	1,121	60	5,200	2,594	2,594	5,350	1,800	2,200
Machinery and Equipment	10,692	22,478	13,030	66,065	37,221	37,221	54,600	42,000	56,350
Transport Assets	13,280	21,259	7,085	68,100	34,163	34,163	69,555	72,500	85,100
Land	377	17,706	-	1,500	32,196	32,196	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>837,817</b>	<b>1,291,258</b>	<b>1,201,047</b>	<b>1,638,618</b>	<b>1,831,306</b>	<b>1,776,583</b>	<b>1,871,041</b>	<b>1,764,715</b>	<b>1,941,728</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	-	18,182,099	18,478,055	18,770,792	18,965,146	-	19,460,934	19,844,123	20,352,067
Roads Infrastructure	-	4,130,405	4,202,088	4,304,477	4,419,019	-	4,561,850	4,582,961	4,578,792
Storm water Infrastructure	-	515,549	497,841	527,112	535,544	-	562,914	591,267	622,055
Electrical Infrastructure	-	2,579,254	2,671,846	2,707,617	2,807,803	-	2,905,048	2,885,090	2,859,912
Water Supply Infrastructure	-	3,324,566	3,723,278	3,867,109	3,974,862	-	4,239,197	4,432,025	4,733,062
Sanitation Infrastructure	-	1,915,091	1,810,824	1,841,992	1,783,988	-	1,757,063	1,725,879	1,710,480
Solid Waste Infrastructure	-	318,172	345,186	268,968	277,809	-	211,877	138,373	64,866
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	1,997	-	5,000	3,000	-	10,600	13,600	16,600
<b>Infrastructure</b>	<b>-</b>	<b>12,785,034</b>	<b>13,251,062</b>	<b>13,522,275</b>	<b>13,802,026</b>	<b>-</b>	<b>14,248,550</b>	<b>14,369,196</b>	<b>14,585,766</b>
<b>Community Assets</b>		2,904,206	2,821,807	2,742,842	2,745,348		2,687,625	2,596,152	2,488,510
<b>Heritage Assets</b>		132,203	141,298	143,398	143,198		143,198	143,198	143,198

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Investment properties		159,439	153,934	147,172	147,181		140,218	133,112	125,843
Other Assets		545,933	521,625	538,875	506,604		527,716	791,737	1,065,110
Biological or Cultivated Assets		-	-	-	-		-		
Intangible Assets		104,493	55,484	27,248	7,605		-		
Computer Equipment		69,367	77,863	101,285	100,119		120,634	152,034	193,056
Furniture and Office Equipment		50,079	54,155	59,355	56,749		62,099	63,899	66,099
Machinery and Equipment		145,772	136,072	175,647	146,837		174,162	188,325	216,199
Transport Assets		131,303	102,798	149,237	115,327		162,580	212,317	274,132
Land		1,154,270	1,161,957	1,163,457	1,194,153		1,194,153	1,194,153	1,194,153
Zoo's, Marine and Non-biological Animals									
Living Resources									
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>		<b>18,182,099</b>	<b>18,478,055</b>	<b>18,770,792</b>	<b>18,965,146</b>		<b>19,460,934</b>	<b>19,844,123</b>	<b>20,352,067</b>
<b>EXPENDITURE OTHER ITEMS</b>			<b>961,089</b>	<b>1,883,253</b>	<b>1,881,040</b>		<b>2,000,541</b>	<b>2,036,558</b>	<b>2,117,730</b>
Depreciation			961,089	1,301,596	1,299,921		1,340,171	1,367,817	1,399,145
Repairs and Maintenance by Asset Class				<b>581,657</b>	<b>581,119</b>		<b>660,370</b>	<b>668,741</b>	<b>718,585</b>
Roads Infrastructure				142,930	142,798		162,272	164,329	176,577
Storm water Infrastructure				15,491	15,477		17,587	17,810	19,138
Electrical Infrastructure				73,934	73,866		83,939	85,003	91,339
Water Supply Infrastructure				89,378	89,295		101,473	102,759	110,418
Sanitation Infrastructure				75,534	75,465		85,756	86,843	93,316
Solid Waste Infrastructure				37,210	37,176		42,246	42,781	45,970
Rail Infrastructure									
Coastal Infrastructure									
Information and Communication Infrastructure									
<b>Infrastructure</b>				<b>434,477</b>	<b>434,076</b>		<b>493,273</b>	<b>499,526</b>	<b>536,758</b>
Community Facilities				32,786	32,756		37,223	37,694	40,504
Sport and Recreation Facilities				44,639	44,598		50,680	51,323	55,148
<b>Community Assets</b>				<b>77,425</b>	<b>77,354</b>		<b>87,903</b>	<b>89,017</b>	<b>95,652</b>
Heritage Assets									
Revenue Generating				3,022	3,019		3,431	3,474	3,733
Non-revenue Generating				3,022	3,019		3,431	3,474	3,733
<b>Investment properties</b>				<b>6,044</b>	<b>6,038</b>		<b>6,862</b>	<b>6,948</b>	<b>7,466</b>

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Operational Buildings	-	-	-	15,792	15,777	-	17,929	18,156	19,510
Housing	-	-	-	425	425	-	483	489	525
<b>Other Assets</b>	-	-	-	<b>16,217</b>	<b>16,202</b>	-	<b>18,412</b>	<b>18,645</b>	<b>20,035</b>
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	25,976	25,952	-	29,491	29,865	32,090
<b>Intangible Assets</b>	-	-	-	<b>25,976</b>	<b>25,952</b>	-	<b>29,491</b>	<b>29,865</b>	<b>32,090</b>
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	<b>11,838</b>	<b>11,827</b>	-	<b>13,440</b>	<b>13,610</b>	<b>14,624</b>
<b>Transport Assets</b>	-	-	-	<b>9,680</b>	<b>9,671</b>	-	<b>10,990</b>	<b>11,129</b>	<b>11,959</b>
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	-	-	<b>961,089</b>	<b>1,883,253</b>	<b>1,881,040</b>	-	<b>2,000,541</b>	<b>2,036,558</b>	<b>2,117,730</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	57.7%	57.7%	44.4%	40.4%	36.7%	37.8%	34.8%	31.9%	26.1%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	55.5%	50.8%	51.7%	0.0%	48.6%	41.1%	36.2%
<i>R&amp;M as a % of PPE</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	0.0%	4.0%	3.0%	7.0%	7.0%	0.0%	7.0%	6.0%	6.0%

**TABLE 47 (A10 BASIC SERVICE DELIVERY MEASUREMENT)**

Description	Current Year 2022/23			2023/24 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
<b>Household service targets</b>						
<b>Water:</b>						
Piped water inside dwelling	403,634	403,634	403,634	404,441	405,250	406,061
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-
Using public tap (at least min.service level)	44,100	44,100	44,100	44,188	44,277	44,365
Other water supply (at least min.service level)	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	447,734	447,734	447,734	448,629	449,527	450,426
Using public tap (< min.service level)	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-
No water supply	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-
<b>Total number of households</b>	<b>447,734</b>	<b>447,734</b>	<b>447,734</b>	<b>448,629</b>	<b>449,527</b>	<b>450,426</b>
<b>Sanitation/sewerage:</b>						
Flush toilet (connected to sewerage)	399,442	399,442	399,442	399,841	400,241	400,642
Flush toilet (with septic tank)	4,192	4,192	4,192	4,200	4,209	4,217
Chemical toilet	2,947	2,947	2,947	2,953	2,959	2,965

Description	Current Year 2022/23			2023/24 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
Pit toilet (ventilated)	167	167	167	184	202	203
Other toilet provisions (> min.service level)	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	406,748	406,748	406,748	407,178	407,611	408,027
Bucket toilet	6,010	6,010	6,010	6,190	6,438	6,477
Other toilet provisions (< min.service level)	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	6,010	6,010	6,010	6,190	6,438	6,477
<b>Total number of households</b>	<b>412,758</b>	<b>412,758</b>	<b>412,758</b>	<b>413,369</b>	<b>414,049</b>	<b>414,503</b>
<b>Energy:</b>						
Electricity (at least min.service level)	22,465	22,465	22,465	24,712	26,194	26,351
Electricity - prepaid (min.service level)	303,896	303,896	303,896	306,024	307,860	309,399
<i>Minimum Service Level and Above sub-total</i>	326,361	326,361	326,361	330,735	334,054	335,751
Electricity (< min.service level)	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-
<b>Total number of households</b>	<b>326,361</b>	<b>326,361</b>	<b>326,361</b>	<b>330,735</b>	<b>334,054</b>	<b>335,751</b>
<b>Refuse:</b>						
Removed at least once a week	235,644	235,644	235,644	-	-	-
<i>Minimum Service Level and Above sub-total</i>	235,644	235,644	235,644	-	-	-
Removed less frequently than once a week	-	-	-	-	-	-
Using communal refuse dump	38,003	38,003	38,003	-	-	-
Using own refuse dump	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-
No rubbish disposal	23,119	23,119	23,119	-	-	-
<i>Below Minimum Service Level sub-total</i>	61,122	61,122	61,122	-	-	-
<b>Total number of households</b>	<b>296,766</b>	<b>296,766</b>	<b>296,766</b>	-	-	-
<b>Households receiving Free Basic Service</b>						
Water (6 kilolitres per household per month)	73,369	73,369	73,369	-	-	-
Sanitation (free minimum level service)	74,217	74,217	74,217	-	-	-
Electricity/other energy (50kwh per household per month)	48,256	48,256	48,256	-	-	-
Refuse (removed at least once a week)	65,191	65,191	65,191	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>						
Water (6 kilolitres per indigent household per month)	136,000	91,000	91,000	119,336	126,496	134,719
Sanitation (free sanitation service to indigent households)	195,000	100,000	100,000	120,128	128,537	138,177
Electricity/other energy (50kwh per indigent household per month)	55,860	55,860	55,860	27,639	29,704	31,923
Refuse (removed once a week for indigent households)	143,879	143,879	143,879	90,143	95,552	101,763
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>	-	-	-	-	-	-
<b>Total cost of FBS provided</b>	<b>530,739</b>	<b>390,739</b>	<b>390,739</b>	<b>357,246</b>	<b>380,289</b>	<b>406,581</b>
<b>Highest level of free service provided per household</b>						
Property rates (R value threshold)						
Water (kilolitres per household per month)	8	8	8			
Sanitation (kilolitres per household per month)	7	7	7			
Sanitation (Rand per household per month)	129	129	129			
Electricity (kwh per household per month)	168	168	168			
Refuse (average litres per week)	75	75	75			
<b>Revenue cost of subsidised services provided (R'000)</b>						
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)	-	-	-	-	-	-

Description	Current Year 2022/23			2023/24 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
Water (in excess of 6 kilolitres per indigent household per month)	120,225	120,225	120,225	114,371	121,805	129,722
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	15,719	15,719	15,719	-	-	-
Municipal Housing - rental rebates						
Housing - top structure subsidies						
Other						
<b>Total revenue cost of subsidised services provided</b>	<b>135,943</b>	<b>135,943</b>	<b>135,943</b>	<b>114,371</b>	<b>121,805</b>	<b>129,722</b>

## 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 2023, 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)**

Category	2021/2022 Actuals	2022/2023 Budget	2022/2023 Actuals	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
<b><u>OPERATING REVENUE</u></b>							
Fines	105,043	1,306,330	1,552,698	1,306,330	1,263,620	1,345,760	1,433,230
Government Grants and Subsidies	15,870,000	17,297,000	15,870,000	17,297,000	15,870,000	15,870,000	15,870,000
Rental of Facilities and Equipment	1,908	71,210	5,364	71,210	604,030	580,230	552,720
Other Income	371	0	641	0	0	0	0
Sale of Goods and Rendering of Services	15,602	200,640	56,040	200,640	164,640	173,310	182,630
Operational Revenue	883	60,950	205	60,950	94,650	100,340	106,430
<b>TOTAL - OPERATING REVENUE</b>	<b>15,993,807</b>	<b>18,936,130</b>	<b>17,484,948</b>	<b>18,936,130</b>	<b>17,996,940</b>	<b>18,069,640</b>	<b>18,145,010</b>
<b><u>OPERATING EXPENDITURE</u></b>							
Employee Related Costs	86,838,531	97,246,420	60,992,415	97,750,650	108,544,030	112,560,380	119,839,160
Impairment - Receivables	-633	0	523,992	0	0	0	0
Contracted Services	1,933,939	2,342,040	743,987	2,362,040	2,496,850	2,621,710	2,752,070
Repairs and Maintenance	509,135	2,183,040	572,883	1,333,040	1,396,440	1,466,270	1,525,770
General Expenses	5,267,627	8,802,690	1,233,816	8,471,960	9,123,560	9,592,060	10,092,690
Operating Leases	287,796	1,391,680	467,298	1,391,680	1,461,400	1,534,460	1,521,770
Inventory	1,481,086	2,271,100	978,964	2,218,100	2,328,600	2,445,030	2,567,270
<b>TOTAL - OPERATING EXPENDITURE</b>	<b>96,317,481</b>	<b>114,236,970</b>	<b>65,513,355</b>	<b>113,527,470</b>	<b>125,350,880</b>	<b>130,219,910</b>	<b>138,298,730</b>
<b>SURPLUS (DEFICIT)</b>	<b>(80,323,674)</b>	<b>(95,300,840)</b>	<b>(48,028,407)</b>	<b>(94,591,340)</b>	<b>(107,353,940)</b>	<b>(112,150,270)</b>	<b>(120,153,720)</b>

The above table indicates that the Library Service continues to operate at a significant deficit, ranging from R107.4 million, R112.2 million and R120.2 million for the 2023/24, 2024/25 and 2025/26 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 (2022/23) original and revised, as well as the 2023/24 MTREF period.

**TABLE 49 (HIGH LEVEL SUMMARY OF THE ELECTRICITY SERVICE)**

REVENUE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Service Charges	4,124,421,451	4,708,773,060	4,486,191,850	5,163,606,820	5,943,311,450	6,840,751,480
Interest Earned - Outstanding Debtors	39,824,395	68,757,190	98,757,190	104,287,600	110,127,710	116,294,870
Fines	1,299,413	3,263,430	1,263,430	850,000	901,000	955,060
Government Grants and Subsidies	193,743,982	164,122,540	248,373,020	260,407,560	145,042,830	147,261,700
Rental of Facilities and Equipment	15,763	20,000	20,000	15,000	15,900	16,860
Other Income	40,778	0	0	0	0	0
Sale of Goods and Rendering of Services	104,708	70,000	70,000	65,000	68,900	73,040
Operational Revenue	375,052	200,000	506,300	230,000	243,800	191,010
<b>TOTAL - REVENUE</b>	<b>4,359,825,542</b>	<b>4,945,206,220</b>	<b>4,835,181,790</b>	<b>5,529,461,980</b>	<b>6,199,711,590</b>	<b>7,105,162,000</b>
EXPENDITURE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Employee Related Costs	399,713,694	465,168,100	450,848,680	487,305,520	503,585,890	529,051,810
Impairment - Receivables	198,801,927	108,768,960	101,915,320	111,346,940	119,664,550	128,603,500
Contracted Services	53,579,945	54,014,530	49,319,530	50,174,840	52,987,640	56,160,440
Depreciation	124,554,921	155,101,480	155,101,480	187,448,270	191,315,170	195,696,970
Repairs and Maintenance	76,369,887	80,282,570	88,482,570	122,650,000	129,978,500	137,809,590
Finance Cost	32,799,580	34,557,660	34,557,660	34,860,900	29,753,810	24,724,540
Bulk Purchases	4,377,705,071	4,705,311,600	4,754,625,480	5,632,329,340	6,347,635,170	7,153,784,840
General Expenses	30,505,499	39,323,520	36,693,030	39,477,730	43,401,300	44,205,000
Operating Leases	1,097,174	2,018,010	2,018,010	1,948,330	2,060,740	2,189,200
Inventory	8,569,722	11,675,410	11,163,410	10,757,390	11,407,680	12,086,200
<b>TOTAL - EXPENDITURE</b>	<b>5,303,697,420</b>	<b>5,656,221,840</b>	<b>5,684,725,170</b>	<b>6,678,299,260</b>	<b>7,431,790,450</b>	<b>8,284,312,090</b>
<b>SURPLUS / (DEFICIT)</b>	<b>-943,871,878</b>	<b>-711,015,620</b>	<b>-849,543,380</b>	<b>-1,148,837,280</b>	<b>-1,232,078,860</b>	<b>-1,179,150,090</b>
<b>SERVICE CHARGES vs. BULK PURCHASES</b>	<b>-253,283,620</b>	<b>3,461,460</b>	<b>-268,433,630</b>	<b>-468,722,520</b>	<b>-404,323,720</b>	<b>-313,033,360</b>

The above table indicates that the Electricity Service is operating at large deficits and the 2023/24 MTREF is projecting deficits ranging from R1.15 billion, R1.23 billion and R1.18 billion for the 2023/24, 2024/25 and 2025/26 financial years, respectively. When further comparing the Electricity Bulk Purchases budget for the 2023/24 MTREF period with the Service Charges Revenue, the Electricity Bulk Purchases budget is greater than the Service Charges by amounts ranging from R468.7 million, R404.3 million and R313.0 million for the 2023/24, 2024/25 and 2025/26 financial years, respectively.

## (ii) WATER SERVICE

The following table provides a summarised version of Water Service from the 2021/22 audited actuals, current financial year (2022/23) original and revised, as well as the 2023/24 MTREF period.

**TABLE 50 (HIGH LEVEL SUMMARY OF THE WATER SERVICE)**

REVENUE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Service Charges	2,832,242,400	2,693,767,110	4,307,977,090	2,943,776,280	3,108,236,630	3,297,436,650
Interest Earned - Outstanding Debtors	244,326,751	133,377,090	251,772,510	261,834,410	274,926,140	288,672,450
Government Grants and Subsidies	627,298,326	290,687,460	350,694,030	170,672,190	159,972,520	170,537,180
Rental of Facilities and Equipment	740,299	766,040	680,700	726,110	769,680	819,710
<b>TOTAL - REVENUE</b>	<b>3,704,646,870</b>	<b>3,118,597,700</b>	<b>4,911,226,230</b>	<b>3,377,008,990</b>	<b>3,543,904,970</b>	<b>3,757,465,990</b>
EXPENDITURE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Employee Related Costs	222,521,106	249,617,860	253,874,610	278,367,520	294,607,370	313,764,400
<b>Impairment - Receivables</b>	<b>1,808,809,460</b>	<b>1,454,634,250</b>	<b>2,506,307,630</b>	<b>1,589,639,190</b>	<b>1,678,447,780</b>	<b>1,780,615,790</b>
Contracted Services	21,792,998	35,606,240	33,580,080	40,063,530	52,507,000	46,132,350
Depreciation	143,998,431	161,680,170	161,680,170	166,530,640	169,861,310	173,258,600
Repairs and Maintenance	93,774,568	149,672,930	122,043,970	146,701,620	135,462,290	145,684,240
Finance Cost	26,049,630	32,421,950	32,421,950	38,628,520	33,577,200	28,228,070
General Expenses	119,748,299	128,602,780	146,532,890	164,430,950	173,754,150	183,969,120
Operating Leases	203,763	271,500	301,500	229,900	239,800	249,000
Inventory	-36,651,215	133,753,700	134,225,450	118,026,410	119,381,460	141,253,120
Gains and losses	219,442,216	70,655,070	70,655,070	238,662,270	261,809,440	280,668,150
<b>TOTAL - EXPENDITURE</b>	<b>2,619,689,256</b>	<b>2,416,916,450</b>	<b>3,461,623,320</b>	<b>2,781,280,550</b>	<b>2,919,647,800</b>	<b>3,093,822,840</b>
<b>SURPLUS / (DEFICIT)</b>	<b>1,084,957,614</b>	<b>701,681,250</b>	<b>1,449,602,910</b>	<b>595,728,440</b>	<b>624,257,170</b>	<b>663,643,150</b>

Although the above table indicates that the service is operating with a surplus, it must be viewed against the escalating arrear water debt.

## (iii) SANITATION SERVICE

The following table provides a summarised version of Sanitation Service from the 2021/22 audited actuals, current financial year (2022/23) original and revised, as well as the 2023/24 MTREF period.

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

REVENUE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Service Charges	724,345,755	776,923,880	790,144,770	837,553,460	891,994,440	954,434,050
Interest Earned - Outstanding Debtors	62,711,943	63,600,000	63,600,000	67,914,420	71,310,150	74,875,660
Government Grants and Subsidies	217,858,695	542,249,330	181,596,280	191,710,500	158,357,370	169,557,720
Other Income	(9,393)	0	0	0	0	0
Sale of Goods and Rendering of Services	84,364	100,000	150,000	60,000	63,600	67,740
Operational Revenue	4,839,842	5,150,000	5,176,970	4,187,920	4,480,330	4,814,770
<b>TOTAL - REVENUE</b>	<b>1,009,831,206</b>	<b>1,388,023,210</b>	<b>1,040,668,020</b>	<b>1,101,426,300</b>	<b>1,126,205,890</b>	<b>1,203,749,940</b>
EXPENDITURE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget

REVENUE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Employee Related Costs	190,262,418	262,839,840	262,254,010	294,900,710	312,417,170	332,742,370
Impairment - Receivables	294,938,427	217,538,690	221,240,540	234,514,970	249,758,450	267,241,540
Contracted Services	43,306,469	264,899,090	67,380,800	78,402,520	37,676,720	39,931,730
Depreciation	136,125,458	147,395,380	147,395,380	151,817,250	154,853,610	157,950,690
Impairment - OTHER	215,579	0	0	0	0	0
Repairs and Maintenance	75,579,607	109,441,610	108,613,150	117,536,390	125,144,250	134,554,270
Finance Cost	21,822,666	21,402,890	21,402,890	22,251,500	18,824,770	15,425,160
General Expenses	8,165,723	16,937,340	16,740,400	17,666,670	18,446,420	19,610,660
Operating Leases	207,380	628,450	645,960	589,230	628,440	670,370
Inventory	7,066,584	16,758,000	16,008,000	16,622,650	18,562,150	19,703,570
<b>TOTAL - EXPENDITURE</b>	<b>777,690,311</b>	<b>1,057,841,290</b>	<b>861,681,130</b>	<b>934,301,890</b>	<b>936,311,980</b>	<b>987,830,360</b>
<b>SURPLUS / (DEFICIT)</b>	<b>232,140,895</b>	<b>330,181,920</b>	<b>178,986,890</b>	<b>167,124,410</b>	<b>189,893,910</b>	<b>215,919,580</b>

The above Table indicates that the Sanitation Service is operating at a surplus position for the 2023/24 MTREF period.

#### (iv) REFUSE SERVICE

The following table provides a summarised version of Refuse Service from the 2021/22 audited actuals, current financial year (2022/23) original and revised, as well as the 2023/24 MTREF period.

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

REVENUE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Property Rates	(12,283,434)	0	0	0	0	0
Service Charges	303,685,974	294,178,150	294,178,150	311,828,840	332,097,720	352,605,650
Interest Earned - Outstanding Debtors	35,452,251	25,782,590	31,592,840	25,782,590	25,782,590	25,782,590
Government Grants and Subsidies	143,878,604	143,916,660	145,072,680	96,143,120	95,551,710	101,762,580
Rental of Facilities and Equipment	4,774,924	4,993,200	4,993,200	4,993,200	4,993,200	4,993,200
Sale of Goods and Rendering of Services	9,672,070	11,092,140	11,092,140	8,500,000	9,148,450	9,846,380
Operational Revenue		1,940	1,940	1,000	1,080	1,170
<b>TOTAL - REVENUE</b>	<b>485,180,389</b>	<b>479,964,680</b>	<b>486,930,950</b>	<b>447,248,750</b>	<b>467,574,750</b>	<b>494,991,570</b>
EXPENDITURE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Employee Related Costs	106,997,145	145,132,510	142,614,520	145,937,090	148,940,610	158,650,620
Impairment - Receivables	181,642,334	117,671,260	135,671,260	143,441,270	152,764,950	163,485,500
Contracted Services	43,891,633	51,934,720	52,627,850	65,805,220	63,276,950	66,974,350
Repairs and Maintenance	84,928	1,554,010	1,549,010	1,549,010	1,594,650	1,643,260
Finance Cost	61,870	61,870	61,870	61,870	61,870	61,870
General Expenses	74,790,004	57,869,880	57,877,880	83,491,050	88,483,080	93,787,030
Operating Leases	101,865	126,200	76,200	76,200	76,200	76,200
Inventory	17,195,257	12,427,530	12,917,530	21,815,190	21,513,780	22,581,950
<b>TOTAL - EXPENDITURE</b>	<b>424,765,036</b>	<b>386,777,980</b>	<b>403,396,120</b>	<b>462,176,900</b>	<b>476,712,090</b>	<b>507,260,780</b>
<b>SURPLUS / (DEFICIT)</b>	<b>60,415,353</b>	<b>93,186,700</b>	<b>83,534,830</b>	<b>(14,928,150)</b>	<b>(9,137,340)</b>	<b>(12,269,210)</b>

The above table indicates that the service will be operating at a deficit, with the service being subsidised from the property rates for the full 2023/24 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 2021/22 audited actuals, current financial year (2022/23) original and revised, as well as the 2023/24 MTREF period.

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

REVENUE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Fines	52,305,084	40,276,950	26,276,950	27,479,510	28,068,060	28,956,000
Licences and permits	17,861,629	15,180,320	15,180,320	16,334,030	17,395,770	18,526,530
Government Grants and Subsidies	556,631,154	581,307,550	721,307,550	866,921,510	957,297,020	1,067,048,680
Rental of Facilities and Equipment	19,200	20,000	20,000	21,520	22,920	24,410
Other Income	66,240	0	0	0	0	0
Sale of Goods and Rendering of Services	2,272,969	2,333,560	2,333,560	2,574,500	2,741,860	2,920,120
Operational Revenue	467,876	225,559,760	225,559,760	201,588,520	219,904,960	239,254,690
<b>TOTAL - REVENUE</b>	<b>629,624,152</b>	<b>864,678,140</b>	<b>990,678,140</b>	<b>1,114,919,590</b>	<b>1,225,430,590</b>	<b>1,356,730,430</b>
EXPENDITURE	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Employee Related Costs	824,799,297	940,025,300	939,636,590	1,049,609,790	1,087,031,070	1,156,496,490
Contracted Services	13,131,709	39,333,030	33,233,340	40,558,330	37,307,800	39,140,860
Impairment - OTHER	50,231,639	38,559,470	28,559,470	28,631,500	29,499,920	29,859,930
Repairs and Maintenance	6,248,830	13,368,360	17,589,360	17,176,200	18,498,900	19,986,230
Finance Cost	1,430,533	1,168,320	1,168,320	1,314,770	822,380	397,730
General Expenses	21,467,118	27,500,360	27,934,770	32,961,300	34,737,400	36,699,080
Operating Leases	694,007	1,000,110	1,070,110	1,093,130	1,158,760	1,228,300
Inventory	13,125,846	15,342,010	17,783,250	16,616,230	17,445,720	18,403,570
<b>TOTAL - EXPENDITURE</b>	<b>931,128,979</b>	<b>1,076,296,960</b>	<b>1,066,975,210</b>	<b>1,187,961,250</b>	<b>1,226,501,950</b>	<b>1,302,212,190</b>
<b>Surplus / (Deficit)</b>	<b>(301,504,827)</b>	<b>(211,618,820)</b>	<b>(76,297,070)</b>	<b>(73,041,660)</b>	<b>(1,071,360)</b>	<b>54,518,240</b>

The aforementioned table indicates that the service is operating at a significant deficit. It is to be noted that employee related costs, constitute approximately 88% of the total expenditure. The insourcing of **672 private security guards** has had a significant impact on the employee related costs of the Safety and Security service. 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 2023/24 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 2023/24 to 2025/26 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 2023. 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 2023 for noting and by the end of May 2023 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 2023/24 to 2025/26**

The preparation of the 2023/24 to 2025/26 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 2023/24 to 2025/26 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>									
Municipal Transformation and Development	909,053	909,052	1,154,636	1,474,692	1,474,692	1,474,692	1,463,902	1,572,321	1,708,185
Service Delivery and Infrastructure	4,949,289	4,949,282	6,255,440	7,989,404	7,989,404	7,989,404	7,759,836	8,430,070	9,254,390
Local Economic Development	1,313,077	1,313,075	1,667,807	2,130,111	2,130,111	2,130,111	2,114,525	2,271,131	2,467,378
Financial Sustainability and Viability	2,222,130	2,222,127	2,822,443	3,604,804	3,604,804	3,604,804	3,578,427	3,843,452	4,175,563
Good Governance and Public Participation	707,041	707,040	898,050	1,146,983	1,146,983	1,146,983	1,138,590	1,222,917	1,407,935
<b>TOTAL REVENUE (Excl. Capital Transfers &amp; Contributions)</b>	<b>10,100,589</b>	<b>10,100,576</b>	<b>12,798,376</b>	<b>16,345,994</b>	<b>16,345,994</b>	<b>16,345,994</b>	<b>16,055,280</b>	<b>17,339,892</b>	<b>19,013,453</b>

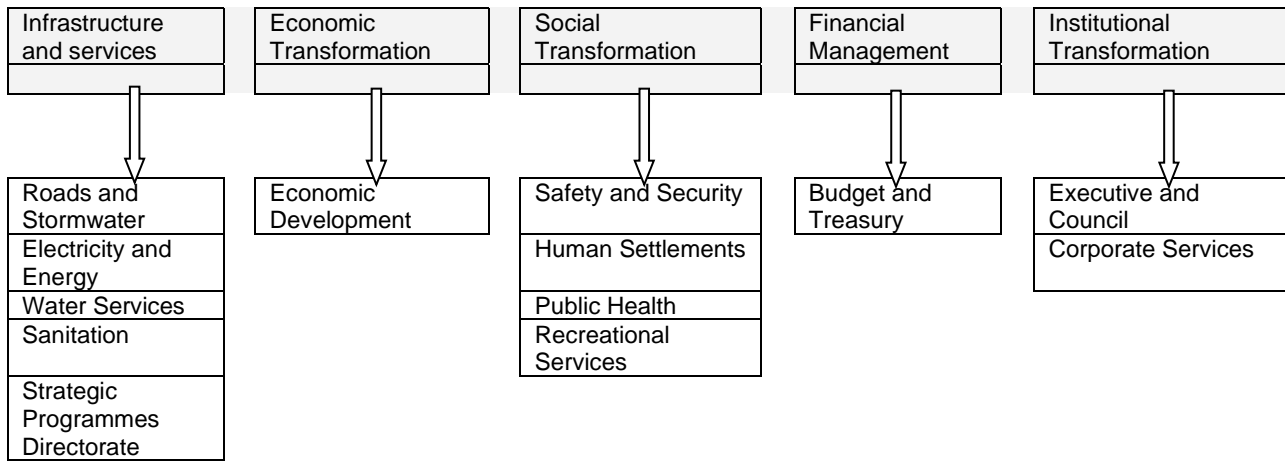
**TABLE 55 (BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES (OPERATING EXPENDITURE) (SA5))**

Strategic Objective	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>									
Municipal Transformation and Development	814,314	814,313	1,198,623	1,295,066	1,381,947	1,381,947	1,551,193	1,653,790	1,784,671
Service Delivery and Infrastructure	5,191,252	5,191,246	6,493,747	7,016,246	7,486,941	7,486,941	8,403,857	8,959,695	9,668,765
Local Economic Development	1,323,260	1,323,259	1,731,344	1,870,651	1,996,146	1,996,146	2,240,612	2,388,808	2,577,858
Financial Sustainability and Viability	1,933,996	1,933,993	2,929,966	3,165,717	3,378,094	3,378,094	3,791,804	4,042,598	4,362,528
Good Governance and Public Participation	916,103	916,102	932,262	1,007,274	1,074,848	1,074,848	1,206,483	1,286,281	1,388,077
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>10,178,926</b>	<b>10,178,913</b>	<b>13,285,941</b>	<b>14,354,953</b>	<b>15,317,976</b>	<b>15,317,976</b>	<b>17,193,949</b>	<b>18,331,171</b>	<b>19,781,898</b>

### 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	2019/20	2020/21	2021/22	2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Adjusted Budget	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
<b>Borrowing Management</b>								
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%
<b>Safety of Capital</b>								
Gearing	Long Term Borrowing/ Funds & Reserves	5.58%	5.48%	7.08%	5.51%	5.93%	5.93%	5.93%
<b>Liquidity</b>								
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
<b>Revenue Management</b>								
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%
<b>Creditors Management</b>								
Creditors to Cash and Investments		57.9%	56.5%	63.6%	69.6%	69.6%	69.6%	69.6%
<b>Other Indicators</b>								
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.5%	31.0%	30.3%	30%	30%	30%	30%

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Adjusted Budget	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25	Budget Year 2025/26
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%
<b>IDP regulation financial viability indicators</b>	-							
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: -

2023/24 = R 1,419,053,000,  
2024/25 = R 1,544,894,000, and  
2025/26 = R 1,694,225,000.

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	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Debtors Management Collections_ Property Rates	1,000,000	1,000,000	1,000,000
Rates and Related Income_ Property Rates	114,370,550	121,804,640	129,721,950
Income_ Electricity	27,638,990	29,703,630	31,922,500
Income_ Water	119,336,100	126,496,270	134,718,530
Sewerage Administration	120,127,970	128,536,930	138,177,200
Refuse Administration	90,143,120	95,551,710	101,762,580
Water Loss Detection	31,336,180	33,476,250	35,818,650
Chemical Toilets	21,557,530	22,730,110	23,971,120
<b>TOTAL - Various Services</b>	<b>525,510,440</b>	<b>559,299,540</b>	<b>597,092,530</b>
Indigent Control _ ATTP Administration	26,621,050	28,297,440	30,083,790

Various Services	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Safety & Security	866,921,510	957,297,020	1,067,048,680
<b>TOTAL - Other</b>	<b>893,542,560</b>	<b>985,594,460</b>	<b>1,097,132,470</b>
<b>TOTAL - Gazetted Allocation (Equitable Share)</b>	<b>1,419,053,000</b>	<b>1,544,894,000</b>	<b>1,694,225,000</b>

## 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 2023. The 2023/24 Draft Property Rates Policy, which appears elsewhere as an Annexure to this Agenda, will be considered by Council for approval, whereafter it will be subjected to public participation. Other policies such as the Cost Containment Policy and the Unauthorised, Irregular, Fruitless & Wasteful Expenditure Policy have already undergone review and were approved by Council.

The Indigent Policy is also undergoing review which will include amongst others re-consideration of the qualification criteria as it relates to the property value of each household, in terms of the Municipality's Valuation Roll, in that if the value of the property is less than R130 000 the owner/s of the property will automatically qualify for Free Basic Services through the Assistance to the Poor Scheme.

## 2.5 OVERVIEW OF BUDGET ASSUMPTIONS

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets. The circulars issued by National Treasury (latest being Circulars 122 & 123) 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.
- 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 2023/24 – 2025/26 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 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:

## 2.7 ALLOCATION OF GRANTS TO THE MUNICIPALITY BY NATIONAL GOVERNMENT IN TERMS OF THE DIVISION OF REVENUE ACT (DORA)

**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 (2023/2024 to 2025/26)				
GRANT NAME	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2023/24	2024/25 (1st Outer Year Projections)	2025/26 (2nd Outer Year Projections)
<b>OPERATING GRANTS</b>				
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Equitable Share (Schedule 3)	Unconditional	1,419,053	1,544,894	1,694,225
Financial Management Grant	Conditional	1,000	1,000	1,138
Infrastructure Skills Development Grant	Conditional	13,750	13,500	14,500
EPWP	Conditional	8,397	-	-
City Led Public Employment Program (Included in the NDPG)	Conditional	20,000	-	-
Programme and Project Preparation Support Grant	Conditional	20,000	22,000	22,000
Fuel Levy Grant	Unconditional	783,478	823,949	866,384
<b>TOTAL - OPERATING</b>		<b>2,265,678</b>	<b>2,405,343</b>	<b>2,598,247</b>
GRANT NAME	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2023/24	2024/25 (1st Outer Year Projections)	2025/26 (2nd Outer Year Projections)
<b>CAPITAL GRANTS</b>				
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Urban Settlements Development Grant (USDG) Annexure W5)	Conditional	614,902	642,517	671,302
Informal Settlement Upgrading Partnership Grant	Conditional	349,635	365,337	381,704
Neighbourhood Partnership Development Grant (NDPG)	Conditional	9,700	20,000	20,000
Public Transport Network Operations Grant	Conditional	346,376	344,365	338,242
Regional Bulk Infrastructure Grant (Page 312 of 336)	Conditional	348,000	250,000	390,000
Energy Efficiency and Demand Side Management Grant	Conditional	9,000	10,000	8,000

ALLOCATION OF GRANTS IN TERMS OF THE DIVISION OF REVENUE BILL (2023/2024 to 2025/26)				
GRANT NAME	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2023/24	2024/25 (1st Outer Year Projections)	2025/26 (2nd Outer Year Projections)
TOTAL - CAPITAL		1,677,613	1,632,219	1,809,248
TOTAL GRANTS (OPERATING AND CAPITAL)		3,943,291	4,037,562	4,407,495

## 2.8 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 2021/22, 2022/23 Original Budget, 2022/23 Revised Budget and estimates for the 2023/24 MTREF.

**TABLE 59 (COUNCILLORS ALLOWANCES AND BENEFITS)**

DETAIL	2021/2022 Actuals	2022/2023 Budget	2022/2023 Revised	2023/2024 Budget	2024/2025 Budget	2025/2026 Budget
Remuneration of Councillors	75,900,105	87,809,450	87,895,420	91,089,190	95,188,210	99,471,680
<b>TOTAL</b>	<b>75,900,105</b>	<b>87,809,450</b>	<b>87,895,420</b>	<b>91,089,190</b>	<b>95,188,210</b>	<b>99,471,680</b>

## 2.9 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 2023/24 financial year must be approved by the Executive Mayor, following the approval of the Budget by the end of May 2023.

## 2.10 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
<b>Parent Municipality:</b>													
<b>Revenue Obligation By Contract</b>													
<i>Contract 1</i>													
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>													
Absa Bank Costs	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
<b>Capital Expenditure Obligation By Contract</b>													
<i>Contract 1</i>													
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication	9,946	5,425	5,750	6,095	0	0	-	-	-	-	-	-	27,216
<b>Entities:</b>													
<b>Revenue Obligation By Contract</b>													
<i>Contract 1</i>													
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>													
<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
<b>Capital Expenditure Obligation By Contract</b>													
<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 Section (I&E).

**TABLE 61 (SECTION 33 EXPENDITURE)**

No	Description of lease	Start of contract	End of contract	Escalation %	Period	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
1	ABSA Bank Ltd – Primary Bank account	01-09-18	30-08-23		5 years						

**2.11 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 new 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 122 and 123.

### **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.

### **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 audit plan.

## Financial Internship Programme

The Finance Internship programme is funded from National Treasury’s Finance Management Grant, whilst interns are rotated within various Sub Directorates of Budget and Treasury to capacitate them. So far, the institution has been able to recruit many of the 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.

## 2.12 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 2023/24 MTREF period National Treasury has already issued Budget Circulars 122 and 123. Budget Circular 122 was issued in December 2022, whilst a second Budget Circular 123 was issued after the Budget Speech by the Minister of Finance on 22 February 2023.

These 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 issues addressed in the latest National Treasury Budget Circular 123:

**TABLE 62 (ISSUES RAISED IN THE NATIONAL TREASURY BUDGET CIRCULAR 123)**

PARAGRAPH	CRITICAL POINTS TO NOTE
1	Performance of the South African economy, inflation targets & projections for the CPI Inflation
2.1	Local government conditional & unconditional grants allocations from the national fiscus
2.3. (NB)	The conditional grant usage (Only be used for the purposes and subject to the conditions specified in the framework for each conditional grant)
3	Pension & medical fund defaults by Municipalities
4.1	The MSCOA (Municipal Standard Chart of Accounts) Version to be in use for the coming financial year.
4.2. (NB)	Additional requirements to change a municipal financial system to comply with MSCOA requirements. This must be read in conjunction with previous Circulars Number 93 & 98
5.1. (NB)	Maximising the revenue generation of the municipal revenue base
5.2	Funding Depreciation
5.3	Tariff-setting & impact of load shedding
5.4	Setting cost reflective tariffs
5.5	Tariffs – achieving a balance between cost-reflectiveness and affordability
5.6	Municipal Debt Relief for ESKOM arrear accounts
5.7	Bulk account Payments & Concessions
5.8	Critical Notice Affecting STS Meters
5.9	Completeness and credibility of revenue related information in the Budget
5.10	ESKOM Bulk Tariff increases
5.11	Updated Municipal Borrowing Policy Framework
5.12	Tariff Policies
5.13	Non-Revenue Electricity and Non-Revenue Water / Revenue Losses
6 (NB)	Burial of Councillors (This paragraph is instructing municipalities to discontinue the practice of incurring costs from the municipal resources when undertaking this process. This will require a Policy amendment as this matter is incorporated in a Council approved Policy)
7	Funding choices and management issues

PARAGRAPH	CRITICAL POINTS TO NOTE
7.1	Employee related costs
7.2	Remuneration of Councillors
8.1 (NB)	Criteria for the release of the Equitable Share 2023/24
8.2 (NB)	Criteria for the rollover of conditional grant funds (2022/23)
8.3	Unspent conditional grants for 2022/23
9.1	Alignment of Municipal Budget and Reporting Regulations
10	Submitting budget documentation and A1 Schedules for 2023/24 MTREF
<b>ANNEXURE "A" (NB)</b>	<b>Equitable Share Verification Checklist</b>

## 2.13. 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 (2023/24 to 2025/26).

**TABLE 63 (NMBM'S PROJECTED INVESTMENT PORTFOLIO)**

INSTITUTION	2021/22 ACTUAL INVESTMENT	ACTUAL INVESTMENTS 28 FEBRUARY 2023	PROJECTED INVESTMENT BALANCE 30 JUNE 2023	PROJECTED INVESTMENT BALANCE 30 JUNE 2024	PROJECTED INVESTMENT BALANCE 30 JUNE 2025	PROJECTED INVESTMENT BALANCE 30 JUNE 2026
ABSA	920 000 000	915 000 000	935 000 000	960 000 000	990 000 000	1 025 000 000
ABSA CALL	5 310 000	5 310 000	5 310 000	3 500 000	3 500 000	1 500 000
FNB	925 000 000	920 000 000	960 000 000	1 060 000 000	1 180 000 000	1 320 000 000
NEDBANK	825 000 000	870 000 000	890 000 000	990 000 000	1 020 000 000	1 055 000 000
NEDBANK CALL	100 500 000	50 500 000	50 500 000	50 500 000	50 500 000	50 500 000
STANDARD BANK	926 700 000	936 700 000	976 700 000	1 076 700 000	1 196 700 000	1 231 700 000
INVESTEC	159 020 770	165 491 552	175 421 553	186 823 952	199 434 572	213 394 992
Stanlib	259 657	259 657	259 657	0	0	0
ABSA Current Account	815 061 490	696 687 380	750 000 000	650 000 000	670 000 000	650 000 000
<b>TOTAL INVESTMENTS</b>	<b>4 676 872 682</b>	<b>4 559 948 588</b>	<b>4 743 191 210</b>	<b>4 977 523 952</b>	<b>5 310 134 572</b>	<b>5 547 094 992</b>

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

## 2.14. ATTACHMENTS TO THE BUDGET REPORT

Attached to this Budget Report are the following Annexures: -

- Capital Works Plan (2023/24 to 2025/26) (refer to Annexure "A1");
- Ward Budget / Allocations (2023/24 to 2025/26) (refer to Annexure "A2");
- National Treasury Budget Circular 122 (refer to Annexure "A3");
- National Treasury Budget Circular 123 (refer to Annexure "A4"), and
- Media Statement from NERSA relating to Electricity Tariffs increases (refer to Annexure "A5").

## **2.15. CITY MANAGER'S QUALITY CERTIFICATE**

I, **Christopher Dyani**, 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** : **C Dyani (Mr)**

**Acting City Manager of Nelson Mandela Bay Municipality (EC000)**

**Signature** : \_\_\_\_\_

**Date** : **27 June 2023**