



nelson mandela bay

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

PORT ELIZABETH | UITENHAGE | DESPATCH

2024/25 – 2026/27 BUDGET

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PART 1 – ANNUAL BUDGET

1.1 EXECUTIVE MAYOR’S FOREWORD – TABLING OF THE 2024/25 TO 2026/27 BUDGET FOR COUNCIL’S APPROVAL IN LINE WITH SECTION 160(2)(b) OF THE CONSTITUTION (108 OF 1996) AS WELL AS CHAPTER 4 OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT (56 OF 2003)

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 21 February 2024, the Minister of Finance tabled the 2024/25 to 2026/27 Budget in parliament. The budget as tabled by the Minister of Finance, includes various grant allocations (conditional or unconditional) to municipalities, in terms of the DORA. The municipality’s budget tabled to Council for approval includes the following grant allocations: -

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

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

The above allocations include the Informal Settlements Upgrading Partnership Grant (ISUPG), which has been gazetted, amounting to R361.68 million, R377.88 million and R395.20 million over the three-year period. The Human Settlements Directorate, in conjunction with the affected Service Delivery Directorates are responsible to ensure that the projects to be funded from this grant, are in line with the Business Plan as approved by the National Department of Human Settlements.

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

The budget is also informed by the consideration of tariff increases for various services, such as, Electricity, Water, Refuse, Sanitation and Property Rates as stated in the recommendations of this budget report.

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 May 2024, compared to the position as at the end of June 2023: -

OVERDUE AMOUNTS			
Detail	June 2023	At the End of	Difference
		May-24	
<i>Debtors Age Analysis By Revenue Source</i>			
Trade and Other Receivables from Exchange Transactions - Water	R 8,136,133,033	R 7,129,250,974	-R 1,006,882,059
Trade and Other Receivables from Exchange Transactions - Electricity	R 653,630,400	R 672,525,412	R 18,895,012
Receivables from Non-exchange Transactions - Property Rates	R 1,335,540,279	R 1,550,593,901	R 215,053,622
Receivables from Exchange Transactions - Waste Water Management	R 1,163,788,465	R 1,204,085,562	R 40,297,097
Receivables from Exchange Transactions - Waste Management	R 661,209,036	R 603,439,656	-R 57,769,380
Receivables from Exchange Transactions - Property Rental Debtors	R 40,177,773	R 45,633,376	R 5,455,603
Interest on Arrear Debtor Accounts	R 1,947,366,721	R 2,524,362,236	R 576,995,515
Other	R 399,930,189	R 387,945,437	-R 11,984,752
Total By Income Source	R 14,337,775,896	R 14,117,836,554	-R 219,939,342
<i>Debtors Age Analysis By Customer Group</i>			
Government	R 180,626,258	R 242,576,649	R 61,950,391
Business	R 1,693,956,774	R 1,946,880,797	R 252,924,023
Households	R 12,418,048,260	R 11,874,086,827	-R 543,961,433
Other (NMBM)	R 45,144,604	R 54,292,281	R 9,147,677
Total By Customer Group	R 14,337,775,896	R 14,117,836,554	-R 219,939,342

The table indicates that the arrear debt has decreased by R219.9 million from R14.33 billion in June 2023 to R14.1 billion in May 2024. The biggest contributor to this reduction is the arrear water debt component, due to moving to Part C of the water tariff structure. In terms of the tariff increases for water we must note that the recommendations made is to reduce the water tariffs from Part C to Part B (for normal consumers) and Part A for ATTP consumers and the projected income is based on these proposed changes for water tariff structure. Also to note is the fact that in addressing the escalating arrear debt my office is leading a Multi-Disciplinary Team of municipal officials from Budget and Treasury

as well as Electricity and Energy where actions are taken in what I refer to as “Disconnection Blitz” targeting, as a priority businesses and other households whose arrears are escalating to ensure that they make suitable arrangements, or they pay. This action has so far given positive results to the City’s coffers and requires to be sustained for a longer period.

As previously reported to Council, it is important to note that the financial position of the Electricity Service is under immense pressure due to the extent of electricity losses, which impacts significantly on the financial sustainability of the municipality. This is supported by the fact that the budget for Electricity Bulk Purchases exceeds the total Electricity Service Charges budget. The alternative energy sources that are utilised by business and other consumers who can afford to incur such capital investment is also not doing good for the Electricity Service. This means that the Electricity Service, which is a Trading Service, is operating at a significant deficit, requiring support from a Property Rates account, which should be the other way round.

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

Attached elsewhere in this Budget Report is the letter from the National Treasury dated 20th May 2024 confirming that the budget as tabled to Council was indeed funded. Council must also note that in the session held on Monday, 13th May 2024 National Treasury insisted that as indicated in National Treasury’s Circular 126 the budget to be approved by Council **must** be a surplus as opposed to be a deficit budget. This therefore meant that Budget and Treasury Directorate had to work around the clock to ensure that the budget as tabled to Council is accordingly turned around, as it is now. This process as well as the fact that we had to participate in the National Elections process, as well as the recent flood disasters made things worse for ourselves resulting to the delays or non-compliance with the deadline of on or before end May for the Council’s approval of the Integrated Development Plan (IDP) and Budget. It must, however, be noted that a letter reporting potential non-compliance was addressed to the National Minister of Finance (Hon E Godongwana) prior end May 2024. Accordingly, the Council must understand that this non-compliance was created or resulted from various issues that happened to be outside our control as stated above.

Let me take this opportunity to sincerely thank all role players who assisted in ensuring that this budget is submitted to the Council for approval today and the sacrifices made in achieving this critical compliance issue.

I therefore table the 2024/25-2026/27 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 2024/25 and the indicative allocations for the projected outer years 2025/26 and 2026/27, and the multi-year and single year capital appropriations, be **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 53 to 54] (A1);
 - 1.2 Consolidated Budget Financial Performance (revenue and expenditure by municipal vote); [Page 54 to 55] (A2);
 - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type / municipal vote); [Page 56-57] (A3);
 - 1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source (A5); [Page 59];
 - 1.5 That the budgeted financial position, budgeted cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:
 - 1.6 Budgeted Financial Position (A6); [Page 60 to 61];
 - 1.7 Budgeted Cash Flows (A7); [Page 61 to 62];
 - 1.8 Cash backed reserves and accumulated surplus reconciliation (A8); [Page 62-63];
 - 1.9 Asset Management (A9); [Page 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 R137.5 million (2024/25), R141.7 million (2025/26) and R145.9 million (2026/27) respectively, be noted.
3. That Council notes that transfer of grants to the entity (i.e. MBDA) will be undertaken on a quarterly basis, based on compliance with the required conditions as per the signed service delivery agreement (SDA).
4. That the proposed tariffs increase for the 2024/25 (1 July 2024) financial year are as follows:

Property rates	-	5%
Water	-	6.00%
Sanitation	-	6.00%
Refuse	-	6.00%
Electricity	-	12.74% (On average, depending on the various customer categories, subject to NERSA's final approval).
5. That the indicative tariffs for 2025/26 and 2026/27 be increased as follows (considering the external factors impacting on Electricity and Water Services):

	2025/26	2026/27
Property Rates	5.50%	6.00%
Water	6.50%	7.00%
Sanitation	6.50%	7.00%
Refuse	6.50%	7.00%
Electricity	12.74%	12.74%

6. That Council **notes** the contents of **National Treasury MFMA Budget Circulars 126 and 128** (attached elsewhere to the Budget Report) for guiding the budgeting processes.
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:

Vote Number	Project ID	Job Number	Job Description	2024/25	2025/26	2026/27	Status/ Authority	Comments
0064 6318	20182504	2018NSRA05835	Rugby Championship	6,900,000			Contract expires 24/25	Contract renewal upon expiry
0064 6318	20182505	2018NSRA05836	Soccer Championship	6,900,000	6,900,000		Contract expires 25/ 26	Contract renewal upon expiry
0064 6318	20182508	2018NSRA05837	Cricket Championship	6,096,840			Contract expires 24/ 25	Contract renewal upon expiry
0064 6318	20240024	2024NSRA42123	ABSA Run Your City	1,700,000	1,700,000		Contract expires 25/ 26	Contract renewal upon expiry
0064 6318	20182510	2018NSRA05839	COSAFSA Women's Championship	2,500,000				Contract renewal upon expiry
0064 6318	20240018	2024NSRA42117	Professional Boxing in NMB	1,150,000	1,000,000		Contract expires 25/ 26	Contract renewal upon expiry
0064 6318	20240019	2024NSRA42118	ABC Motsepe League Teams	763,200	763,200	763,200	Mandate	Local development
0064 6318	20240020	2024NSRA42120	Nelson Mandela Bay Sports Summit	1,100,000	1,100,000	1,100,000	Mandate	Local development
0064 6318	20240023	2024NSRA42122	NMB Triathlon	920,000			Contract expires 24/ 25	Contract renewal upon expiry
0065 1589	20180124	2018NSRA05872	City Surf Pro & SA Surf Open Series	1,266,300			Contract expires 24/ 25	Contract renewal upon expiry
0065 1589	20180124	2018NSRA05875	Mandela Bay Theatre Complex	7,242,000	7,242,000		Contract expires 25/ 26	Contract renewal upon expiry
0065 1589	20180119	2018NSRA00275/755	Repatriation - Reburials	500,000	500,000	500,000	Mandate	Local development
0065 1589	20180124	2018NSRA05868	Wrestling Extravaganza	969,110	997,195		Contract expires 25/ 26	Contract renewal upon expiry
0065 1589	20240244	2024NSRA42237	Mandela Bay Arts Festival	4,950,000	4,950,000		Contract expires 25/ 26	Contract renewal upon expiry
1114 4976	20181394	2018NSRA00381	Levies: Special Events	861,970	913,690	968,510	Mandate	Local development
1114 4976	20181394	2018NSRA05878	Splash Festival	4,500,000	4,770,000	5,086,200	Mandate	Local development
1114 4976	20181394	2018NSRA05879	Summer Season	5,750,000	5,750,000	5,750,000	Council resolution for 2024/25 only	CR – Awaiting contracting
1114 4976	20181394	2018NSRA05881	EP Athletics	6,360,000	6,714,600		Contract expires 25/ 26	Contract renewal upon expiry
1114 4976	20181393	2018NSRA00382	Levies: Memorial Lectures	750,000	795,000	842,700	Mandate	Local development
1114 4976	20181395	2018NSRA00379	Heritage Month	500,000	530,000	561,800	Mandate	Local development
1114 4976	20181394	2018NSRA05877	Ironman Triathlon	8,585,100	8,222,629		Contract expires 25/ 26	Contract renewal upon expiry
1114 4976	20181394	2024NSRA42131	Ebubeleni Music Festival	3,425,000			Contract expires 24/ 25	Contract renewal upon expiry
Total				73,689,520	52,848,314	15,572,410		

8. That Council notes that payments made to the above organisations will be in line with the approved Service Level Agreements (SLA's) entered between the NMBM and the individual organisations, as well in full compliance with Section 67 of the Local Government: Municipal Finance Management Act (56 of 2003).
9. That Council notes the letter from National Treasury dated 20 May 2024 relating to the budget assessment confirming that it is a funded budget and a letter from the city responding thereto, attached elsewhere in this Budget Report.
10. **That Council notes that as part of implementing the BFI (Budget for Infrastructure) funded projects under Water & Sanitation Services through the gazetted Regional Bulk Infrastructure Grant (RBIG), to deal with the drought disaster, Coega Development Corporation (CDC), an entity of State, will be utilised as an implementing agent as per the Council resolution dated 3rd April 2023.**
11. **That based on recommendation "10" above an amount of R250 000 000 (VAT Inclusive) will be transferred to the CDC in the 2024/25 financial year and R390 000 000 (Vat Inclusive) in the 2025/26 financial year, based on the terms and conditions set out in the SLA entered into with both parties (i.e. NMBM & CDC), as well as the concurrence of the National Transferring Officer/s (National Treasury & Department of Water and Sanitation), with the budget corrected to appropriately reflect in the Council's Operating Budget for the transfer to be effected in agreed upon tranches.**
12. That Council approves the Tariffs Book attached elsewhere in this Budget Report for implementation w.e.f. 1 July 2024.
13. That the Chief Financial Officer be authorised to implement any changes that may be identified, without them affecting the bottom-line, after the tabling of the 2024/25 MTREF Budget in Council for approval, prior to submission to National Treasury and publication on the municipal website.

THE 2024/25 TO 2026/27 BUDGET REPORT

1.3 EXECUTIVE SUMMARY

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

This budget has been prepared against the background of a declining Collection Rate. As previously reported to Council, the imposition of punitive water tariffs due to water drought situation, impacted negatively on the collection rate and the outstanding debtors for water service charges. In June 2022, Council resolved, inter alia, to move from Part C to Part D of the water tariff structure. In February 2023, Council resolved, inter alia, to revert to Part C of the water tariff structure. The 2024/25 tariff increase for water service, together with the accompanying revenue projections are based on Part B for normal consumers and Part A for ATTP consumers, and this can be implemented only based on approval by the Department of Water & Sanitation (DWS).

Specific revenue collection strategies to improve the collection of outstanding consumer debt are continuously being implemented by the Municipality, and alluded to above the Executive Mayor also leads the Multi-Disciplinary Blitz composed Budget and Treasury Directorate's officials as well as Electricity and Energy officials. Cost containment Regulations and Policy are also being implemented to curb costs and to improve operational efficiency, in line with the requirements of the Cost Containment Regulations (Number 42514 dated 7 June 2019), as well as the approved Cost Containment Policy of Council.

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

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

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

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

- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases, to ensure the delivery of services on a financially sustainable basis.
- In accordance with Section 19 of the Local Government: Municipal Finance Management Act (56 of 2003) (MFMA), the relevant Acting/Executive Directors must submit comprehensive reports in relation to new projects, inter alia, dealing with the total project costs, funding sources,

future operating budget implications and associated tariff implications, before Council finally approves the implementation of any new projects.

- It is also a requirement that new projects in the budgeting process, must be accompanied by a Business Plan, Cash Flows and a Procurement Plan.

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

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

R thousands	Original Budget 2023/24	Adjusted Budget 2023/24	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Total Operating Revenue (Including Fuel Levy)	16,055,279	16,421,777	18,117,063	19,332,662	20,797,583
Total Operating Expenditure	17,272,541	16,889,122	18,116,061	19,330,659	20,795,580
Actual Surplus/(Deficit)	(1,217,262)	(467,345)	1,001	2,003	2,003
Total Capital expenditure (Incl. Entity)	1,995,960	1,807,476	1,965,324	1,971,046	1,770,381

The above table indicates that the total revenue has increased from R16.05 billion in the 2023/24 original budget, R16.42 billion in the 2023/24 Adjustments Budget and is projected to range between R18.12 billion to R20.80 billion during the 2024/25 MTREF. The expenditure increased from R17.27 billion in the 2023/24 original budget, R16.89 billion in the 2023/24 Adjustments Budget and ranges between R18.11 billion to R20.8 billion during the 2024/25 MTREF. As mandated in terms of National Treasury’s Budget Circular 126, the projected surplus for the 2024/25 MTREF period are R1.0 million, R2.0 million and R2.0 million for the 2024/25, 2025/26 and 2026/27 financial years respectively, as opposed to the deficit budget that was noted by Council on the 27 March 2024.

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

- Property rates - 5%
- Water - 6%
- Sanitation - 6%
- Refuse - 6%
- Electricity (Average) - 12.74% (On average depending on various customer categories, subject to NERSA’s final approval).

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

The capital budget for the 2024/25, 2025/26 and 2026/27 financial years amounts to R1.91 billion, R1.91 billion and R1.71 billion respectively. The Capital Budget is funded from various sources, such as grants and internal sources, which includes the Fuel Levy.

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

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

Directorate	Final 2024/25 Capital Budget to be approved	% Allocation vs Total Capital Budget	Final 2025/26 Capital Budget to be approved	Final 2026/27 Capital Budget to be approved
Budget & Treasury	31,670,000	1.7%	6,000,000	700,000
Corporate Services	30,791,760	1.6%	31,000,000	29,000,000
Economic Development, Tourism and Agriculture	12,069,565	0.6%	2,000,000	-
Sport and Recreation	72,566,522	3.8%	42,500,000	36,000,000
Human Settlements	194,678,261	10.2%	479,197,391	493,652,174
Electricity and Energy	252,197,754	13.2%	159,796,157	163,100,504
Roads, Stormwater, Transportation & Fleet	449,017,051	23.5%	392,739,130	419,545,783
Water Services	464,051,784	24.2%	547,946,607	201,900,000
Sanitation Services	229,344,319	12.0%	134,595,560	247,180,344
Public Health	107,539,130	5.6%	83,900,000	87,300,000
Safety & Security	69,880,350	3.7%	33,650,000	32,550,000

Directorate	Final 2024/25 Capital Budget to be approved	% Allocation vs Total Capital Budget	Final 2025/26 Capital Budget to be approved	Final 2026/27 Capital Budget to be approved
TOTAL NMBM CAPITAL BUDGET	1,913,806,496	100%	1,913,324,845	1,710,928,805

The above table gives a high-level breakdown of the Capital Budget per Vote / Directorate and percentage allocation per Vote / Directorate. Based on the above it can be seen that the Capital Budget is mainly utilised to fund projects that are implemented within the service delivery Directorates. The details of the Capital budget per Directorate are found in the Capital Works Plan, which is attached as an Annexure to this Budget Report.

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

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

Sources of Finance	Final 2024/25 Capital Budget to be approved	% Allocation vs Total Capital Budget	Final 2025/26 Capital Budget to be approved	Final 2026/27 Capital Budget to be approved
Total CRR - 901	226,322,702	11.8%	125,685,728	124,172,440
Total Levies Replacement Grant Funding - 959	398,160,000	20.8%	409,820,000	414,720,000
Total Public Contributions Funding - 923	43,000,000	2.2%	43,000,000	43,000,000
Urban Settlements Development Grant - 951	536,007,661	28.0%	559,915,209	663,447,104
Informal Settlements Upgrading Partnership Grant - 972	279,341,726	14.6%	328,597,391	343,652,174
IPTS Grant - 918	62,299,750	3.3%	79,350,000	84,111,000
Neighbourhood Development Grant - 919	14,967,826	0.8%	21,739,130	30,434,783
External Finance Fund - 962	130,228,574	6.8%	-	-
Regional Bulk Infrastructure Grant - 973	217,391,300	11.4%	339,130,430	-
Energy Efficiency & Demand Side Management Grant - 976	6,086,957	0.3%	6,086,957	7,391,304
Total Capital Budget Funding	1,913,806,496	100%	1,913,324,845	1,710,928,805

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

1.4. HISTORIC PROPERTY RATES AND TARIFFS INCREASES

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

TABLE 4 (HISTORIC PERCENTAGE INCREASES FOR SERVICES)

VARIOUS SERVICES	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
	%	%	%	%	%	%	%	%	%	%	%
Electricity	12.74 (average)	18.49 (average)	7.47 (average)	14.59 (average)	6.22 (average)	13.04	5.43 (average)	1.88	7.64	12.2	7.39
Water	6	6	5	6	6	7.5	8.5	9	9	13	12
Sanitation	6	6	5	6	6	7.5	8.5	9	9	12	12
Property Rates	5	5	5.5	6	6	7.77	5	4.4	9.5	9.5	9.5
Refuse	6	6	5	6	6	7.5	7.5	9	9	11	12

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

1.5 OPERATING REVENUE FRAMEWORK

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

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

- National Treasury’s guidelines in this regard in terms of the relevant Budget Circulars (i.e. Circulars 126 and 128).
- Tariff and Credit Control Policies of the municipality.
- The Municipal Property Rates Policy as amended every financial year.
- The ATTP Policy and provision of free basic services as funded from the Equitable Share allocated in terms of the Division of Revenue Act (DORA).
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to provide for the maintenance and replacement of infrastructure, including the expansion of services.
- Replenishing the Capital Replacement Reserve (CRR) to finance Capital projects, from internal funding sources.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Water bulk tariff increases as approved by the Department of Water and Sanitation.
- Efficient revenue management, targeting the budgeted collection rate for property rates and service charges of 80.57%.

1.5.1. Determination of the Average Collection Rate per service

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

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

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

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

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

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

Debt Impairment	2024/25	2025/26	2026/27
Impairment Loss: Receivables from Exchange Transactions: Wastewater Management	188,145,050	154,304,670	130,494,650
Impairment Loss: Receivables from Exchange Transactions: Waste Management	96,536,010	102,328,180	108,979,510
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Water	1,096,227,550	1,266,783,170	1,315,293,050
Impairment Loss: Other Receivables from Non-exchange Revenue: Property Rates	333,708,850	213,704,600	200,201,090
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Electricity	94,190,500	97,016,210	99,926,700
Total Impairment of Receivables (Excl. Traffic Fines Impairment)	1,380,908,610	1,737,120,620	1,754,968,300

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

Debt Impairment	2024/25	2025/26	2026/27
Bad Debts: Wastewater Management	69,587,900	74,109,040	79,298,870
Bad Debts: Waste Management	28,835,440	30,565,560	32,552,320

Bad Debts: Water	450,619,670	479,908,520	513,503,640
Bad Debts: Property Rates	13,455,550	13,859,220	14,275,000
Bad Debts: Electricity	20,496,860	21,111,770	21,745,120
Total Impairment of Receivables (Excl. Traffic Fines Impairment)	582,995,420	619,554,110	661,374,950

1.5.2. Summary of main revenue sources

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

TABLE 7 (SUMMARY OF MAIN REVENUE SOURCES)

Description	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue				
Exchange Revenue				
Service charges - Electricity	5,171,943,090	5,828,779,860	6,569,035,000	7,403,302,330
Service charges - Water	2,912,998,980	2,937,778,920	3,128,734,190	3,347,746,110
Service charges - Waste Water Management	868,502,020	920,612,140	980,451,930	1,048,968,000
Service charges - Waste Management	311,828,840	330,538,630	352,023,580	374,905,110
Sale of Goods and Rendering of Services	113,104,000	117,432,000	109,985,000	118,094,000
Agency services	3,870,000	4,064,000	4,287,000	4,519,000
Interest earned from Receivables	883,722,000	990,740,000	1,071,131,000	1,158,091,000
Interest earned from Current and Non-Current Assets	207,878,000	226,156,000	236,501,000	254,082,000
Rental from Fixed Assets	37,584,000	38,567,000	40,990,000	43,568,000
Licence and permits	18,221,000	20,137,000	21,459,000	22,862,000
Operational Revenue	32,796,000	32,550,000	34,272,000	36,055,000
Property rates	2,944,079,000	3,142,251,000	3,315,074,000	3,513,960,000
Fines, penalties and forfeits	46,185,000	64,223,000	67,754,000	71,411,000
Transfer and subsidies - Operational	2,085,586,000	2,639,328,000	2,530,119,000	2,499,533,000
Fuel Levy	783,478,000	824,005,000	870,980,000	900,487,000
Total Revenue (excluding capital transfers and contributions)	16,421,775,930	18,117,162,550	19,332,796,700	20,797,583,550

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

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

TABLE 8 (MIX OF MAIN REVENUE SOURCES)

Description	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Revenue							
Exchange Revenue							
Service charges - Electricity	5,171,943,090	5,828,779,860	32.17	6,569,035,000	33.98	7,403,302,330	35.60
Service charges - Water	2,912,998,980	2,937,778,920	16.22	3,128,734,190	16.18	3,347,746,110	16.10
Service charges - Waste Water Management	868,502,020	920,612,140	5.08	980,451,930	5.07	1,048,968,000	5.04

Description	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Service charges - Waste Management	311,828,840	330,538,630	1.82	352,023,580	1.82	374,905,110	1.80
Sale of Goods and Rendering of Services	113,104,000	117,432,000	0.65	109,985,000	0.57	118,094,000	0.57
Agency services	3,870,000	4,064,000	0.02	4,287,000	0.02	4,519,000	0.02
Interest earned from Receivables	883,722,000	990,740,000	5.47	1,071,131,000	5.54	1,158,091,000	5.57
Interest earned from Current and Non-Current Assets	207,878,000	226,156,000	1.25	236,501,000	1.22	254,082,000	1.22
Rental from Fixed Assets	37,584,000	38,567,000	0.21	40,990,000	0.21	43,568,000	0.21
Licence and permits	18,221,000	20,137,000	0.11	21,459,000	0.11	22,862,000	0.11
Operational Revenue	32,796,000	32,550,000	0.18	34,272,000	0.18	36,055,000	0.17
Property rates	2,944,079,000	3,142,251,000	17.34	3,315,074,000	17.15	3,513,960,000	16.90
Fines, penalties and forfeits	46,185,000	64,223,000	0.35	67,754,000	0.35	71,411,000	0.34
Transfer and subsidies - Operational	2,085,586,000	2,639,328,000	14.57	2,530,119,000	13.09	2,499,533,000	12.02
Fuel Levy	783,478,000	824,005,000	4.55	870,980,000	4.51	900,487,000	4.33
Total Revenue (excluding capital transfers and contributions)	16,421,775,930	18,117,162,550	100	19,332,796,700	100	20,797,583,550	100

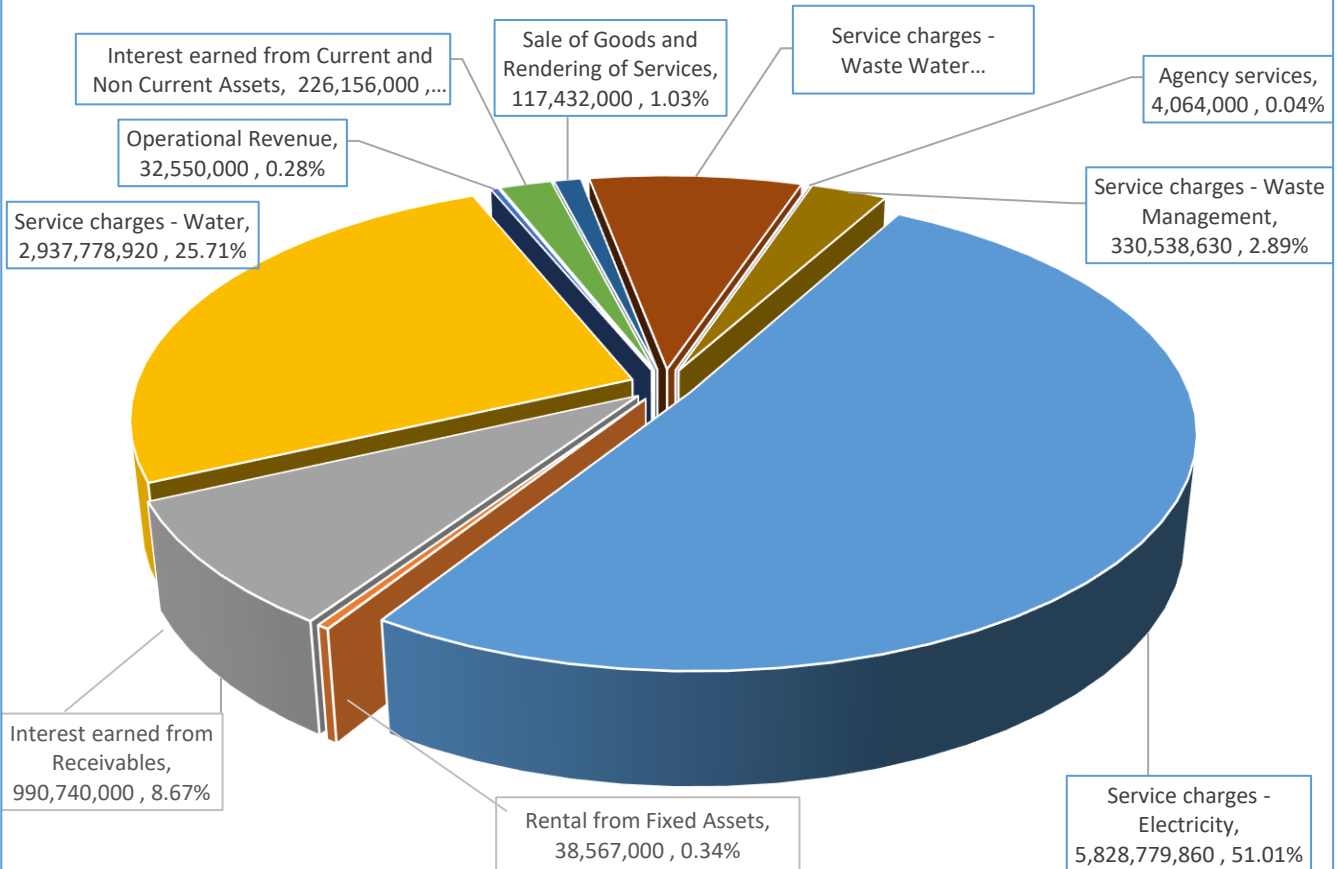
Based on the above during the 2024/25 financial year, rates and service charges are estimated to amount to R13.1 billion or 76.6% of the total revenue. This increases to R14.3 billion and R15.7 billion for the 2025/26 and 2026/27 financial years, respectively. Property rates represent the second largest revenue source, amounting to 17.34% or R3.1 billion in 2024/25, increasing to R3.3 billion in 2025/26 and R3.5 billion in 2026/27.

Operating grants and transfers amounted to R2.64 billion in the 2024/25 financial year, amounting to R2.53 billion in 2025/26 and R2.50 billion in the 2026/27 financial year.

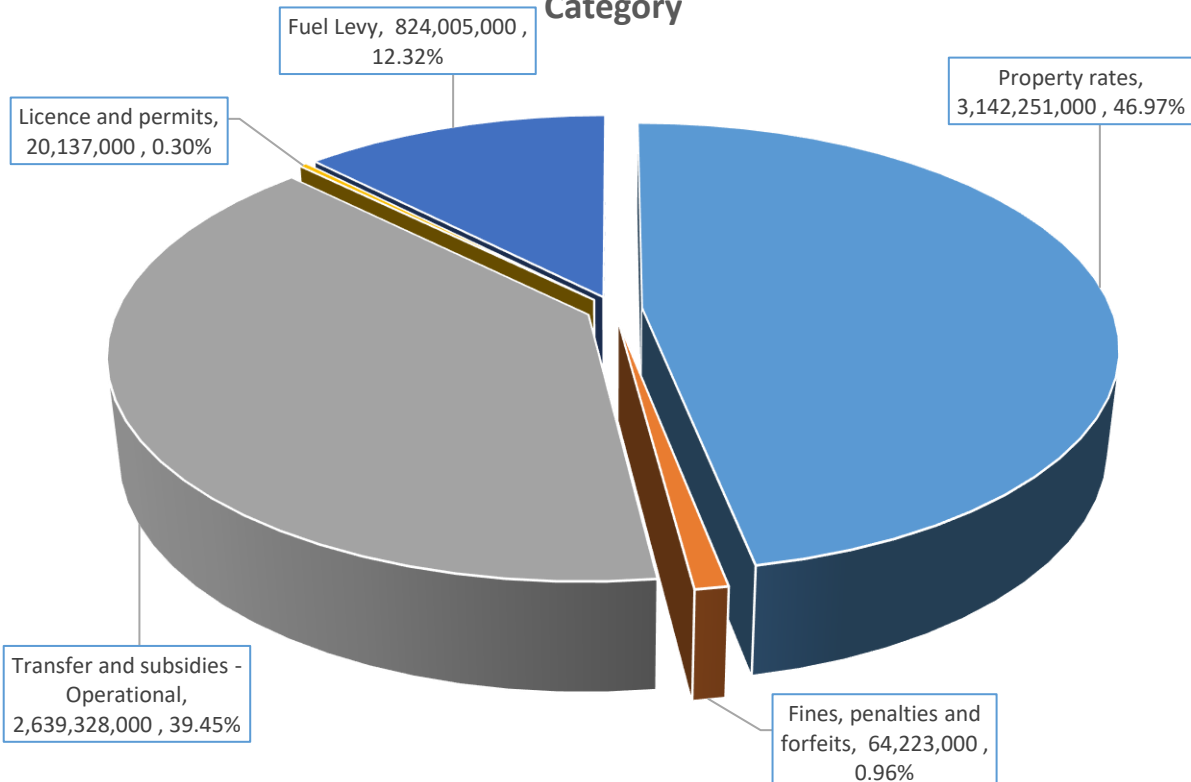
The following two graphs indicate the various revenue sources of the Municipality in terms of exchange and non-exchange revenue:

FIGURE 1 – PERCENTAGE SPLIT OF VARIOUS REVENUE SOURCES (OPERATING) IN TERMS OF EXCHANGE AND NON-EXCHANGE REVENUE SOURCES

Summary of "Exchange Revenue" by Standard Classification Category



Summary of "Non-Exchange" Revenue by Standard Classification Category



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

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

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

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

1.5.3. Property Rates

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

The following provisions in the Property Rates Policy are highlighted:

- The first R15,000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- 100% rebate will be granted to registered indigents in terms of the Indigent Policy / Assistance to the Poor Policy, as approved by Council.
- Pensioners, physically and mentally disabled property owners of rateable property may on submission of an application be granted a rebate. The rebate will be granted on a sliding scale basis with the income levels and corresponding percentage reductions being determined by Council in its annual budget. In this regard the following stipulations are relevant to the applicant:
 - (a) must be a natural person.
 - (b) be the owner of the property.
 - (c) occupy the property as his or her normal residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
 - (d) produce certified copy/ies of owner/s' bar-coded identity document.
 - (e) - *pensioners*: be at least 60 years of age on 1 July of the financial year concerned; or if the owner turns 60 during the year the rebate will be granted on a pro rata basis from the date on which the applicant turned 60.
- *disabled*: be in receipt of disability grant / pension and submit proof and nature of disability e.g. letter from doctor with application.
 - (f) be in receipt of a total gross annual income (as defined in Part 2 of the policy), excluding medical aid contributions and child support/grant not exceeding a value as determined by Council in its annual budget; submit pension statements, previous 3 months (or the number of months determined necessary by the Chief Financial Officer (CFO) bank statements from all bank and investment accounts of owner and spouse, and proof of total gross annual income of any other persons living on the property (not just rental received). All documents provided must clearly state who it is for – documents which do not reflect person's name or ID. No. will not be considered.

- (g) not be in receipt of an indigent subsidy.
 - (h) provide a certified affidavit declaring any assistance from any other sources. Assistance received from family members not residing on property, will not however be included in the calculation of total household income.
 - (i) provide a certified affidavit to explain any once-off monies received e.g. gifts, donations, etc;
 - (j) ensure that his/her accounts are not in arrears (or arrangements made to pay all outstanding amounts) before applying for the rebate and continue to pay the rates account in full until rebate is granted as no interest will be reversed.
 - (k) a usufructuary will be regarded as the owner.
 - (l) the criteria of a natural person may be waived at the sole discretion of the municipality to allow for a property owned by a trust where the total number of beneficiaries meets all of the other requirements of this policy; and provided further that the gross monthly income of all persons residing on that property be added to the gross monthly income of the beneficiaries staying on that property.
 - (m) owners qualify for only one rebate per year, if financial circumstances change, they can only apply for future years.
- Sporting organisations, the sole purpose of which is to use the property owned/leased by them for sporting purposes, whether for gain or not, may qualify for a rebate, with amateur bodies being granted 100% and professional bodies 40%. Any profits earned must be invested in the betterment of the organisation and not be for private gain. Audited financial statement must be provided, if however, the sporting body does not have audited financial statement reasons therefore must be provided on the clubs' official letterhead.
 - If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.
 - All accounts of the applicant must be up to date or arrangements must be made to pay any outstanding balances before any rebate will be granted. The applicant must continue to pay the rates account in full until the rebate is granted as no interest will be reversed.

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

The property rates increase is mainly influenced by the following:

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

1.5.4. Sale of Water and Impact of Tariff Increases

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

- Fully cost reflective water tariffs – tariffs should include the costs associated with bulk water purchases, the maintenance and renewal of purification plants, water networks and water reticulation expansion.

- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

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

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

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

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

1.5.5. Sale of Electricity and Impact of Tariff Increases

NERSA has indicated that the Eskom bulk electricity tariff to municipalities would increase by 12.7% as from 1 July 2024. Considering the Eskom tariff increase, the Municipality's consumer tariffs have been set at 12.74% on average.

The tariff increases are mainly influenced by the following:

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

1.5.6. Sanitation and Impact of Tariff Increases

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

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

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

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

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

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

1.5.7. Refuse Collection and Disposal and Impact of Tariff Increases

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

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

The tariff increase is mainly influenced by the following:

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

1.5.8. Overall impact of tariff increases on households

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

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

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

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

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

Monthly Account for Household - 'Middle Income Range'	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome t	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
							% incr.			
Rates and services charges:										
Property rates R700 000	762.00	807.72	852.14	894.75	894.75	894.75	5.0	939.49	991.16	1 050.63
Electricity: Consumption (1000 Kwh)	1,972.04	2,259.76	2,428.56	2,877.63	2,877.63	2,877.63	12.74	3,312.15	3,812.29	4,387.94
0 - 350	579.56	664.12	713.73	845.70	845.70	845.70	12.74	973.40	1,120.38	1,289.56
351 – 600	499.61	572.50	615.27	729.03	729.03	729.03	12.74	839.11	961.82	1,111.66
601 - 900	663.26	760.03	816.80	967.83	967.83	967.83	12.74	1,113.97	1,282.18	1,475.79
901 - 1000	229.62	263.12	282.78	335.07	335.07	335.07	12.74	385.67	443.90	510.93
Water: Basic levy	51.30	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80

Monthly Account for Household - 'Middle Income Range'	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome t	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
							% incr.			
Water: Consumption (30 Kl)	493.76	523.39	554.79	588.07	588.07	588.07	6.0	623.35	663.87	710.34
0 – 24	375.95	398.51	422.42	447.77	447.77	447.77	6.0	474.64	505.49	540.87
>24	117.80	124.87	132.36	140.30	140.30	140.30	6.0	148.72	158.38	169.47
Sanitation	332.26	352.20	373.33	395.73	395.73	395.73	6.0	419.47	446.74	478.01
Sanitation Availability Levy	51.30	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Refuse removal	124.95	132.45	140.40	148.82	148.82	148.82	6.0	157.75	168.00	179.76
Sub-total	3,787.60	4,184.28	4,464.50	5,027.20	5,027.20	5,027.20		5,581.75	6,220.02	6,954.28
VAT on Services	453.84	506.48	541.85	619.87	619.87	619.87	15.0	696.34	784.33	885.55
Total large household bill:	4,241.43	4,690.76	5,006.35	5,647.07	5,647.07	5,647.07		6,278.09	7,004.35	7,839.83
% increase/-decrease	6.12%	10.59%	6.73%	12.80%	12.80%	12.80%		11,17%	11.57%	11.93%

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

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

Monthly Account for Household - 'Affordable Range'	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
Rates and services charges:									
Property rates R500 000	571.88	603.33	633.50	633.50	633.50	5.0	665.18	701.76	743.87
Electricity: Consumption (500 Kwh)	1,007.62	1,082.88	1,283.13	1,283.13	1,283.13	12.74	1,476.88	1,699.89	1,956.58
0 - 350	664.12	713.73	845.70	845.70	845.70	12.74	973.40	1,120.38	1,289.56
351 -500	343.51	369.17	437.43	437.43	437.43	12.74	544.92	627.20	721.91
Water: Basic levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Water: Consumption (25 Kl)	419.30	444.46	471.14	471.14	471.14	6.0	499.41	531.87	569.10
0 – 24	398.51	422.42	447.77	447.77	447.77	6.0	474.64	505.49	540.87
>24	20.80	22.05	23.37	23.37	23.37	6.0	24.77	26.38	28.23
Sanitation	293.50	311.11	329.78	329.78	329.78	6.0	349.57	372.29	398.35
Sanitation Availability Levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Refuse removal	132.45	140.40	148.82	148.82	148.82	6.0	157.75	168.00	179.76
Sub-total	2,533.54	2,697.46	2,988.57	2,988.57	2,988.57		3,278.33	3,611.77	3,995.26
VAT on Services	294.25	314.12	353.26	353.26	353.26		391.97	436.50	487.71
Total small household bill:	2,827.79	3,011.58	3,341.83	3,341.83	3,341.83		3,670.30	4,048.27	4,482.97
% increase/-decrease	9.36%	6.50%	10.97%	10.97%	10.97%		9.83%	10.30%	10.74%

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

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

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

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

Monthly Account for Household - 'Non-Indigent' Household receiving free basic services	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
Rates and services charges:									
Property rates R300 000	336.06	354.54	372.27	372.27	372.27	5.0	390.88	412.38	437.13

Monthly Account for Household - 'Non-Indigent' Household receiving free basic services	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
Electricity: Consumption (350KwH)	664.12	713.73	845.70	845.70	845.70	12.74	973.40	1,120.38	1,289.56
0 -350	664.12	713.73	845.70	845.70	845.70	12.74	973.40	1,120.38	1,289.56
Water: Basic levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Water: Consumption (20 KL)	332.09	352.02	373.14	373.14	373.14	6.0	395.53	421.24	450.72
Sanitation	234.80	253.13	268.32	268.32	268.32	6.0	284.42	302.91	324.11
Sanitation Availability Levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Refuse removal	132.45	140.40	148.82	148.82	148.82	6.0	157.75	168.00	179.76
Sub-total	1,808.28	1,929.10	2,130.45	2,130.45	2,130.45		2,331.52	2,562.87	2,828.88
VAT on Services	220.83	236.18	263.73	263.73	263.73		291.10	384.43	358.76
Total small household bill:	2,029.11	2,165.28	2,394.18	2,394.18	2,394.18		2,662.62	2,947.30	3,187.64
% increase/-decrease	9.08%	6.71%	10.57%	10.57%	10.57%		9.54%	10.69%	8.15%

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

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

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

Monthly Account for Household - 'Indigent' Household receiving free basic services prior to free services	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
Rates and services charges:									
Property rates R300 000	336.06	354.54	372.27	372.27	372.27	5.0	390.88	412.38	437.13
Electricity: Consumption (350KwH)	464.19	498.86	591.11	591.11	591.11	12.74	680.37	783.10	901.35
0 - 75	92.36	99.26	117.61	117.61	117.61	12.74	135.37	155.81	179.34
75-350	371.83	399.61	473.50	473.50	473.50	12.74	544.99	627.29	722.01
Water: Basic levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Water: Consumption (20 KL)	332.09	352.02	373.14	373.14	373.14	6.0	395.53	421.24	450.72
Sanitation	234.80	253.13	268.32	268.32	268.32	6.0	284.42	302.91	324.11
Sanitation Availability Levy	54.38	57.64	61.10	61.10	61.10	6.0	64.77	68.98	73.80
Refuse removal	132.45	140.40	148.82	148.82	148.82	6.0	157.75	168.00	179.76
Sub-total	1,608.35	1,714.23	1,875.86	1,875.86	1,875.86		2,038.49	2,225.59	2,440.67
VAT on Services	190.84	203.95	225.54	225.54	225.54		247.14	271.98	300.53
Total small household bill:	1,799.19	1,918.18	2,101.40	2,101.40	2,101.40		2,285.63	2,497.57	2,741.20
% increase/-decrease	8.41%	6.61%	9.55%	9.55%	9.55%		8.77%	9.27%	9.75%

The following table illustrates what would be payable by an 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	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27

						% incr.			
Rates and services charges:									
Property rates R300 000		-	-	-	-	5.0%	-	-	-
Electricity: Consumption (350Kwh)	371.83	399.61	473.50	473.50	473.50	12.74	544.99	627.29	722.01
0 - 75	-	-	-	-	-	-	-	-	-
75-350	371.83	399.61	473.50	473.50	473.50	12.74	544.99	627.29	722.01
Water: Basic levy	-	-	-	-	-	-	-	-	-
Water: Consumption (20 KL) less 8 kl free	199.25	211.21	223.88	223.88	223.88	6.00%	237.31	252.74	270.43
Sanitation less 11kl free	105.65	111.99	118.71	118.71	118.71	6.00%	125.83	134.01	143.39
Refuse removal	-	-	-	-	-	6.00%	-	-	-
Sub-total	676.73	722.81	816.09	816.09	816.09		908.13	1,014.04	1,135.83
VAT on Services	101.51	108.42	122.41	122.41	122.41		136.22	152.11	170.37
Total small household bill:	778.24	831.23	938.50	938.50	938.50		1,044.35	1,166.15	1,306.20
% increase/-decrease	10.55%	6.81	12.90%	12.90%	12.90%		11.28%	11.66%	12.01%

It is important to note that an ATTP qualifying consumer using the above level of services will only pay R1,044.35 compared to the R2,662.62 to be paid by a consumer using the same level of service, but not qualifying for NMBM 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	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
						% incr.			
Rates and services charges:									
Property rates R300 000	336.06	354.54	372.27	372.27	372.27	5.0%	390.88	412.38	437.13
Electricity: Consumption (350Kwh)	405.64	435.94	516.55	516.55	516.55	12.74	594.55	684.33	787.66
0 - 50	-	-	-	-	-	-	-	-	-
50 -350	405.64	435.94	516.55	516.55	516.55	15.7%	594.55	684.33	787.66
Water: Basic levy	51.3	54.38	57.64	57.64	57.64	6%	61.10	65.07	69.62
Water: Consumption (20 KL) less 6 kl free	232.46	246.41	261.19	261.19	261.19	6%	276.86	294.86	315.50
Sanitation	-	-	-	-	-	-	-	-	-
Sanitation Availability	-	-	-	-	-	-	-	-	-
Refuse removal	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Sub-total	1,025.46	1,091.27	1,207.65	1,207.65	1,207.65	6.42%	1,323.39	1,456.64	1,609.91
VAT on Services	103.41	110.51	125.31	125.31	125.31		139.88	156.64	175.92
Total small household bill:	1,128.87	1,201.78	1,332.96	1,332.96	1,332.96	6.46%	1,463.27	1,613.28	1,785.83
% increase/-decrease	9.04%	6.46%	10.92%	10.92%	10.92%		9.77%	10.25%	10.70%

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

1.6. OPERATING EXPENDITURE FRAMEWORK

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

- The funding of the budget over the medium-term is informed by the requirements of Sections 18 and 19 of the Local Government: Municipal Finance Management Act (56 of 2003).
- A balanced budget approach by limiting operating expenditure to the operating revenue, accordingly Directorates are informed upfront of their available funding so that they limit their demands according to priorities for the budget to remain funded and credible.

- The asset renewal strategy and the repairs and maintenance plan.
- Making use of the guidelines issued by National Treasury in terms of the Budget Circulars (i.e. Circulars 126 & 128), whilst considering previous budget circulars issued by National Treasury.
- Considering budget priority / focus areas as included in the IDP document, and
- Strict adherence to the principle of “no budget allocations without a business plan, procurement plan and cash flow” as well as considering or prioritising commitments from prior financial years.

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

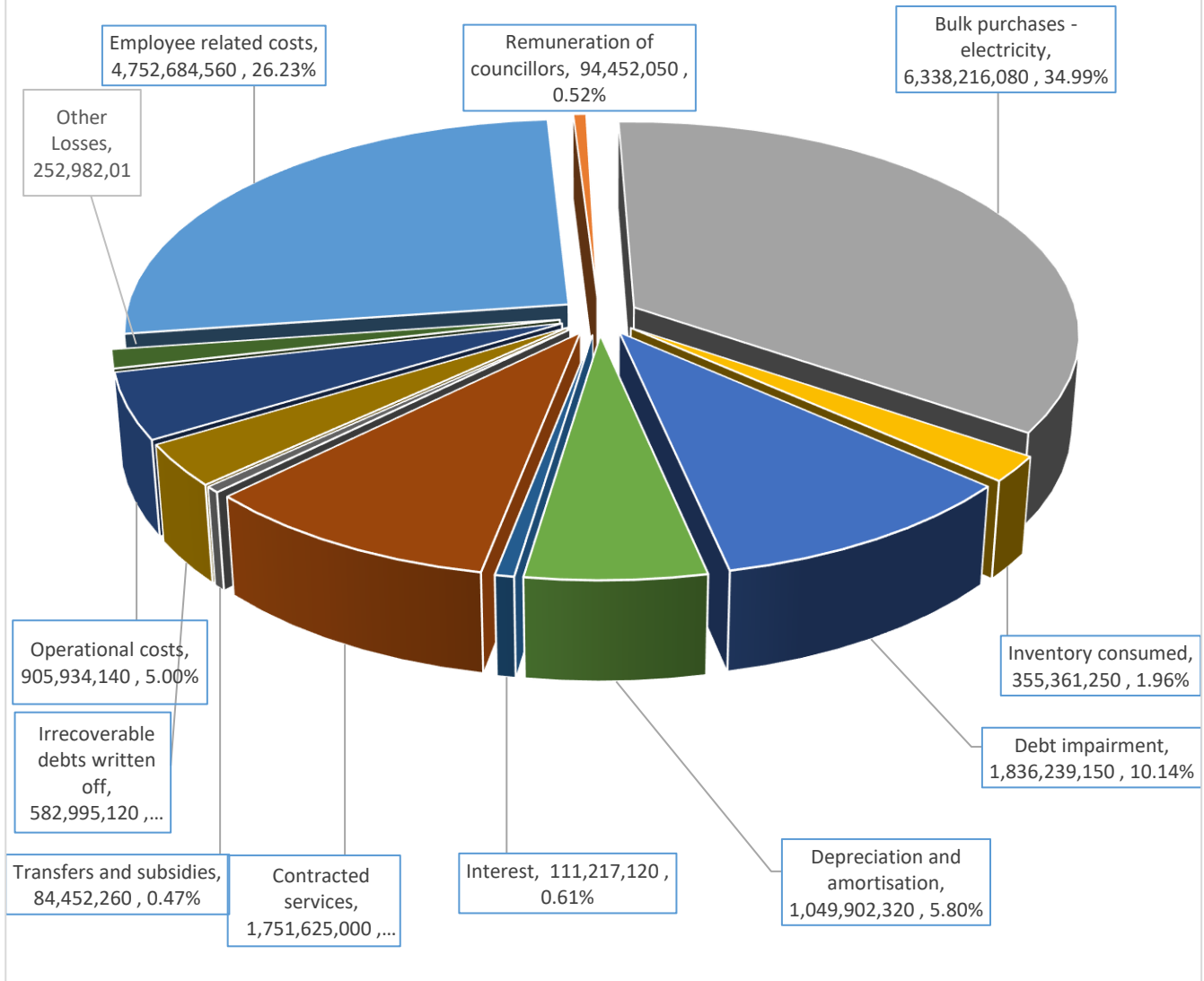
TABLE 16 (SUMMARY OF OPERATING EXPENDITURE BY STANDARD CLASSIFICATION ITEM AND MIX)

Description	2024/25 Medium Term Revenue & Expenditure Framework					
	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Expenditure						
Employee related costs	4,752,684,560	26.23	5,115,988,410	26.47	5,515,005,560	26.52
Remuneration of councillors	94,452,050	0.52	98,217,590	0.51	102,132,520	0.49
Bulk purchases - electricity	6,338,216,080	34.99	7,143,169,530	36.95	8,050,352,070	38.71
Inventory consumed	355,361,250	1.96	375,199,010	1.94	370,013,030	1.78
Debt impairment	1,836,239,150	10.14	1,861,668,050	9.63	1,882,477,010	9.05
Depreciation and amortisation	1,049,902,320	5.80	1,081,399,230	5.59	1,087,971,050	5.23
Interest	111,217,120	0.61	88,016,150	0.46	75,081,020	0.36
Contracted services	1,751,625,000	9.67	1,693,346,240	8.76	1,742,749,060	8.38
Transfers and subsidies	84,452,260	0.47	92,163,130	0.48	94,355,420	0.45
Irrecoverable debts written off	582,995,120	3.22	619,554,040	3.21	661,375,050	3.18
Operational costs	905,934,140	5.00	892,512,010	4.62	925,783,020	4.45
Other Losses	252,982,010	1.40	269,425,850	1.39	288,285,510	1.39
Total Expenditure	18,116,061,060	100	19,330,659,240	100	20,795,580,320	100

The above table clearly indicates the main cost drivers, which include Electricity Bulk Purchases (34.99%), Employee Related costs (26.23%) and Contracted Services (9.67%). In terms of the aforementioned table, the total operating expenditure is projected at R18.11 billion, R19.33 billion and R20.8 billion for the 2024/25, 2025/26 and 2026/27 financial years, respectively.

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

Summary of Operating Expenditure by Standard Classification Category and Mix



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

Employee related costs

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

In terms of the Council's Policy Governing the Long-Term Financial Plan, the target is to restrict personnel costs to below 30% of total expenditure. It must be noted that Council approved the "harmonisation" of the conditions of service for employees as it relates to the "Long Service Bonus" a while back. The management of employee related costs is further impacted upon by the absence of an Overtime Policy.

Remuneration of Councillors

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

Debt Impairment

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

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

TABLE 17 (DEBT IMPAIRMENT FOR PROPERTY RATES & SERVICES)

Debt Impairment	2024/25	2025/26	2026/27
Impairment Loss: Receivables from Exchange Transactions: Wastewater Management	188,145,050	154,304,670	130,494,650
Impairment Loss: Receivables from Exchange Transactions: Waste Management	96,536,010	102,328,180	108,979,510
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Water	1,096,227,550	1,266,783,170	1,315,293,050
Impairment Loss: Other Receivables from Non-exchange Revenue: Property Rates	333,708,850	213,704,600	200,201,090
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Electricity	94,190,500	97,016,210	99,926,700
Total Impairment of Receivables (Excl. Traffic Fines Impairment)	1,380,908,610	1,737,120,620	1,754,968,300

Depreciation and Asset Impairment

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

Finance Charges

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

Bulk Electricity Purchases

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

Energy consumption levels are influenced by the following:

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

Bulk Water Purchases

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

TABLE 18 (WATER BULK PURCHASES)

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

Contracted Services

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

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

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

Contracted Services	2024/25 Budget	2025/26 Budget	2026/27 Budget
Expenditure: Contracted Services: Contractors: Safeguard and Security	275,630	275,630	275,630
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	246,230	246,230	246,230
Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities	437,680	456,280	475,670
Expenditure: Contracted Services: Contractors: Maintenance of Equipment	447,780	456,390	475,790
Expenditure: Contracted Services: Contractors: Artists and Performers	343,010	357,590	372,790
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	356,260	371,400	387,180
Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Research and Advisory	597,680	612,750	620,650
Expenditure: Contracted Services: Outsourced Services: Cleaning Services	61,280	62,610	63,990
Expenditure: Contracted Services: Contractors: Maintenance of Equipment	32,290	32,290	32,290
Expenditure: Contracted Services: Contractors: Safeguard and Security	126,840	126,840	126,840
Expenditure: Contracted Services: Contractors: Pest Control and Fumigation	50,000	50,850	51,740
Expenditure: Contracted Services: Outsourced Services: Clearing and Grass Cutting Services	60,010	61,280	62,610
Expenditure: Contracted Services: Contractors: Management of Informal Settlements	9,000,000	-	-
Expenditure: Contracted Services: Contractors: Building	123,019,880	-	-
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	6,555,270	-	-
Expenditure: Contracted Services: Contractors: Maintenance of Equipment	20,450,000	22,200,000	24,800,000
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	288,000	288,000	488,000
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	400,000	-	-
Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities	1,500,000	-	-
Expenditure: Contracted Services: Contractors: Maintenance of Buildings and Facilities	71,786,000	84,284,250	74,181,530
Expenditure: Contracted Services: Contractors: Transportation	71,786,000	84,284,250	74,181,530
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	25,739,250	-	-
Expenditure: Contracted Services: Outsourced Services: Alien Vegetation Control	106,000	-	-

Contracted Services	2024/25 Budget	2025/26 Budget	2026/27 Budget
Expenditure: Contracted Services: Outsourced Services: Meter Management	847,840	898,710	952,630
Expenditure: Contracted Services: Contractors: Maintenance of Equipment	2,000,000	2,000,000	2,120,000
Expenditure: Contracted Services: Consultants and Professional Services: Infrastructure and Planning: Engineering: Civil	10,107,370	3,700,000	3,922,000
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	50,000	50,000	53,000
Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Organisational	1,590,000	1,685,400	1,786,530
Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management	2,120,000	2,247,200	2,382,040
Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management	500,000	500,000	500,000
Expenditure: Contracted Services: Consultants and Professional Services: Business and Advisory: Project Management	25,483,140	27,083,140	28,708,130
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	500,000	1,404,500	1,488,770
Expenditure: Contracted Services: Consultants and Professional Services: Infrastructure and Planning: Engineering: Civil	200,000	-	-
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	500,000	300,000	350,000
Expenditure: Contracted Services: Contractors: Building	28,560,000	-	-
Expenditure: Contracted Services: Outsourced Services: Business and Advisory: Project Management	15,000,000	20,000,000	25,000,000
TOTAL	421,123,440	254,035,590	244,105,570

1.6.1 Priority relating to repairs and maintenance

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

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

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

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

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Repairs and Maintenance Expenditure by Asset Class/Sub-class							
Infrastructure	329,310	441,186	446,285	446,285	481,621	518,292	543,576
Roads Infrastructure	55,423	105,984	93,436	93,436	106,244	113,615	120,484
Roads	19,037	38,083	29,573	29,573	41,261	45,793	48,593
Road Structures	28,491	59,300	55,300	55,300	57,120	60,547	64,180
Road Furniture	7,895	8,101	7,563	7,563	7,863	7,275	7,711
Capital Spares		500	1,000	1,000			
Storm water Infrastructure	3,578	16,427	24,746	24,746	17,711	18,782	19,919
Drainage Collection		201	20	20	22	25	30
Storm water Conveyance	3,578	16,026	24,226	24,226	17,627	18,689	19,815
Attenuation		200	500	500	62	68	74
Electrical Infrastructure	85,672	102,850	103,850	103,850	121,262	136,560	128,582
Power Plants	7,249	7,300	6,300	6,300	6,679	7,079	5,766
HV Substations							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
<i>HV Switching Station</i>							
<i>HV Transmission Conductors</i>							
<i>MV Substations</i>	7,971	13,400	14,400	14,400	14,204	23,147	21,762
<i>MV Switching Stations</i>							
<i>MV Networks</i>	47,505	62,800	63,800	63,800	76,952	81,506	80,460
<i>LV Networks</i>	22,947	19,350	19,350	19,350	23,427	24,828	20,594
<i>Capital Spares</i>							
Water Supply Infrastructure	100,813	130,713	140,028	140,028	143,769	148,253	160,192
<i>Dams and Weirs</i>	24	1,592	1,592	1,592	2,450	2,813	2,804
<i>Boreholes</i>							
<i>Reservoirs</i>	1,531	2,571	2,571	2,571	2,831	2,637	4,307
<i>Pump Stations</i>	39,298	42,698	42,848	42,848	62,323	61,164	66,314
<i>Water Treatment Works</i>	1,426	6,565	6,445	6,445	6,958	5,963	5,246
<i>Bulk Mains</i>	9,490	15,533	15,533	15,533	23,214	25,085	25,874
<i>Distribution</i>	49,043	61,754	71,039	71,039	45,993	50,591	55,647
<i>Distribution Points</i>							
<i>PRV Stations</i>							
<i>Capital Spares</i>							
Sanitation Infrastructure	83,650	81,652	81,666	81,666	89,722	97,994	111,196
<i>Pump Station</i>	11,125	13,894	13,908	13,908	15,537	16,676	18,133
<i>Reticulation</i>							
<i>Waste Water Treatment Works</i>	72,526	67,177	67,177	67,177	74,185	81,318	93,063
<i>Outfall Sewers</i>							
<i>Toilet Facilities</i>		580	580	580			
<i>Capital Spares</i>							
Solid Waste Infrastructure	-	-	-	-	-	-	-
<i>Landfill Sites</i>							
<i>Waste Transfer Stations</i>							
<i>Waste Processing Facilities</i>							
<i>Waste Drop-off Points</i>							
<i>Waste Separation Facilities</i>							
<i>Electricity Generation Facilities</i>							
<i>Capital Spares</i>							
Rail Infrastructure	174	2,310	1,310	1,310	2,913	3,088	3,203
<i>Rail Lines</i>	174	2,250	1,250	1,250	2,850	3,021	3,202
<i>Rail Structures</i>							
<i>Rail Furniture</i>		60	60	60	63	67	1
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>							
<i>Attenuation</i>							
<i>MV Substations</i>							
<i>LV Networks</i>							
<i>Capital Spares</i>							
Coastal Infrastructure	-	-	-	-	-	-	-

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
<i>Sand Pumps</i>							
<i>Piers</i>							
<i>Revetments</i>							
<i>Promenades</i>							
<i>Capital Spares</i>							
Information and Communication Infrastructure	-	1,250	1,250	1,250	1,325	1,405	1,052
<i>Data Centres</i>							
<i>Core Layers</i>		1,250	1,250	1,250	1,325	1,405	1,052
<i>Distribution Layers</i>							
<i>Capital Spares</i>							
Community Assets	19,697	29,665	29,078	29,078	32,023	33,189	35,036
Community Facilities	12,523	19,587	19,780	19,780	19,515	19,822	20,676
<i>Halls</i>	4,400	7,814	8,944	8,944	7,919	7,938	7,958
<i>Centres</i>							
<i>Crèches</i>							
<i>Clinics/Care Centres</i>	39	50	50	50	53	56	60
<i>Fire/Ambulance Stations</i>							
<i>Testing Stations</i>							
<i>Museums</i>	186	670	670	670	699	739	781
<i>Galleries</i>	10	26	26	26	56	56	22
<i>Theatres</i>							
<i>Libraries</i>	1,230	1,988	1,058	1,058	1,621	1,844	2,299
<i>Cemeteries/Crematoria</i>							
<i>Police</i>	82	136	136	136	144	66	69
<i>Parks</i>	2,549	3,320	3,323	3,323	4,568	4,636	4,716
<i>Public Open Space</i>	2,757	2,711	2,802	2,802	2,855	2,888	3,061
<i>Nature Reserves</i>	36	70	70	70	74	79	84
<i>Public Ablution Facilities</i>		685	685	685	726	664	710
<i>Markets</i>	1,235	2,118	2,017	2,017	800	856	916
<i>Stalls</i>							
<i>Abattoirs</i>							
<i>Airports</i>							
<i>Taxi Ranks/Bus Terminals</i>							
<i>Capital Spares</i>							
Sport and Recreation Facilities	7,174	10,078	9,298	9,298	12,508	13,367	14,360
<i>Indoor Facilities</i>	6,508	9,498	8,718	8,718	11,877	12,687	13,640
<i>Outdoor Facilities</i>	666	580	580	580	631	680	720
<i>Capital Spares</i>							
Heritage assets	217	638	403	403	250	265	281
Monuments	144	393	188	188	250	265	281
Historic Buildings							
Works of Art							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Conservation Areas	73	245	215	215			
Other Heritage							
Investment properties	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-
<i>Improved Property</i>							
<i>Unimproved Property</i>							
Non-revenue Generating	-	-	-	-	-	-	-
<i>Improved Property</i>							
<i>Unimproved Property</i>							
Other assets	38,772	74,292	81,519	81,519	146,724	135,264	146,811
Operational Buildings	37,225	69,303	72,806	72,806	139,215	126,400	139,959
<i>Municipal Offices</i>	33,140	56,144	58,890	58,890	126,184	111,218	124,035
<i>Pay/Enquiry Points</i>							
<i>Building Plan Offices</i>							
<i>Workshops</i>	32	400	290	290	307	307	307
<i>Yards</i>							
<i>Stores</i>							
<i>Laboratories</i>	327	382	382	382	382	405	429
<i>Training Centres</i>		296	296	296	196	196	196
<i>Manufacturing Plant</i>							
<i>Depots</i>	3,727	12,081	12,949	12,949	12,146	14,274	14,992
<i>Capital Spares</i>							
Housing	1,546	4,989	8,713	8,713	7,509	8,864	6,852
<i>Staff Housing</i>	44	345	315	315	135	135	135
<i>Social Housing</i>	1,503	4,644	8,398	8,398	7,374	8,729	6,717
<i>Capital Spares</i>							
Biological or Cultivated Assets	-	-	-	-	-	-	-
Biological or Cultivated Assets							
Intangible Assets	4,271	5,455	5,435	5,435	5,890	6,426	7,072
Servitudes							
Licences and Rights	4,271	5,455	5,435	5,435	5,890	6,426	7,072
<i>Water Rights</i>							
<i>Effluent Licenses</i>							
<i>Solid Waste Licenses</i>							
<i>Computer Software and Applications</i>	4,271	5,435	5,435	5,435	5,880	6,415	7,052
<i>Load Settlement Software Applications</i>							
<i>Unspecified</i>		20	0	0	10	11	20
Computer Equipment	4,087	5,501	5,173	5,173	6,062	7,164	7,593
Computer Equipment	4,087	5,501	5,173	5,173	6,062	7,164	7,593

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Furniture and Office Equipment	1,086	4,347	3,790	3,790	11,307	11,698	12,398
Furniture and Office Equipment	1,086	4,347	3,790	3,790	11,307	11,698	12,398
Machinery and Equipment	20,960	59,462	56,824	56,824	59,492	62,689	66,699
Machinery and Equipment	20,960	59,462	56,824	56,824	59,492	62,689	66,699
Transport Assets	34,228	51,781	52,727	52,727	105,687	109,100	117,032
Transport Assets	34,228	51,781	52,727	52,727	105,687	109,100	117,032
Land	-	-	-	-	-	-	-
Land							
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals							
Total Repairs and Maintenance Expenditure	452,628	672,327	681,235	681,235	850,381	885,492	937,550

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

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

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Capital Expenditure on new assets by Asset Class/Sub-class							
Infrastructure	638,973	1,053,830	994,325	994,325	685,384	826,342	487,358
Roads Infrastructure	102,072	380,220	391,757	391,757	213,530	214,000	236,127
Roads	89,365	365,070	378,657	378,657	203,880	207,200	230,000
Road Structures	12,707	11,300	9,250	9,250	6,800	1,950	2,277
Road Furniture		3,850	3,850	3,850	2,850	4,850	3,850
Capital Spares					-	-	-
Storm water Infrastructure	549	30,625	20,489	20,489	23,775	28,500	26,900
Drainage Collection					-	-	-
Storm water Conveyance	549	30,625	20,489	20,489	23,775	28,500	26,900
Attenuation					-	-	-
Electrical Infrastructure	234,275	179,339	159,147	159,147	91,493	69,426	73,731
Power Plants					100	500	500
HV Substations		2,520	2,520	2,520	2,500	3,000	3,000
HV Switching Station					-	-	-
HV Transmission Conductors		27,389	5,000	5,000	22,967	-	-
MV Substations		22,742	34,857	34,857	1,000	1,000	4,000
MV Switching Stations					-	-	-
MV Networks	152,457	85,793	83,532	83,532	28,000	28,000	28,000

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
<i>LV Networks</i>	81,818	40,895	33,238	33,238	36,926	36,926	38,231
<i>Capital Spares</i>					-	-	-
Water Supply Infrastructure	302,077	393,605	381,271	381,271	295,549	432,016	83,600
<i>Dams and Weirs</i>					-	-	-
<i>Boreholes</i>	302,077	70,215	70,215	70,215	87,457	165,717	500
<i>Reservoirs</i>					-	-	-
<i>Pump Stations</i>		65,000	66,250	66,250	-	-	-
<i>Water Treatment Works</i>		1,000			250	-	-
<i>Bulk Mains</i>					-	-	-
<i>Distribution</i>		257,389	244,806	244,806	207,842	266,299	83,100
<i>Distribution Points</i>					-	-	-
<i>PRV Stations</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Sanitation Infrastructure	-	64,442	41,662	41,662	61,038	82,400	67,000
<i>Pump Station</i>					-	-	1,000
<i>Reticulation</i>		37,799	20,160	20,160	34,038	32,400	64,000
<i>Waste Water Treatment Works</i>		3,600	3,600	3,600	27,000	50,000	2,000
<i>Outfall Sewers</i>					-	-	-
<i>Toilet Facilities</i>		23,043	17,902	17,902	-	-	-
<i>Capital Spares</i>					-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-
<i>Landfill Sites</i>					-	-	-
<i>Waste Transfer Stations</i>					-	-	-
<i>Waste Processing Facilities</i>					-	-	-
<i>Waste Drop-off Points</i>					-	-	-
<i>Waste Separation Facilities</i>					-	-	-
<i>Electricity Generation Facilities</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Rail Infrastructure	-	-	-	-	-	-	-
<i>Rail Lines</i>					-	-	-
<i>Rail Structures</i>					-	-	-
<i>Rail Furniture</i>							
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>							
<i>Attenuation</i>							
<i>MV Substations</i>							
<i>LV Networks</i>							
<i>Capital Spares</i>							
Coastal Infrastructure	-	-	-	-	-	-	-
<i>Sand Pumps</i>					-	-	-
<i>Piers</i>							
<i>Revetments</i>							
<i>Promenades</i>							
<i>Capital Spares</i>							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Information and Communication Infrastructure	-	5,600	-	-	-	-	-
<i>Data Centres</i>		5,600			-	-	-
<i>Core Layers</i>					-	-	-
<i>Distribution Layers</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Community Assets	9,172	23,943	8,959	8,959	25,650	7,800	18,000
Community Facilities	3,733	10,117	7,404	7,404	18,000	7,800	10,000
<i>Halls</i>					-	-	-
<i>Centres</i>		2,800	500	500	1,000	800	-
<i>Crèches</i>					-	-	-
<i>Clinics/Care Centres</i>		1,100	1,100	1,100	2,000	2,000	-
<i>Fire/Ambulance Stations</i>					-	-	-
<i>Testing Stations</i>					-	-	-
<i>Museums</i>		500	500	500	-	-	-
<i>Galleries</i>					-	-	-
<i>Theatres</i>					-	-	-
<i>Libraries</i>					-	-	-
<i>Cemeteries/Crematoria</i>	3,733				-	-	-
<i>Police</i>					-	-	-
<i>Parks</i>		5,717	5,217	5,217	-	-	-
<i>Public Open Space</i>					-	-	-
<i>Nature Reserves</i>					-	-	-
<i>Public Ablution Facilities</i>					10,000	5,000	10,000
<i>Markets</i>			87	87	5,000	-	-
<i>Stalls</i>					-	-	-
<i>Abattoirs</i>					-	-	-
<i>Airports</i>					-	-	-
<i>Taxi Ranks/Bus Terminals</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Sport and Recreation Facilities	5,439	13,826	1,555	1,555	7,650	-	8,000
<i>Indoor Facilities</i>					-	-	-
<i>Outdoor Facilities</i>	5,439	13,826	1,555	1,555	7,650	-	8,000
<i>Capital Spares</i>					-	-	-
Heritage assets	-	-	-	-	-	-	-
Monuments					-	-	-
Historic Buildings					-	-	-
Works of Art					-	-	-
Conservation Areas					-	-	-
Other Heritage					-	-	-
Investment properties	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
<i>Improved Property</i>					-	-	-
<i>Unimproved Property</i>					-	-	-
Non-revenue Generating	-	-	-	-	-	-	-
<i>Improved Property</i>					-	-	-
<i>Unimproved Property</i>					-	-	-
Other assets	-	44,471	26,347	26,347	351,909	344,397	630
Operational Buildings	-	44,471	26,347	26,347	37,402	15,800	630
<i>Municipal Offices</i>		30,971	13,847	13,847	35,300	4,000	630
<i>Pay/Enquiry Points</i>					1,340	-	-
<i>Building Plan Offices</i>					-	-	-
<i>Workshops</i>					-	-	-
<i>Yards</i>					-	-	-
<i>Stores</i>					-	1,500	-
<i>Laboratories</i>		12,500	12,500	12,500	-	-	-
<i>Training Centres</i>					-	10,300	-
<i>Manufacturing Plant</i>					-	-	-
<i>Depots</i>		1,000			762	-	-
<i>Capital Spares</i>					-	-	-
Housing	-	-	-	-	314,508	328,597	-
<i>Staff Housing</i>					-	-	-
<i>Social Housing</i>					314,508	328,597	-
<i>Capital Spares</i>					-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-
Biological or Cultivated Assets					-	-	-
Intangible Assets	16,015	41,200	12,555	12,555	39,114	46,110	47,077
Servitudes					-	-	-
Licences and Rights	16,015	41,200	12,555	12,555	39,114	46,110	47,077
<i>Water Rights</i>					-	-	-
<i>Effluent Licenses</i>					-	-	-
<i>Solid Waste Licenses</i>					-	-	-
<i>Computer Software and Applications</i>	16,015	41,200	12,555	12,555	39,114	46,110	47,077
<i>Load Settlement Software Applications</i>					-	-	-
<i>Unspecified</i>					-	-	-
Computer Equipment	31,460	22,115	27,289	27,289	23,452	18,650	24,450
Computer Equipment	31,460	22,115	27,289	27,289	23,452	18,650	24,450
Furniture and Office Equipment	3,344	7,850	6,445	6,445	3,100	2,900	1,800
Furniture and Office Equipment	3,344	7,850	6,445	6,445	3,100	2,900	1,800
Machinery and Equipment	81,991	65,280	52,613	52,613	101,600	70,300	70,010

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Machinery and Equipment	81,991	65,280	52,613	52,613	101,600	70,300	70,010
Transport Assets	11,540	46,320	42,288	42,288	82,960	90,390	81,907
Transport Assets	11,540	46,320	42,288	42,288	82,960	90,390	81,907
Land	48,141	4,417	3,726	3,726	3,000	-	1,000
Land	48,141	4,417	3,726	3,726	3,000	-	1,000
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals					-	-	-
Living resources	-	-	-	-			
Mature	-	-	-	-	-	-	-
<i>Policing and Protection</i>							
<i>Zoological plants and animals</i>							
Immature	-	-	-	-	-	-	-
<i>Policing and Protection</i>							
<i>Zoological plants and animals</i>							
Total Capital Expenditure on new assets	840,635	1,309,426	1,174,548	1,174,548	1,316,169	1,406,889	732,231

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

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

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Capital Expenditure on renewal of existing assets by Asset Class/Sub-class							
-							
Infrastructure	2,104,058	311,384	311,826	311,826	324,411	249,046	244,250
Roads Infrastructure	1,728,601	87,250	67,250	67,250	70,500	65,500	58,500
<i>Roads</i>	1,728,601	82,250	62,250	62,250	67,000	62,000	56,000
<i>Road Structures</i>		5,000	5,000	5,000	3,500	3,500	2,500
<i>Road Furniture</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Storm water Infrastructure	-	10,000	10,000	10,000	9,000	8,000	7,000
<i>Drainage Collection</i>					-	-	-
<i>Storm water Conveyance</i>		10,000	10,000	10,000	9,000	8,000	7,000
<i>Attenuation</i>					-	-	-
Electrical Infrastructure	375,457	68,424	74,924	74,924	60,270	61,270	61,270
<i>Power Plants</i>					-	-	-
<i>HV Substations</i>		321,001			3,000	3,000	3,000
<i>HV Switching Station</i>					-	-	-

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
<i>R thousands</i>							
<i>HV Transmission Conductors</i>	84,240	27,174	21,674	21,674	10,500	11,500	11,500
<i>MV Substations</i>		1,500	500	500	1,000	1,000	1,000
<i>MV Switching Stations</i>					-	-	-
<i>MV Networks</i>	-29,784	39,750	52,750	52,750	45,070	45,070	45,070
<i>LV Networks</i>					700	700	700
<i>Capital Spares</i>					-	-	-
Water Supply Infrastructure	-	72,767	79,908	79,908	123,510	86,930	66,300
<i>Dams and Weirs</i>		1,500	1,250	1,250	2,000	3,000	3,000
<i>Boreholes</i>					-	-	-
<i>Reservoirs</i>			4,000	4,000	25,000	25,000	16,000
<i>Pump Stations</i>		10,000	13,391	13,391	13,000	14,000	15,000
<i>Water Treatment Works</i>		3,000	3,000	3,000	14,500	8,000	9,000
<i>Bulk Mains</i>					-	-	-
<i>Distribution</i>		58,267	58,267	58,267	69,010	36,930	23,300
<i>Distribution Points</i>					-	-	-
<i>PRV Stations</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Sanitation Infrastructure	-	57,292	61,092	61,092	60,631	26,846	46,180
<i>Pump Station</i>		15,000	20,250	20,250	17,000	7,500	22,000
<i>Reticulation</i>		35,992	34,492	34,492	42,631	19,346	23,680
<i>Waste Water Treatment Works</i>		6,300	6,350	6,350	1,000	-	500
<i>Outfall Sewers</i>					-	-	-
<i>Toilet Facilities</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Solid Waste Infrastructure	-	15,652	18,652	18,652	500	500	5,000
<i>Landfill Sites</i>		15,652	18,652	18,652	-	-	2,000
<i>Waste Transfer Stations</i>					-	-	-
<i>Waste Processing Facilities</i>					-	-	-
<i>Waste Drop-off Points</i>					500	500	3,000
<i>Waste Separation Facilities</i>					-	-	-
<i>Electricity Generation Facilities</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Rail Infrastructure	-	-	-	-	-	-	-
<i>Rail Lines</i>							
<i>Rail Structures</i>							
<i>Rail Furniture</i>							
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>							
<i>Attenuation</i>							
<i>MV Substations</i>							
<i>LV Networks</i>							
<i>Capital Spares</i>							
Coastal Infrastructure	-	-	-	-	-	-	-
<i>Sand Pumps</i>							

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

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Other Heritage	224,376						
Investment properties	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-
<i>Improved Property</i>							
<i>Unimproved Property</i>							
Non-revenue Generating	-	-	-	-	-	-	-
<i>Improved Property</i>							
<i>Unimproved Property</i>							
Other assets	58,161	2,250	2,800	2,800	4,250	2,500	2,950
Operational Buildings	58,122	2,250	2,800	2,800	4,250	2,500	2,950
<i>Municipal Offices</i>	29,491	1,250	1,800	1,800	3,250	1,500	1,450
<i>Pay/Enquiry Points</i>					-	-	-
<i>Building Plan Offices</i>					-	-	-
<i>Workshops</i>	4,629	1,000	1,000	1,000	1,000	1,000	1,000
<i>Yards</i>					-	-	-
<i>Stores</i>					-	-	-
<i>Laboratories</i>					-	-	-
<i>Training Centres</i>					-	-	500
<i>Manufacturing Plant</i>					-	-	-
<i>Depots</i>	24,002				-	-	-
<i>Capital Spares</i>					-	-	-
Housing	40	-	-	-	-	-	-
<i>Staff Housing</i>							
<i>Social Housing</i>	40						
<i>Capital Spares</i>							
Biological or Cultivated Assets	-	-	-	-	-	-	-
Biological or Cultivated Assets							
Intangible Assets	-	-	-	-	-	-	-
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>							
Computer Equipment	29,312	-	-	-	500	500	3,000
Computer Equipment	29,312				500	500	3,000

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
<u>Furniture and Office Equipment</u>							
Furniture and Office Equipment							
<u>Machinery and Equipment</u>	22,410,162	1,000	1,000	1,000	-	-	150
Machinery and Equipment	22,410,162	1,000	1,000	1,000	-	-	150
<u>Transport Assets</u>	-	22,500	33,100	33,100	10,000	-	-
Transport Assets		22,500	33,100	33,100	10,000	-	-
<u>Land</u>	-	-	-	-	-	-	-
Land							
<u>Zoo's, Marine and Non-biological Animals</u>	1,457	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	1,457						
Total Capital Expenditure on renewal of existing assets	24,854,776	354,464	361,626	361,626	362,141	269,846	273,050

TABLE 23 (SA34d DEPRECIATION BY ASSET CLASS)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
<u>Depreciation by Asset Class/Sub-class</u>							
<u>Infrastructure</u>	38,285	1,001,061	750,796	750,796	788,337	811,982	810,320
Roads Infrastructure	-	329,319	246,989	246,989	259,339	267,118	275,132
<i>Roads</i>		309,490	232,118	232,118	243,724	251,035	258,567
<i>Road Structures</i>		16,085	12,064	12,064	12,667	13,047	13,438
<i>Road Furniture</i>		3,743	2,807	2,807	2,948	3,036	3,127
<i>Capital Spares</i>							
Storm water Infrastructure	-	35,692	26,769	26,769	28,107	28,950	29,820
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>		35,692	26,769	26,769	28,107	28,950	29,820
<i>Attenuation</i>							
Electrical Infrastructure	31,139	170,348	127,761	127,761	134,150	138,174	116,294
<i>Power Plants</i>							
<i>HV Substations</i>	31,139	34,624	25,968	25,968	27,267	28,085	2,902
<i>HV Switching Station</i>							
<i>HV Transmission Conductors</i>							
<i>MV Substations</i>							
<i>MV Switching Stations</i>							
<i>MV Networks</i>		135,724	101,793	101,793	106,883	110,089	113,392
<i>LV Networks</i>							
<i>Capital Spares</i>							
Water Supply Infrastructure	6,359	205,932	154,449	154,449	162,171	167,035	172,047

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
<i>Dams and Weirs</i>		3,825	2,869	2,869	3,012	3,103	3,196
<i>Boreholes</i>		7,802	5,852	5,852	6,144	6,328	6,518
<i>Reservoirs</i>	6,359	10,139	7,604	7,604	7,985	8,224	8,471
<i>Pump Stations</i>		11,194	8,395	8,395	8,815	9,079	9,352
<i>Water Treatment Works</i>		60,134	45,100	45,100	47,355	48,776	50,239
<i>Bulk Mains</i>							
<i>Distribution</i>		112,838	84,628	84,628	88,860	91,525	94,271
<i>Distribution Points</i>							
<i>PRV Stations</i>							
<i>Capital Spares</i>							
Sanitation Infrastructure	300	174,036	130,527	130,527	137,054	141,164	145,399
<i>Pump Station</i>	300	17,035	12,776	12,776	13,415	13,817	14,232
<i>Reticulation</i>		62,403	46,803	46,803	49,143	50,617	52,135
<i>Waste Water Treatment Works</i>		94,598	70,948	70,948	74,496	76,730	79,032
<i>Outfall Sewers</i>							
<i>Toilet Facilities</i>							
<i>Capital Spares</i>							
Solid Waste Infrastructure	488	85,735	64,301	64,301	67,516	69,541	71,628
<i>Landfill Sites</i>							
<i>Waste Transfer Stations</i>		1,359	1,019	1,019	1,070	1,102	1,135
<i>Waste Processing Facilities</i>							
<i>Waste Drop-off Points</i>	488	84,376	63,282	63,282	66,446	68,439	70,493
<i>Waste Separation Facilities</i>							
<i>Electricity Generation Facilities</i>							
<i>Capital Spares</i>							
Rail Infrastructure	-	-	-	-	-	-	-
<i>Rail Lines</i>							
<i>Rail Structures</i>							
<i>Rail Furniture</i>							
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>							
<i>Attenuation</i>							
<i>MV Substations</i>							
<i>LV Networks</i>							
<i>Capital Spares</i>							
Coastal Infrastructure	-	-	-	-	-	-	-
<i>Sand Pumps</i>							
<i>Piers</i>							
<i>Revetments</i>							
<i>Promenades</i>							
<i>Capital Spares</i>							
Information and Communication Infrastructure	-	-	-	-	-	-	-
<i>Data Centres</i>							
<i>Core Layers</i>							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
<i>Distribution Layers</i>							
<i>Capital Spares</i>							
Community Assets	2,496	178,392	133,794	133,794	140,483	144,704	149,195
Community Facilities	2,496	75,541	56,655	56,655	59,633	61,422	63,267
<i>Halls</i>							
<i>Centres</i>		11,566	8,675	8,675	9,254	9,531	9,817
<i>Crèches</i>							
<i>Clinics/Care Centres</i>		184	138	138	145	150	154
<i>Fire/Ambulance Stations</i>		4,555	3,416	3,416	3,587	3,695	3,806
<i>Testing Stations</i>							
<i>Museums</i>							
<i>Galleries</i>							
<i>Theatres</i>							
<i>Libraries</i>		1,652	1,239	1,239	1,301	1,340	1,381
<i>Cemeteries/Crematoria</i>	258	39,188	29,391	29,391	30,860	31,787	32,740
<i>Police</i>							
<i>Parks</i>		8,209	6,157	6,157	6,465	6,659	6,859
<i>Public Open Space</i>	1,344						
<i>Nature Reserves</i>		680	510	510	535	551	568
<i>Public Ablution Facilities</i>		635	477	477	500	515	531
<i>Markets</i>	700	886	664	664	698	718	740
<i>Stalls</i>							
<i>Abattoirs</i>							
<i>Airports</i>							
<i>Taxi Ranks/Bus Terminals</i>		7,984	5,988	5,988	6,288	6,476	6,671
<i>Capital Spares</i>	194						
Sport and Recreation Facilities	-	102,852	77,139	77,139	80,850	83,282	85,928
<i>Indoor Facilities</i>		1,249	936	936	983	1,013	1,043
<i>Outdoor Facilities</i>		101,603	76,202	76,202	79,867	82,269	84,885
<i>Capital Spares</i>							
Heritage assets	-	-	-	-	-	-	-
Monuments							
Historic Buildings							
Works of Art							
Conservation Areas							
Other Heritage							
Investment properties	-	6,962	5,222	5,222	5,483	5,647	5,817
Revenue Generating	-	6,962	5,222	5,222	5,483	5,647	5,817
<i>Improved Property</i>		6,962	5,222	5,222	5,483	5,647	5,817
<i>Unimproved Property</i>							
Non-revenue Generating	-	-	-	-	-	-	-

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
<i>Improved Property</i>							
<i>Unimproved Property</i>							
Other assets	775	37,366	28,024	28,024	29,425	30,308	31,187
Operational Buildings	-	36,386	27,289	27,289	28,654	29,513	30,369
<i>Municipal Offices</i>		27,196	20,397	20,397	21,416	22,059	22,721
<i>Pay/Enquiry Points</i>							
<i>Building Plan Offices</i>							
<i>Workshops</i>		397	298	298	313	322	332
<i>Yards</i>							
<i>Stores</i>							
<i>Laboratories</i>							
<i>Training Centres</i>		1,173	880	880	924	951	980
<i>Manufacturing Plant</i>							
<i>Depots</i>		7,620	5,715	5,715	6,001	6,181	6,336
<i>Capital Spares</i>							
Housing	775	980	735	735	771	795	818
<i>Staff Housing</i>							
<i>Social Housing</i>	775	980	735	735	771	795	818
<i>Capital Spares</i>							
Biological or Cultivated Assets	-	-	-	-	-	-	-
Biological or Cultivated Assets							
Intangible Assets	-	59,849	44,887	44,887	47,131	48,545	50,002
Servitudes							
Licences and Rights	-	59,849	44,887	44,887	47,131	48,545	50,002
<i>Water Rights</i>							
<i>Effluent Licenses</i>							
<i>Solid Waste Licenses</i>							
<i>Computer Software and Applications</i>		59,849	44,887	44,887	47,131	48,545	50,002
<i>Load Settlement Software Applications</i>							
<i>Unspecified</i>							
Computer Equipment	114,745	-	-	-	-	-	-
Computer Equipment	114,745				0	0	0
Furniture and Office Equipment	837,458	1,119	-	-	-	-	-
Furniture and Office Equipment	837,458	1,119			-	-	-
Machinery and Equipment	-	27,275	20,456	20,456	21479	22123	22787
Machinery and Equipment		27,275	20,456	20,456	21479	22123	22787
Transport Assets	-	22,303	16,727	16,727	17,564	18,090	18,663

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Transport Assets		22,303	16,727	16,727	17,564	18,090	18,663
Land	-	-	-	-	-	-	-
Land							
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals							
Living resources	993,760	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971

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

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

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
<i>R thousands</i>							
<i>Distribution</i>	1,587,596	3,000	2,750	2,750	6,000	6,500	7,000
<i>Distribution Points</i>					-	-	-
<i>PRV Stations</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Sanitation Infrastructure	1,160,530	49,420	44,770	44,770	97,750	38,450	149,500
<i>Pump Station</i>	128,105				-	-	-
<i>Reticulation</i>	1,032,426	4,950	1,200	1,200	50,500	19,750	81,000
<i>Waste Water Treatment Works</i>		44,470	43,570	43,570	47,250	18,700	68,500
<i>Outfall Sewers</i>					-	-	-
<i>Toilet Facilities</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Solid Waste Infrastructure	38,580	3,000	-	-	4,000	4,000	17,000
<i>Landfill Sites</i>		3,000			4,000	4,000	7,000
<i>Waste Transfer Stations</i>	38,580				-	-	-
<i>Waste Processing Facilities</i>					-	-	-
<i>Waste Drop-off Points</i>					-	-	10,000
<i>Waste Separation Facilities</i>					-	-	-
<i>Electricity Generation Facilities</i>					-	-	-
<i>Capital Spares</i>							
Rail Infrastructure	-	-	-	-	-	-	-
<i>Rail Lines</i>					-	-	-
<i>Rail Structures</i>					-	-	-
<i>Rail Furniture</i>							
<i>Drainage Collection</i>							
<i>Storm water Conveyance</i>							
<i>Attenuation</i>							
<i>MV Substations</i>							
<i>LV Networks</i>							
<i>Capital Spares</i>							
Coastal Infrastructure	-	-	-	-	-	800	-
<i>Sand Pumps</i>					-	800	-
<i>Piers</i>					-	-	-
<i>Revetments</i>					-	-	-
<i>Promenades</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Information and Communication Infrastructure	2	2,000	-	-	2,000	2,000	1,000
<i>Data Centres</i>	2				-	-	-
<i>Core Layers</i>					-	-	-
<i>Distribution Layers</i>		2,000			2,000	2,000	1,000
<i>Capital Spares</i>					-	-	-
Community Assets	551,360	63,724	54,798	54,798	66,800	50,100	30,900
Community Facilities	303,208	54,550	41,907	41,907	54,250	42,600	24,800

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
<i>Halls</i>	22,519	3,078	485	485	200	1,000	-
<i>Centres</i>	295	4,500	4,000	4,000	2,550	2,500	500
<i>Crèches</i>					-	-	-
<i>Clinics/Care Centres</i>		350	350	350	200	200	200
<i>Fire/Ambulance Stations</i>	1,039	1,000	1,000	1,000	1,000	800	-
<i>Testing Stations</i>					-	-	-
<i>Museums</i>	607	450	400	400	-	5,000	5,000
<i>Galleries</i>	27,801				-	-	-
<i>Theatres</i>					-	-	-
<i>Libraries</i>	29,719	12,300			21,900	6,000	-
<i>Cemeteries/Crematoria</i>	171,325	8,850	12,850	12,850	4,100	3,100	3,500
<i>Police</i>					-	-	-
<i>Parks</i>		20,322	20,322	20,322	4,200	3,000	-
<i>Public Open Space</i>	49,904	1,200			16,500	14,800	15,600
<i>Nature Reserves</i>					-	400	-
<i>Public Ablution Facilities</i>					1,600	3,800	-
<i>Markets</i>		2,500	2,500	2,500	2,000	2,000	-
<i>Stalls</i>					-	-	-
<i>Abattoirs</i>					-	-	-
<i>Airports</i>					-	-	-
<i>Taxi Ranks/Bus Terminals</i>					-	-	-
<i>Capital Spares</i>					-	-	-
Sport and Recreation Facilities	248,153	9,174	12,891	12,891	12,550	7,500	6,100
<i>Indoor Facilities</i>			1,500	1,500	2,000	1,500	-
<i>Outdoor Facilities</i>	248,153	9,174	11,391	11,391	10,550	6,000	6,100
<i>Capital Spares</i>					-	-	-
Heritage assets	-4,180	900	-	-	-	-	-
<i>Monuments</i>					-	-	-
<i>Historic Buildings</i>					-	-	-
<i>Works of Art</i>	-4,180	900			-	-	-
<i>Conservation Areas</i>					-	-	-
<i>Other Heritage</i>					-	-	-
Investment properties	-	-	-	-	-	-	-
<i>Revenue Generating</i>	-	-	-	-	-	-	-
<i>Improved Property</i>					-	-	-
<i>Unimproved Property</i>					-	-	-
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-
<i>Improved Property</i>					-	-	-
<i>Unimproved Property</i>					-	-	-
Other assets	114,336	12,334	10,533	10,533	16,312	21,600	16,400

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Operational Buildings	119,590	12,334	10,533	10,533	16,312	21,600	16,400
Municipal Offices	80,456	7,834	6,853	6,853	12,612	15,500	12,400
Pay/Enquiry Points					-	-	-
Building Plan Offices					-	-	-
Workshops	32,184				-	-	-
Yards					-	-	-
Stores					-	-	-
Laboratories					-	-	-
Training Centres					-	900	-
Manufacturing Plant					-	-	-
Depots	6,950	4,500	3,680	3,680	3,700	5,200	4,000
Capital Spares					-	-	-
Housing	-5,254	-	-	-	-	-	-
Staff Housing					-	-	-
Social Housing					-	-	-
Capital Spares	-5,254				-	-	-
Biological or Cultivated Assets	8,532	-	-	-	-	-	-
Biological or Cultivated Assets	8,532				-	-	-
Intangible Assets	41,668	-	-	-	-	-	-
Servitudes					-	-	-
Licences and Rights	41,668	-	-	-	-	-	-
Water Rights					-	-	-
Effluent Licenses					-	-	-
Solid Waste Licenses					-	-	-
Computer Software and Applications	29,871				-	-	-
Load Settlement Software Applications					-	-	-
Unspecified	11,797				-	-	-
Computer Equipment	1,389	1,000	1,000	1,000	1,000	1,000	1,000
Computer Equipment	1,389	1,000	1,000	1,000	1,000	1,000	1,000
Furniture and Office Equipment	2,144	-	-	-	-	-	-
Furniture and Office Equipment	2,144				-	-	-
Machinery and Equipment	-	320	-	-	-	1,000	-
Machinery and Equipment		320			-	1,000	-
Transport Assets	141,701	-	-	-	-	-	-
Transport Assets	141,701				-	-	-
Land	-	-	-	-	-	-	-
Land					-	-	-

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals					-	-	-
Total Capital Expenditure on upgrading of existing assets	6,331,670	332,068	271,303	271,303	301,202	242,089	366,995

1.6.2. Free Basic Services: Basic Social Services Package

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

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

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

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

Various Services	2024/2025	2025/2026	2026/2027
	Budget	Budget	Budget
Indigent Control _ ATTP Administration	27,920,200	34,961,470	32,521,210
Debtors Management Collections_ Property Rates	2,287,710	2,413,540	2,558,360
Rates and Related Income_ Property Rates	173,454,650	182,994,660	193,974,340
Income_ Electricity	23,291,930	25,266,530	26,299,860
Income_ Water	150,070,080	154,572,190	159,209,360
Sewerage Administration	218,175,560	224,720,920	231,462,550
Refuse Administration	91,754,000	96,554,000	107,099,000
TOTAL - Various Services	686,954,130	721,483,310	753,124,680

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

1.7. CAPITAL EXPENDITURE

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

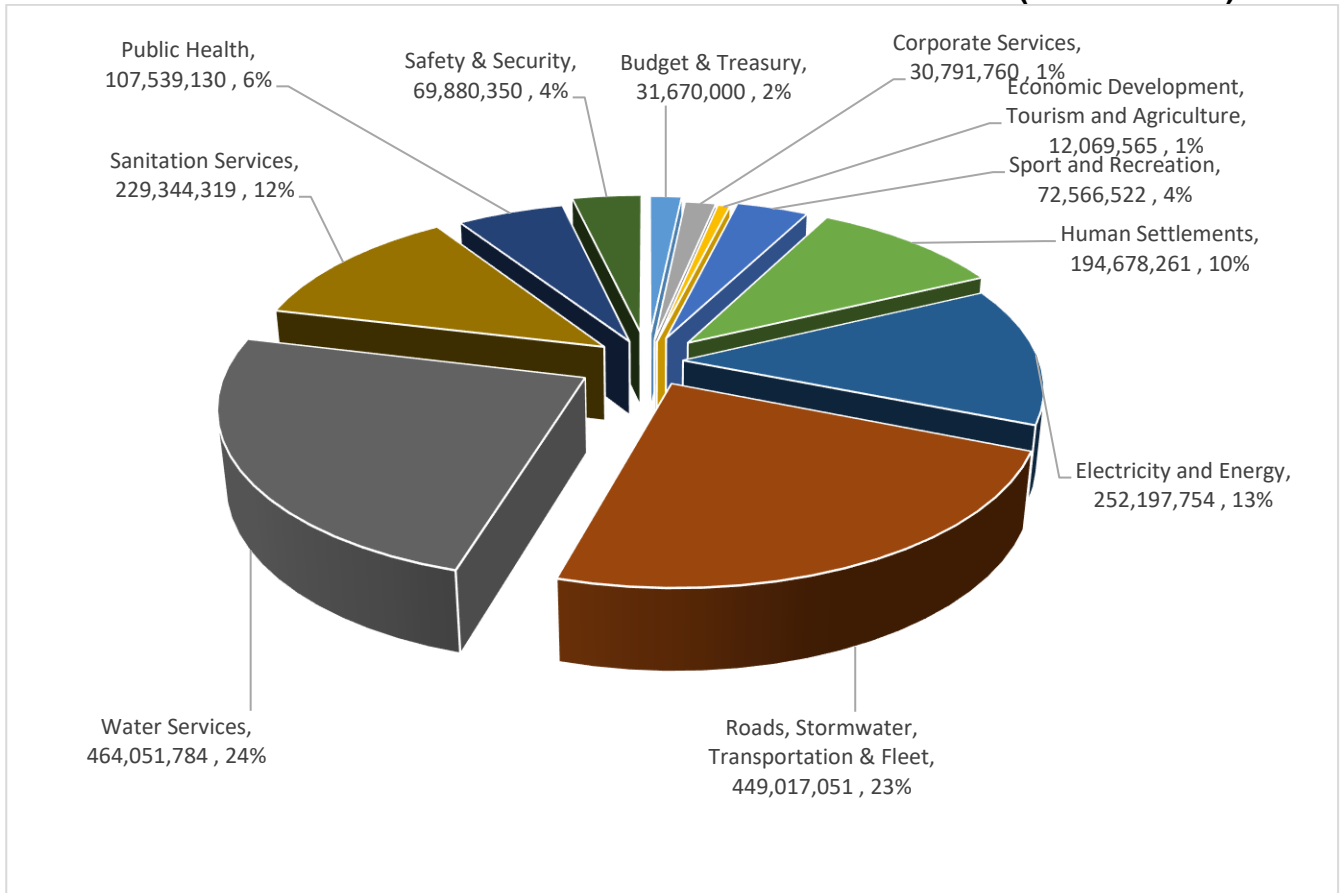
TABLE 26 (2024/25 MEDIUM-TERM CAPITAL BUDGET PER VOTE / DIRECTORATE – NMBM ONLY & PERCENTAGE ALLOCATION)

Directorate	2023/24 Approved Capital Adjustments Budget	Final 2024/25 Capital Budget to be approved	% Allocation vs Total Capital Budget	Final 2025/26 Capital Budget to be approved	% Allocation vs Total Capital Budget	Final 2026/27 Capital Budget to be approved	% Allocation vs Total Capital Budget

Budget & Treasury	5,712,000	31,670,000	1.7%	6,000,000	0.3%	700,000	0%
Corporate Services	36,943,240	30,791,760	1.6%	31,000,000	1.6%	29,000,000	2%
Economic Development, Tourism and Agriculture	6,279,566	12,069,565	0.6%	2,000,000	0.1%	-	0%
Sport and Recreation	26,246,080	72,566,522	3.8%	42,500,000	2.2%	36,000,000	2%
Human Settlements	134,311,780	194,678,261	10.2%	479,197,391	25.0%	493,652,174	29%
Electricity and Energy	304,382,680	252,197,754	13.2%	159,796,157	8.4%	163,100,504	10%
Roads, Stormwater, Transportation & Fleet	514,430,334	449,017,051	23.5%	392,739,130	20.5%	419,545,783	25%
Water Services	467,229,738	464,051,784	24.2%	547,946,607	28.6%	201,900,000	12%
Sanitation Services	141,896,048	229,344,319	12.0%	134,595,560	7.0%	247,180,344	14%
Public Health	79,221,290	107,539,130	5.6%	83,900,000	4.4%	87,300,000	5%
Safety & Security	36,416,600	69,880,350	3.7%	33,650,000	1.8%	32,550,000	2%
TOTAL NMBM CAPITAL BUDGET	1,753,069,357	1,913,806,496	100%	1,913,324,845	100%	1,710,928,805	100%

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

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



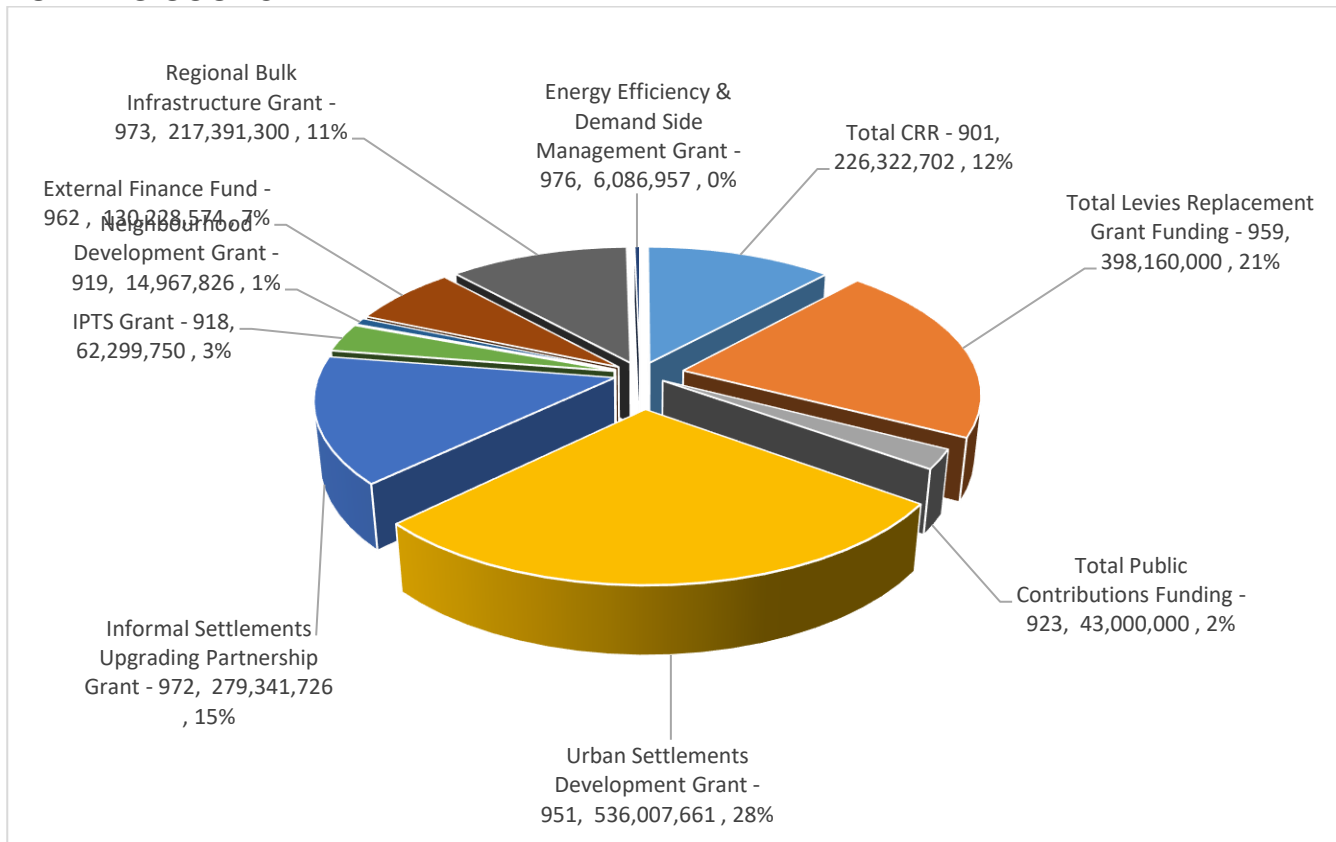
The table below provides a breakdown of the funding sources supporting the Capital Budget:

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

Funding Source	2023/24 Approved Capital Adjustments Budget	Final 2024/25 Capital Budget to be approved	% Allocation vs Total Capital Budget	Final 2025/26 Capital Budget to be approved	% Allocation vs Total Capital Budget	Final 2026/27 Capital Budget to be approved	% Allocation vs Total Capital Budget
Total CRR - 901	79,486,600	226,322,702	11.8%	125,685,728	6.6%	124,172,440	7.3%
Total Levies Replacement Grant Funding - 959	372,290,240	398,160,000	20.8%	409,820,000	21.4%	414,720,000	24.2%
Total Public Contributions Funding - 923	55,000,000	43,000,000	2.2%	43,000,000	2.2%	43,000,000	2.5%
Urban Settlements Development Grant - 951	493,533,016	536,007,661	28.0%	559,915,209	29.3%	663,447,104	38.8%
Informal Settlements Upgrading Partnership Grant - 972	305,333,377	279,341,726	14.6%	328,597,391	17.2%	343,652,174	20.1%
IPTS Grant - 918	88,039,000	62,299,750	3.3%	79,350,000	4.1%	84,111,000	4.9%
Neighbourhood Development Grant - 919	8,434,780	14,967,826	0.8%	21,739,130	1.1%	30,434,783	1.8%
External Finance Fund - 962	58,865,396	130,228,574	6.8%	-	0.0%	-	0.0%
Regional Bulk Infrastructure Grant - 973	285,356,520	217,391,300	11.4%	339,130,430	17.7%	-	0.0%
Energy Efficiency & Demand Side Management Grant - 976	6,730,428	6,086,957	0.3%	6,086,957	0.3%	7,391,304	0.4%
Total Capital Budget Funding (Excl. Entity)	1,753,069,357	1,913,806,496	100%	1,913,324,845	100%	1,710,928,805	100%

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

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



1.8. ANNUAL CONSOLIDATED BUDGET TABLES

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

TABLE 28 (TABLE A1 – CONSOLIDATED BUDGET SUMMARY)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Financial Performance							
Property rates	2,738,530	2,980,757	2,944,079	2,944,079	3,142,251	3,315,074	3,513,960
Service charges	10,567,326	9,252,279	9,265,273	9,265,273	10,017,608	11,030,109	12,174,921
Investment revenue	336,097	208,088	207,878	207,878	220,096	230,441	248,022
Transfer and subsidies - Operational	1,554,247	1,964,652	2,085,586	2,085,586	2,639,328	2,530,119	2,499,533
Other own revenue	1,897,344	1,649,504	1,918,962	1,918,962	2,091,719	2,220,859	2,355,087
Total Revenue (excluding capital transfers and contributions)	17,093,544	16,055,280	16,421,778	16,421,778	18,111,002	19,326,602	20,791,523
Employee costs	3,546,492	4,513,810	4,374,815	4,374,815	4,708,314	5,069,397	5,466,086
Remuneration of councillors	75,900	91,089	90,829	90,829	94,452	98,218	102,133
Depreciation and amortisation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Finance charges	125,550	128,228	130,278	130,278	111,217	88,016	75,081
Inventory consumed and bulk purchases	4,503,763	5,992,062	6,004,059	6,004,059	6,693,578	7,518,368	8,420,366
Transfers and subsidies	121,062	62,687	84,625	84,625	140,492	149,883	153,809
Other expenditure	4,836,236	5,105,966	5,162,432	5,162,432	5,374,146	5,383,098	5,549,588
Total Expenditure	14,247,478	17,272,542	16,891,317	16,891,317	18,172,101	19,388,379	20,855,034
Surplus/(Deficit)	2,846,066	-1,217,262	-469,540	-469,540	-61,099	-61,777	-63,511
Transfers and subsidies - capital (monetary allocations)	1,057,362	1,434,548	1,283,531	1,283,531	1,159,095	1,377,819	1,172,036
Transfers and subsidies - capital (in-kind)	422,150	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	4,325,578	217,286	813,991	813,991	1,160,097	1,379,822	1,174,040
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	4,325,578	217,286	813,992	813,992	1,160,097	1,379,822	1,174,040
Capital expenditure & funds sources							
Capital expenditure	1,683,133	1,995,957	1,807,477	1,807,477	1,965,324	1,971,046	1,770,381
Transfers recognised - capital	1,619,045	1,347,960	1,242,427	1,242,427	1,154,574	1,377,819	1,172,036
Borrowing	-	76,338	58,865	58,865	130,229	-	-
Internally generated funds	19,088	517,253	506,184	506,184	680,521	593,227	598,345
Total sources of capital funds	1,638,133	1,941,550	1,807,477	1,807,477	1,965,324	1,971,046	1,770,381
Financial position							
Total current assets	9,815,003	9,680,062	10,620,642	10,620,642	10,188,246	9,967,096	10,071,659
Total non-current assets	19,584,097	19,311,372	19,621,798	19,621,798	21,750,990	22,254,201	21,985,928
Total current liabilities	5,582,766	5,506,360	5,781,422	5,781,422	5,825,141	5,868,979	5,894,025
Total non-current liabilities	3,803,041	5,928,608	6,122,039	6,122,039	5,819,377	5,825,197	5,831,022
Community wealth/Equity	21,849,997	19,152,742	19,161,460	19,161,460	19,180,621	19,199,800	19,219,001

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Cash flows							
Net cash from (used) operating	1,444,437	1,444,437	1,871,012	1,871,012	3,063,276	2,705,399	2,594,822
Net cash from (used) investing	-1,822,952	-1,822,952	-1,917,799	-1,917,799	-2,119,959	-2,092,282	-1,988,640
Net cash from (used) financing	- 139,993	- 139,993	- 192,376	- 192,376	- 344,028	- 129,971	- 143,198
Cash/cash equivalents at the year end	4,279,142	4,279,142	4,575,873	4,575,873	5,270,166	5,753,312	6,216,296
Cash backing/surplus reconciliation							
Cash and investments available	4,817,560	4,797,650	4,826,138	4,826,138	5,067,445	5,416,856	5,736,792
Application of cash and investments	2,120,047	93,428	-1,219,813	-1,219,813	479,638	772,698	734,414
Balance - surplus (shortfall)	2,697,512	4,704,222	6,045,951	6,045,951	4,587,807	4,644,158	5,002,378
Asset management							
Asset register summary (WDV)	19,449,034	20,954,296	21,099,603	21,099,603	21,604,171	22,106,026	21,836,822
Depreciation	993,760	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Renewal and Upgrading of Existing Assets	765,452	686,532	632,928	632,928	696,488	499,935	634,195
Repairs and Maintenance	452,628	672,327	681,235	681,235	866,011	905,848	897,705
Free services							
Cost of Free Basic Services provided	301,878	371,687	529,705	529,705	483,492	500,514	523,671
Revenue cost of free services provided	148,706	159,843	210,668	210,668	220,951	232,860	246,595
Households below minimum service level	-	-	-	-	-	-	-
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	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Revenue - Functional							
<i>Municipal governance and administration</i>	4,446,654	4,025,071	4,060,778	4,060,778	4,710,753	4,881,740	5,001,640
Executive and council	1,093	1,142	1,200	1,200	1,194	1,259	1,327

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
Finance and administration	4,445,546	4,023,928	4,059,578	4,059,578	4,709,559	4,880,480	5,000,313
Internal audit	15						
Community and public safety	1,157,608	1,602,841	1,454,568	1,454,568	1,573,823	1,832,421	1,990,413
Community and social services	38,783	39,766	38,871	38,871	41,898	43,419	45,654
Sport and recreation	6,933	35,161	25,454	25,454	29,322	12,276	12,480
Public safety	848,934	1,098,227	822,243	822,243	1,030,906	1,142,478	1,261,395
Housing	261,638	427,196	565,446	565,446	469,477	631,928	668,462
Health	1,320	2,491	2,555	2,555	2,220	2,320	2,421
Economic and environmental services	695,128	842,004	681,039	681,039	807,939	673,177	688,935
Planning and development	198,761	205,247	193,630	193,630	176,611	162,951	168,351
Road transport	481,190	592,485	443,134	443,134	587,730	493,502	503,592
Environmental protection	15,177	44,272	44,275	44,275	43,598	16,724	16,991
Trading services	12,234,002	10,974,772	11,465,717	11,465,717	12,122,313	13,259,172	14,217,037
Energy sources	4,706,575	5,523,802	5,523,938	5,523,938	6,130,396	6,809,892	7,655,042
Water management	5,855,602	3,830,572	4,101,137	4,101,137	4,068,058	4,447,822	4,322,947
Waste water management	1,131,877	1,179,150	1,318,157	1,318,157	1,420,732	1,465,552	1,662,699
Waste management	539,947	441,249	522,484	522,484	503,128	535,906	576,349
Other	39,664	45,140	43,206	43,206	61,330	63,972	71,595
Total Revenue - Functional	18,573,056	17,489,828	17,705,309	17,705,309	19,276,158	20,710,481	21,969,619
Expenditure - Functional							
Municipal governance and administration	2,235,279	2,067,897	1,972,298	1,972,298	2,060,586	2,059,316	2,173,741
Executive and council	359,219	398,006	401,058	401,058	416,008	439,861	463,682
Finance and administration	1,817,298	1,600,939	1,504,908	1,504,908	1,572,076	1,542,977	1,629,358
Internal audit	58,763	68,952	66,333	66,333	72,502	76,478	80,701
Community and public safety	1,940,761	2,321,182	2,395,110	2,395,110	2,597,632	2,610,292	2,795,267
Community and social services	411,915	423,240	402,662	402,662	384,216	407,829	435,627
Sport and recreation	481,369	609,396	574,693	574,693	680,761	711,303	758,007
Public safety	562,900	741,508	702,820	702,820	731,694	786,478	854,459
Housing	393,478	335,943	507,419	507,419	545,994	438,284	464,450
Health	91,099	211,096	207,516	207,516	254,968	266,398	282,724
Economic and environmental services	586,310	1,442,938	1,263,199	1,263,199	1,510,475	1,546,212	1,600,600
Planning and development	200,769	404,889	385,092	385,092	467,646	471,535	500,418
Road transport	326,479	932,051	778,299	778,299	956,244	981,938	1,000,816
Environmental protection	59,061	105,998	99,808	99,808	86,585	92,739	99,367
Trading services	10,916,365	11,335,628	11,148,532	11,148,532	11,818,822	12,972,052	14,068,769
Energy sources	5,479,127	6,659,747	6,613,639	6,613,639	7,343,288	8,190,625	9,038,130
Water management	3,909,672	2,835,548	2,835,190	2,835,190	2,711,096	2,982,345	3,146,675
Waste water management	899,709	1,156,750	1,031,712	1,031,712	1,093,987	1,088,050	1,134,214
Waste management	627,857	683,583	667,990	667,990	670,451	711,032	749,749
Other	68,378	104,897	112,178	112,178	128,547	142,787	157,203
Total Expenditure - Functional	15,747,093	17,272,542	16,891,317	16,891,317	18,116,061	19,330,659	20,795,580
Surplus/(Deficit)	2,825,962	217,286	813,992	813,992	1,160,097	1,379,822	1,174,040

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

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

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

Vote Description	2022/2023	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousand							
Revenue by Vote							
Vote 1 - Budget & Treasury	3,703,636	3,939,870	3,978,137	3,978,137	4,615,019	4,784,697	4,897,667
Vote 2 - Public Health	500,694	498,757	579,888	579,888	517,512	551,041	592,231
Vote 3 - Human Settlements	150,986	427,197	598,681	598,681	303,502	182,490	205,716
Vote 4 - Economic Development, Tourism & Agriculture	171,835	54,448	44,763	44,763	38,232	44,091	50,395
Vote 5 - Corporate Services	15,946	17,163	18,164	18,164	19,397	15,606	16,759
Vote 6 - Infrastructure & Engineering Unit - Rate & General	173,501	595,255	444,639	444,639	317,758	298,024	290,012
Vote 7 - Metro Water Service	5,234,166	3,830,572	4,101,137	4,101,137	3,734,347	3,999,262	4,227,520
Vote 8 - Sanitation - Metro	1,319,146	1,179,150	1,318,157	1,318,157	1,292,269	1,339,706	1,425,518
Vote 9 - Electricity & Energy	4,849,694	4,096,828	4,149,523	4,149,523	5,959,948	6,708,879	7,552,920
Vote 10 - Executive & Council	20,369	138,900	132,813	132,813	150,667	151,510	155,964
Vote 11 - Safety & Security	864,678	1,146,029	935,402	935,402	1,049,534	1,162,359	1,282,595
Vote 12 - Mandela Bay Stadium	56,590	60,891	60,891	60,891	72,278	62,531	66,238
Vote 13 - Special Projects and Programmes	8,528	29,816	29,816	29,816	22,684	8,321	9,013
Vote 14 - Recreational & Cultural Services	23,777	40,398	29,267	29,267	23,915	24,145	25,036
Vote 15 - [NAME OF VOTE 15]		-	-	-			
Total Revenue by Vote	17,093,545	16,055,280	16,421,278	16,421,278	18,117,063	19,332,662	20,797,583
Expenditure by Vote to be appropriated							
Vote 1 - Budget & Treasury	1,041,701	1,048,666	1,005,883	1,005,883	1,135,425	1,070,502	1,115,846
Vote 2 - Public Health	897,669	1,089,649	1,022,834	1,022,834	1,086,780	1,155,300	1,227,170
Vote 3 - Human Settlements	351,083	459,332	643,539	643,539	500,427	394,771	421,416
Vote 4 - Economic Development, Tourism & Agriculture	245,746	124,369	292,697	292,697	119,201	130,168	142,153
Vote 5 - Corporate Services	551,131	583,940	571,552	571,552	600,448	625,430	657,721
Vote 6 - Infrastructure & Engineering Unit - Rate & General	1,084,352	1,231,898	1,042,176	1,042,176	1,254,519	1,299,224	1,339,768
Vote 7 - Metro Water Service	2,416,916	2,827,152	2,766,527	2,766,527	2,939,602	3,003,097	3,401,679
Vote 8 - Sanitation - Metro	1,057,841	907,278	847,718	847,718	930,795	910,089	938,071
Vote 9 - Electricity & Energy	4,295,005	6,629,902	6,586,230	6,586,230	7,204,319	8,272,458	8,903,315
Vote 10 - Executive & Council	365,403	540,539	350,460	350,460	498,944	520,134	547,909

Vote Description	2022/2023	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Vote 11 - Safety & Security	1,076,297	1,243,361	1,206,662	1,206,662	1,232,955	1,327,862	1,439,810
Vote 12 - Mandela Bay Stadium	202,345	55,653	55,653	55,653	71,498	62,532	66,238
Vote 13 - Special Projects and Programmes	169,083	30,736	28,652	28,652	24,161	9,927	10,758
Vote 14 - Recreational & Cultural Services	492,905	500,067	470,734	470,734	516,988	549,165	583,725
Vote 15 - [NAME OF VOTE 15]		-					
Total Expenditure by Vote	14,247,478	17,272,542	16,891,317	16,891,317	18,116,061	19,330,659	20,795,580
Surplus/(Deficit) for the year	2,846,067	-1,217,262	-470,039	-470,039	1,002	2,003	2,003

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

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

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

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Revenue							
Exchange Revenue							
Service charges - Electricity	4,602,372	5,159,121	5,171,943	5,171,943	5,828,780	6,569,035	7,403,302
Service charges - Water	4,851,512	2,943,776	2,912,999	2,912,999	2,937,779	3,128,734	3,347,746
Service charges - Waste Water Management	790,170	837,553	868,502	868,502	920,511	980,316	1,048,968
Service charges - Waste Management	323,273	311,829	311,829	311,829	330,539	352,024	374,905
Sale of Goods and Rendering of Services	73,659	117,720	113,104	113,104	117,432	109,985	118,094
Agency services	4,329	3,716	3,870	3,870	4,064	4,287	4,519
Interest	-	-	-	-	-	-	-
Interest earned from Receivables	901,629	573,984	883,722	883,722	990,740	1,071,131	1,158,091
Interest earned from Current and Non-Current Assets	336,097	208,088	207,878	207,878	226,156	236,501	254,082
Dividends	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-
Rental from Fixed Assets	30,762	31,021	37,584	37,584	38,567	40,990	43,568
Licence and permits	21,438	18,157	18,221	18,221	20,137	21,459	22,862
Operational Revenue	33,182	38,583	32,796	32,796	32,550	34,272	36,055
Non-Exchange Revenue							
Property rates	2,738,530	2,980,757	2,944,079	2,944,079	3,142,251	3,315,074	3,513,960
Surcharges and Taxes	-	-	-	-	-	-	-
Fines, penalties and forfeits	77,511	82,843	46,185	46,185	64,223	67,754	71,411
Licences or permits	1	1	1	1	1	1	1

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Transfer and subsidies - Operational	1,554,247	1,964,652	2,085,586	2,085,586	2,639,328	2,530,119	2,499,533
Interest	-	-	-	-	-	-	-
Fuel Levy	754,473	783,478	783,478	783,478	824,005	870,980	900,487
Operational Revenue	-	-	-	-	-	-	-
Gains on disposal of Assets	360	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	17,093,544	16,055,280	16,421,778	16,421,778	18,117,063	19,332,662	20,797,583
Expenditure							
Employee related costs	3,584,515	4,558,182	4,419,187	4,419,187	4,752,685	5,115,988	5,515,006
Remuneration of councillors	75,900	91,089	90,829	90,829	94,452	98,218	102,133
Bulk purchases - electricity	4,377,705	5,632,329	5,632,845	5,632,845	6,338,216	7,143,170	8,050,352
Inventory consumed	126,058	359,733	371,214	371,214	355,361	375,199	370,013
Debt impairment	2,945,142	1,874,177	1,872,117	1,872,117	1,836,239	1,861,668	1,882,477
Depreciation and amortisation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Interest	125,550	128,228	130,278	130,278	111,217	88,016	75,081
Contracted services	859,048	1,564,811	1,635,589	1,635,589	1,751,625	1,693,346	1,742,749
Transfers and subsidies	121,062	62,687	84,625	84,625	84,452	92,163	94,355
Irrecoverable debts written off	231,814	561,361	561,361	561,361	582,995	619,554	661,375
Operational costs	575,474	866,955	854,703	854,703	905,934	892,512	925,783
Losses on disposal of Assets	5291	-	-	-	-	-	-
Other Losses	219,467	238,662	238,662	238,662	252,982	269,426	288,286
Total Expenditure	14,247,478	17,272,542	16,891,317	16,891,317	18,116,061	19,330,659	20,795,580
Surplus/(Deficit)	2,846,066	-1,217,262	-469,540	-469,540	1,001	2,003	2,003
Transfers and subsidies - capital (monetary allocations)	1,057,362	1,434,548	1,283,531	1,283,531	1,159,095	1,377,819	1,172,036
Transfers and subsidies - capital (in-kind)	422,150	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions	1,366,554	217,286	813,992	813,992	1,160,097	1,379,822	1,174,040
Income Tax	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	1,366,554	217,286	813,992	813,992	1,160,097	1,379,822	1,174,040
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	1,366,554	217,286	813,992	813,992	1,160,097	1,379,822	1,174,040
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1,366,554	217,286	813,992	813,992	1,160,097	1,379,822	1,174,040

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

Revenue

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

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

Description	2020/21	2021/22	2022/23	Current year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands										
Capital Expenditure - Functional										
Municipal governance and administration	14,301,484	14,301,484	14,278,185	243,158	185,037	185,037	185,037	216,622	181,010	168,617
Executive and council	50,347	50,347	17,580							
Finance and administration	14,251,137	14,251,137	14,260,605	243,158	185,037	185,037	185,037	216,622	181,010	168,617
Internal audit										
Community and public safety	3,033,031	3,033,040	3,234,153	128,758	97,051	97,051	97,051	168,724	406,997	412,202
Community and social services	2,271,567	2,271,567	2,327,995	40,230	23,300	23,300	23,300	48,328	34,600	27,500
Sport and recreation	257,798	257,798	303,295	51,739	41,485	41,485	41,485	55,561	30,800	29,700
Public safety	-24,978	-24,970	-21,624	30,422	27,589	27,589	27,589	62,235	11,100	9,950
Housing	461,392	461,392	556,250	4,417	3,726	3,726	3,726	1,200	329,197	343,652
Health	67,253	67,253	68,236	1,950	950	950	950	1,400	1,300	1,400
Economic and environmental services	4,041,460	4,041,604	4,692,636	574,965	527,767	527,767	527,767	506,098	405,250	433,982
Planning and development	896,650	896,650	931,825	54,407	57,590	57,590	57,590	56,040	57,721	59,452
Road transport	2,950,614	2,950,757	3,558,321	520,557	470,178	470,178	470,178	449,058	347,029	374,529
Environmental protection	194,196	194,196	202,491					1,000	500	
Trading services	8,700,442	8,701,347	9,796,555	1,049,078	997,622	997,622	997,622	1,071,881	975,788	755,581
Energy sources	4,516,335	4,517,065	4,794,653	315,211	300,783	300,783	300,783	246,698	154,296	154,101
Water management	2,703,592	2,703,767	3,530,327	481,371	476,327	476,327	476,327	457,824	551,947	205,900
Waste water management	980,557	980,557	993,076	244,716	215,732	215,732	215,732	331,360	233,546	342,580
Waste management	499,958	499,958	478,499	7,780	4,780	4,780	4,780	36,000	36,000	53,000
Other	21,748	21,748	25,552					2,000	2,000	
Total Capital Expenditure - Functional	30,098,166	30,099,222	32,027,082	1,995,957	1,807,477	1,807,477	1,807,477	1,965,324	1,971,046	1,770,381
Funded by										
National Government	1,566,328	1,566,503	1,619,045	1,307,960	1,187,427	1,187,427		1,116,095	1,334,819	1,129,036
Provincial Government										
District Municipality										
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)				40,000	55,000	55,000	55,000	43,000	43,000	43,000
Transfers recognised - capital	1,566,328	1,566,503	1,619,045	1,347,960	1,242,427	1,242,427	1,242,427	1,159,095	1,377,819	1,172,036
Borrowing				76,338	58,865	58,865	58,865	130,229		
Internally generated funds	19,643	19,643	19,088	571,659	506,184	506,184	506,184	676,000	593,227	598,345
Total Capital Funding	1,585,971	1,586,146	1,638,133	1,995,957	1,807,477	1,807,477	1,807,477	1,965,324	1,971,046	1,770,381

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

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

TABLE 33 (TABLE A6 – CONSOLIDATED BUDGETED FINANCIAL POSITION)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
ASSETS							
Current assets							
Cash and cash equivalents	4,817,560	4,797,650	4,826,138	4,826,138	5,067,445	5,168,794	5,272,170
Trade and other receivables from exchange transactions	2,528,151	3,301,835	3,632,188	3,632,188	3,168,969	2,742,072	2,653,810
Receivables from non-exchange transactions	440,866	217,452	497,781	497,781	250,070	277,581	283,332
Current portion of non-current receivables	-	-	-	-	-	-	-
Inventory	183,166	260,285	329,389	329,389	345,859	363,151	381,249
VAT	1,836,568	1,102,841	1,335,146	1,335,146	1,401,903	1,471,998	1,545,598
Other current assets	8,692	-	-	-	-	-	-
Total current assets	9,815,003	9,680,062	10,620,642	10,620,642	10,234,246	10,023,596	10,136,159
Non-current assets							
Investments	-	-	-	-	-	-	-
Investment property	142,512	153,640	142,512	142,512	156,763	159,898	161,497
Property, plant and equipment	19,057,012	18,706,291	19,057,012	19,057,012	21,152,409	21,635,539	21,362,667
Biological assets	-	-	-	-	-	-	-
Living and non-living resources	-	-	-	-	-	-	-
Heritage assets	220,197	217,452	220,197	220,197	220,197	220,197	220,857
Intangible assets	43,409	63,351	43,409	43,409	74,801	90,392	91,801
Trade and other receivables from exchange transactions	120,917	115,638	115,638	115,638	115,638	115,638	115,638
Non-current receivables from non-exchange transactions	50	55,000	43,030	43,030	45,182	46,537	47,468
Other non-current assets	-	-	-	-	-	-	-
Total non-current assets	19,584,097	19,311,372	19,621,798	19,621,798	21,764,990	22,268,202	21,999,928
TOTAL ASSETS	31,235,803	28,991,435	29,416,097	29,416,097	31,999,236	32,291,798	32,136,087
LIABILITIES							
Current liabilities							
Bank overdraft	-	-	-	-	-	-	-
Financial liabilities	192,287	192,379	192,379	192,379	188,490	184,395	186,239
Consumer deposits	155,528	176,659	175,514	175,514	180,779	184,395	186,239
Trade and other payables from exchange transactions	2,302,747	2,878,343	2,988,363	2,988,363	3,018,246	3,048,429	3,051,478
Trade and other payables from non-exchange transactions	190,569	312,695	312,695	312,695	313,007	313,321	313,634
Provision	604,695	229,572	395,759	395,759	396,155	396,551	396,948
VAT	2,136,940	1,716,713	1,716,713	1,716,713	1,742,464	1,759,888	1,777,487
Other current liabilities	-	-	-	-	-	-	-
Total current liabilities	5,582,766	5,506,360	5,781,422	5,781,422	5,839,141	5,886,978	5,912,025
Non-current liabilities							
Financial liabilities	1,153,063	1,055,049	1,369,578	1,369,578	1,232,620	1,233,853	1,235,087
Provision	1,294,951	3,767,977	3,369,398	3,369,398	3,200,928	3,204,129	3,207,333
Long term portion of trade payables	-	-	0	0	-	-	-
Other non-current liabilities	1,355,027	1,105,582	1,383,063	1,383,063	1,385,829	1,387,215	1,388,602
Total non-current liabilities	3,803,041	5,928,608	6,122,039	6,122,039	5,819,377	5,825,197	5,831,022
TOTAL LIABILITIES	9,385,807	11,434,968	11,903,461	11,903,461	11,658,518	11,712,175	11,743,047

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
NET ASSETS	21,849,997	17,556,466	17,512,635	17,512,635	20,340,718	20,579,622	20,393,041
COMMUNITY WEALTH/EQUITY							
Accumulated surplus/(deficit)	21,458,938	18,245,712	18,576,871	18,576,871	18,595,493	18,614,090	18,632,707
Reserves and funds	391,058	907,030	584,588	584,588	585,129	585,710	586,295
Other	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	21,849,997	19,152,742	19,161,460	19,161,460	19,180,621	19,199,800	19,219,001

Explanatory notes to Table A6 - Budgeted Financial Position

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

Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.

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

Description	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	2,652,874	2,627,874	2,627,874	2,828,026	2,983,567	3,162,564
Service charges	7,144,625	7,152,625	7,152,625	9,293,524	10,325,690	11,076,026
Other revenue	2,410,416	821,062	821,062	2,200,281	1,167,944	1,189,409
Transfers and Subsidies - Operational	1,964,652	1,768,469	1,768,469	2,138,293	2,181,768	2,071,284
Transfers and Subsidies - Capital	1,387,960	1,242,427	1,242,427	1,210,250	1,290,720	1,165,060
Interest	208,088	207,878	207,878	226,156	236,501	254,082
Dividends	-	-	-	-	-	-
Payments						
Suppliers and employees	-14,133,263	-11,734,420	-11,734,420	-14,697,330	-15,379,104	-16,240,314
Finance charges	- 128,228	- 130,278	- 130,278	- 111,217	- 88,016	- 75,081
Transfers and Subsidies	- 62,687	- 84,625	- 84,625	- 84,452	- 92,163	- 94,355
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,444,437	1,871,012	1,871,012	3,003,531	2,626,907	2,508,675
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-16,572	-16,572	-160,820	-162,175	-163,106
Decrease (increase) in non-current investments	-	-	-	-	-	-

Description	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
Payments						
Capital assets	- 1,822,952	- 1,901,227	- 1,901,227	- 2,012,773	- 1,985,350	- 1,882,435
NET CASH FROM/(USED) INVESTING ACTIVITIES	-1,822,952	-1,917,799	-1,917,799	-2,173,593	-2,147,525	-2,045,541
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans	-	-	-	-	-	-
Borrowing long term/refinancing	-	- 281,943	- 281,943	- 130,229	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-
Payments						
Repayment of borrowing	- 139,993	- 192,376	- 192,376	- 213,799	- 129,971	- 143,198
NET CASH FROM/(USED) FINANCING ACTIVITIES	- 139,993	- 192,376	- 192,376	- 344,028	- 129,971	- 143,198
NET INCREASE/ (DECREASE) IN CASH HELD	-518,508	-239,163	-239,163	485,910	349,411	319,936
Cash/cash equivalents at the year begin:	4,797,650	4,815,036	4,815,036	4,575,873	5,061,783	5,411,194
Cash/cash equivalents at the year-end:	4,279,142	4,575,873	4,575,873	5,061,783	5,411,194	5,731,130

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

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

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

Description	Current year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2024/25	Budget Year 2025/26
Cash and investments available							
Cash/cash equivalents at the year end	4,273,131	4,820,128	4,820,128	-	5,061,783	5,411,194	5,731,130
Other current investments > 90 days	413,054			-			
Cash and investments available:	4,686,185	4,820,128	4,820,128	-	5,061,783	5,411,194	5,731,130
Application of cash and investments							
Unspent conditional transfers	55,600	270,761	270,761	-	156,238	154,809	162,549
Unspent borrowing	-			-	130,229	-	-
Statutory requirements	613,872			-	495,130	652,930	689,085
Other working capital requirements	1,241,068	986,911	986,911	-	1,321,880	1,351,820	958,230
Other provisions	229,572	909,063	909,063	-	2,384,230	2,406,551	2,496,948
Long term investments committed	-	-	-	-	-	-	-

Description	Current year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Reserves to be backed by cash/investments	907,030	584,588	584,588	-	585,129	585,710	586,295
Total Application of cash and investments:	565,006	777,501	777,501	-	479,638	772,698	734,414
Surplus(shortfall) – Excl Non-Current Creditors Trf to Debt Relief Benefits	4,121,179	4,042,627	4,042,627	-	2,908,714	3,220,878	3,711,061
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	2,153,069	2,190,316	2,020,069
Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Relief Benefits	4,121,179	4,042,627	4,042,627	-	2,153,069	2,190,316	2,020,069

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. As part of the budgeting and planning guidelines that informed the compilation of the 2024/25 MTREF, the end objective of the medium-term framework was to ensure the budget is funded as required in accordance with section 18 of the Local Government: Municipal Finance Management Act (56 of 2003).
4. Provisions to be cash backed incorporate all current provisions as well as the provision for the rehabilitation of landfill sites.
5. Reserves to be cash backed incorporate the COIDA, Self-Insurance Fund (SIF) and the Capital Replacement Reserve.

TABLE 36 (TABLE A9 - ASSET MANAGEMENT)

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
CAPITAL EXPENDITURE									
Total New Assets	686,337	686,346	840,635	1,309,426	1,174,548	1,174,548	1,268,837	1,471,110	1,136,186
<i>Roads Infrastructure</i>	102,072	102,072	102,072	380,220	391,757	391,757	380,180	271,721	295,579
<i>Storm water Infrastructure</i>	549	549	549	30,625	20,489	20,489	30,822	28,500	26,900
<i>Electrical Infrastructure</i>	191,048	191,048	234,275	179,339	159,147	159,147	143,258	69,926	74,231
<i>Water Supply Infrastructure</i>	225,834	225,834	302,077	393,605	381,271	381,271	289,314	414,016	60,600
<i>Sanitation Infrastructure</i>				64,442	41,662	41,662	116,470	112,700	91,200
<i>Solid Waste Infrastructure</i>							2,000	2,000	2,000
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>				5,600			2,000		
Infrastructure	519,503	519,503	638,973	1,053,830	994,325	994,325	964,044	898,863	550,510
Community Facilities	3,733	3,733	3,733	10,117	7,404	7,404	7,848	4,300	
Sport and Recreation Facilities	2,425	2,425	5,439	13,826	1,555	1,555	5,000		
Community Assets	6,158	6,158	9,172	23,943	8,959	8,959	12,848	4,300	-

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands									
Heritage Assets									
Revenue Generating									
Non-revenue Generating									
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings				44,471	26,347	26,347	47,800	5,500	630
Housing								328,597	343,652
Other Assets	-	-	-	44,471	26,347	26,347	47,800	334,097	344,282
Biological or Cultivated Assets									
Servitudes									
Licences and Rights	16,669	16,669	16,015	41,200	12,555	12,555	30,958	46,110	47,077
Intangible Assets	16,669	16,669	16,015	41,200	12,555	12,555	30,958	46,110	47,077
Computer Equipment	28,541	28,541	31,460	22,115	27,289	27,289	23,452	18,650	24,450
Furniture and Office Equipment	3,007	3,007	3,344	7,850	6,445	6,445	3,600	4,400	1,800
Machinery and Equipment	71,112	71,121	81,991	65,280	52,613	52,613	112,565	74,300	82,160
Transport Assets	23,640	23,640	11,540	46,320	42,288	42,288	72,070	90,390	84,907
Land	17,706	17,706	48,141	4,417	3,726	3,726	1,500		1,000
Zoo's, Marine and Non-biological Animals									
Mature									
Immature									
Living Resources	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	23,967,113	23,967,256	24,854,776	354,464	361,626	361,626	408,637	284,546	282,900
<i>Roads Infrastructure</i>	1,395,131	1,395,275	1,728,601	87,250	67,250	67,250	70,500	65,500	58,500
<i>Storm water Infrastructure</i>				10,000	10,000	10,000	9,000	8,000	7,000
<i>Electrical Infrastructure</i>	288,796	288,796	375,457	68,424	74,924	74,924	60,270	61,270	61,270
<i>Water Supply Infrastructure</i>				72,767	79,908	79,908	123,510	86,930	66,300
<i>Sanitation Infrastructure</i>				57,292	61,092	61,092	87,983	30,346	61,180
<i>Solid Waste Infrastructure</i>				15,652	18,652	18,652	13,543	500	3,000
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>									
Infrastructure	1,683,927	1,684,071	2,104,058	311,384	311,826	311,826	364,807	252,546	257,250
Community Facilities	20,444	20,444	27,250	15,330	10,900	10,900	25,130	24,200	19,700
Sport and Recreation Facilities				2,000	2,000	2,000	3,950	2,000	
Community Assets	20,444	20,444	27,250	17,330	12,900	12,900	29,080	26,200	19,700
Heritage Assets			224,376						
Revenue Generating									
Non-revenue Generating									
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	39,681	39,681	58,122	2,250	2,800	2,800	4,250	5,300	2,950
Housing			40						
Other Assets	39,681	39,681	58,161	2,250	2,800	2,800	4,250	5,300	2,950
Biological or Cultivated Assets									
Servitudes									

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands									
Licences and Rights									
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	24,560	24,560	29,312				500	500	3,000
Furniture and Office Equipment									
Machinery and Equipment	22,197,044	22,197,044	22,410,162	1,000	1,000	1,000			
Transport Assets				22,500	33,100	33,100	10,000		
Land									
Zoo's, Marine and Non-biological Animals	1,457	1,457	1,457						
Mature									
Immature									
Living Resources	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	5,444,716	5,445,621	6,331,670	332,068	271,303	271,303	287,851	215,389	351,295
<i>Roads Infrastructure</i>	809,915	809,915	1,023,163	96,685	66,768	66,768	39,628	43,239	53,095
<i>Storm water Infrastructure</i>	195,479	195,479	237,949	26,437	21,337	21,337	22,000	26,800	22,500
<i>Electrical Infrastructure</i>	878,959	879,689	1,028,327	65,248	61,596	61,596	39,970	20,600	17,100
<i>Water Supply Infrastructure</i>	1,698,553	1,698,728	1,986,168	11,000	10,500	10,500	28,000	32,000	60,500
<i>Sanitation Infrastructure</i>	1,062,856	1,062,856	1,160,530	49,420	44,770	44,770	55,750	24,950	126,800
<i>Solid Waste Infrastructure</i>	38,580	38,580	38,580	3,000			4,000	4,000	19,000
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>	2	2	2	2,000			2,000	2,000	1,000
Infrastructure	4,684,346	4,685,251	5,474,720	253,790	204,971	204,971	191,347	153,589	299,995
Community Facilities	283,803	283,803	303,208	54,550	41,907	41,907	61,637	30,000	24,200
Sport and Recreation Facilities	209,902	209,902	248,153	9,174	12,891	12,891	16,215	10,500	9,700
Community Assets	493,705	493,705	551,360	63,724	54,798	54,798	77,852	40,500	33,900
Heritage Assets	-4,180	-4,180	-4,180	900					
Revenue Generating									
Non-revenue Generating									
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	107,785	107,785	119,590	12,334	10,533	10,533	17,652	20,300	16,400
Housing	-5,254	-5,254	-5,254						
Other Assets	102,531	102,531	114,336	12,334	10,533	10,533	17,652	20,300	16,400
Biological or Cultivated Assets	7,951	7,951	8,532						
Servitudes									
Licences and Rights	29,871	29,871	41,668						
Intangible Assets	29,871	29,871	41,668	-	-	-	-	-	-
Computer Equipment	1,389	1,389	1,389	1,000	1,000	1,000	1,000	1,000	1,000
Furniture and Office Equipment	2,144	2,144	2,144						
Machinery and Equipment				320					
Transport Assets	126,959	126,959	141,701						
Land									
Zoo's, Marine and Non-biological Animals									
Mature									

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands									
Immature									
Living Resources	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	30,098,166	30,099,222	32,027,082	33,582,282	35,011,978	34,727,496	36,516,453	36,783,821	37,830,503
Roads Infrastructure	2,307,119	2,307,262	2,853,836	3,417,991	3,379,611	3,379,611	3,869,919	3,760,071	3,786,785
Storm water Infrastructure	196,028	196,028	238,498	305,560	290,324	290,324	352,146	353,624	346,724
Electrical Infrastructure	1,358,803	1,359,533	1,638,059	1,951,070	1,933,725	1,933,725	2,177,223	2,085,521	2,086,326
Water Supply Infrastructure	1,924,388	1,924,562	2,288,246	2,765,617	2,759,925	2,759,925	3,200,749	3,292,872	2,947,325
Sanitation Infrastructure	1,062,856	1,062,856	1,160,530	1,331,684	1,308,054	1,308,054	1,568,257	1,476,050	1,587,234
Solid Waste Infrastructure	38,580	38,580	38,580	57,232	57,232	57,232	76,775	63,732	81,232
Rail Infrastructure				0					
Coastal Infrastructure				0					
Information and Communication Infrastructure	2	2	2	7,602			4,000	2,000	1,000
Infrastructure	6,887,776	6,888,824	8,217,750	9,836,756	9,728,871	9,728,871	11,249,069	11,033,870	10,836,626
Community Facilities	307,980	307,980	334,190	79,997	60,211	60,211	94,615	58,500	43,900
Sport and Recreation Facilities	212,327	212,327	253,592	25,000	16,446	16,446	25,165	12,500	9,700
Community Assets	520,307	520,307	587,782	104,997	76,657	76,657	119,780	71,000	53,600
Heritage Assets	-4,180	-4,180	220,197	900					
Revenue Generating									
Non-revenue Generating									
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	147,466	147,466	177,711	59,054	39,680	39,680	69,702	31,100	19,980
Housing	-5,253	-5,254	-5,215					328,597	343,652
Other Assets	142,213	142,212	172,496	23,427,627	25,026,434	24,741,952	24,891,959	25,443,601	26,694,883
Biological or Cultivated Assets	7,951	7,951	8,532						
Servitudes									
Licences and Rights	46,540	46,540	57,683	41,200	12,555	12,555	30,958	46,110	47,077
Intangible Assets	46,540	46,540	57,683	41,200	12,555	12,555	30,958	46,110	47,077
Computer Equipment	54,490	54,490	62,162	23,115	28,289	28,289	24,952	20,150	28,450
Furniture and Office Equipment	5,151	5,151	5,488	7,850	6,445	6,445	3,600	4,400	1,800
Machinery and Equipment	22,268,156	22,268,165	22,492,153	66,600	53,613	53,613	112,565	74,300	82,160
Transport Assets	150,599	150,599	153,241	68,820	75,388	75,388	82,070	90,390	84,907
Land	17,706	17,706	48,141	4,417	3,726	3,726	1,500		1,000
Zoo's, Marine and Non-biological Animals	1,457	1,457	1,457						
Mature									
Immature									
Living Resources									
TOTAL CAPITAL EXPENDITURE - Asset Class	30,098,166	30,099,222	32,027,082	33,582,282	35,011,978	34,727,496	36,516,453	36,783,821	37,830,503
ASSET REGISTER SUMMARY - PPE (WDV)	18,463,958	18,464,996	19,449,034	20,954,296	21,099,603	21,099,603	21,604,171	22,106,026	21,836,822
Roads Infrastructure	2,294,412	2,294,555	2,841,129	212,301	405,120	405,120	415,840	307,248	330,572
Storm water Infrastructure	317,993	317,993	381,175	32,870	30,357	30,357	34,714	24,650	24,581
Electrical Infrastructure	1,388,825	1,389,554	1,668,081	141,662	33,648	33,648	140,735	45,950	43,579
Water Supply Infrastructure	1,993,501	1,993,676	2,416,112	207,501	190,628	190,628	240,812	327,575	-26,023

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Sanitation Infrastructure</i>	993,505	993,505	1,032,426	76,556	-73,643	-73,643	184,707	91,265	202,648
<i>Solid Waste Infrastructure</i>	5,754	5,754	5,754	-62,303	-91,604	-91,604	-47,973	-63,042	-47,628
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>	25,496	25,496	27,474	9,600	2,000	2,000	4,000	2,000	1,000
Infrastructure	7,019,486	7,020,534	8,372,150	618,188	496,506	496,506	972,836	735,646	528,730
	522,830	522,830	597,245	-85,939	-65,122	-65,122	-6,033	-33,974	-64,704
Community Assets	522,830	522,830	597,245	-85,939	-65,122	-65,122	-6,033	-33,974	-64,704
Heritage Assets	445,131	218,363	220,197	217,452	220,197	220,197	220,197	220,197	220,857
	-79,607	147,161	142,512	153,640	142,512	142,512	156,763	159,898	161,497
Investment properties	-79,607	147,161	142,512	153,640	142,512	142,512	156,763	159,898	161,497
	10,252,449	10,252,431	9,756,297	19,877,092	-8,835	-8,835	57,256	346,739	340,452
Other Assets	10,252,449	10,252,431	9,756,297	19,877,092	-8,835	-8,835	57,256	346,739	340,452
Biological or Cultivated Assets									
	55,484	55,484	43,409	63,351	43,410	43,410	74,801	90,392	91,801
Intangible Assets	55,484	55,484	43,409	63,351	43,410	43,410	74,801	90,392	91,801
Computer Equipment	28,904	28,913	36,359	22,115	29,429	29,429	27,156	22,420	30,788
Furniture and Office Equipment	3,007	3,007	3,344	8,750	6,245	6,245	3,600	2,900	2,000
Machinery and Equipment	66,265	66,265	76,139	30,225	20,199,904	20,199,904	20,033,087	20,496,508	20,459,227
Transport Assets	132,302	132,302	153,241	45,007	31,631	31,631	64,507	65,299	66,174
Land	17,706	17,706	48,141	4,417	3,726	3,726			
Zoo's, Marine and Non-biological Animals									
Living Resources									
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	18,463,958	18,464,996	19,449,034	20,954,296	21,099,603	21,099,603	21,604,171	22,106,026	21,836,822
EXPENDITURE OTHER ITEMS									
Depreciation	1,000,452	1,000,452	993,760	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Repairs and Maintenance by Asset Class	365,788	381,773	452,628	672,327	681,235	681,235	866,011	905,848	897,705
<i>Roads Infrastructure</i>	34,760	40,291	55,423	105,984	93,436	93,436	130,984	109,931	116,519
<i>Storm water Infrastructure</i>	7,505	9,191	3,578	16,427	24,746	24,746	17,711	18,782	19,919
<i>Electrical Infrastructure</i>	63,635	66,158	85,672	102,850	103,850	103,850	121,262	128,469	106,775
<i>Water Supply Infrastructure</i>	77,669	78,615	100,813	130,713	140,028	140,028	130,447	140,092	149,924
<i>Sanitation Infrastructure</i>	67,451	67,451	83,650	81,652	81,666	81,666	89,532	97,994	107,423
<i>Solid Waste Infrastructure</i>									
<i>Rail Infrastructure</i>	271	393	174	2,310	1,310	1,310	2,913	3,088	3,273
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>				1,250	1,250	1,250	1,325	1,405	1,052
Infrastructure	251,291	262,099	329,310	441,186	446,285	446,285	494,173	499,760	504,885

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands									
Community Facilities	9,156	9,837	12,523	19,587	19,780	19,780	19,516	19,977	20,499
Sport and Recreation Facilities	7,547	8,351	7,174	10,078	9,298	9,298	12,508	13,367	14,360
Community Assets	16,703	18,188	19,697	29,665	29,078	29,078	32,024	33,344	34,859
Heritage Assets	263	263	217	638	403	403	320	339	361
Revenue Generating									
Non-revenue Generating									
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	18,557	19,720	37,225	69,303	72,806	72,806	140,087	152,351	141,187
Housing	468	500	1,546	4,989	8,713	8,713	7,509	8,864	6,852
Other Assets	19,025	20,220	38,772	74,292	81,519	81,519	147,596	161,215	148,039
Biological or Cultivated Assets									
Servitudes									
Licences and Rights	4,006	4,006	4,271	5,455	5,435	5,435	5,930	6,467	7,106
Intangible Assets	4,006	4,006	4,271	5,455	5,435	5,435	5,930	6,467	7,106
Computer Equipment	2,480	3,551	4,087	5,501	5,173	5,173	5,994	6,301	6,716
Furniture and Office Equipment	201	229	1,086	4,347	3,790	3,790	4,251	4,220	4,473
Machinery and Equipment	33,941	34,202	20,960	59,462	56,824	56,824	59,532	62,870	66,739
Transport Assets	37,878	39,014	34,228	51,781	52,727	52,727	116,190	131,331	124,527
Land									
Zoo's, Marine and Non-biological Animals									
Mature									
Immature									
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	1,366,240	1,382,225	1,446,388	2,006,654	1,681,141	1,681,141	1,915,913	1,987,247	1,985,676
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	97.70%	97.70%	97.40%	34.40%	35.00%	35.00%	35.40%	25.40%	35.80%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	2939.90%	2940.00%	3138.20%	51.50%	63.30%	63.30%	66.30%	46.20%	58.30%
<i>R&M as a % of PPE & Investment Property</i>	2.00%	2.10%	2.30%	3.20%	3.20%	3.20%	4.00%	4.10%	4.10%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	165.70%	163.80%	164.90%	6.50%	6.30%	6.30%	7.30%	6.40%	7.10%

Explanatory notes to Table A9 - Asset Management

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

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

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

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

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

Description	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2025/26
Using own refuse dump	-	-	-			
Other rubbish disposal	-	-	-			
No rubbish disposal	23,581	16,702	16,702	16,702	4,728	4,728
<i>Below Minimum Service Level sub-total</i>	62,724	60,792	60,792	60,792	60,792	60,792
Total number of households	299,546	296,436	296,436	296,436	296,436	296,436
Households receiving Free Basic Service						
Water (6 kilolitres per household per month)	90,626	73,368	73,368	90,626	95,426	100,226
Sanitation (free minimum level service)	92,156	74,216	74,216	92,156	96,956	101,756
Electricity/other energy (50kwh per household per month)	73,526	33,905	33,905	73,526	78,526	83,126
Refuse (removed at least once a week)	86,954	65,190	65,190	86,954	91,754	96,554
Informal Settlements				-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)						
Water (6 kilolitres per indigent household per month)	119,336	145,699	145,699	150,070	154,572	159,209
Sanitation (free sanitation service to indigent households)	120,128	209,803	209,803	218,176	224,721	231,463
Electricity/other energy (50kwh per indigent household per month)	27,639	27,639	27,639	23,492	24,667	25,900
Refuse (removed once a week for indigent households)	90,143	152,040	152,040	91,754	96,554	107,099
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	-	-			
Total cost of FBS provided	357,246	535,181	535,181	483,492	500,514	523,671
Highest level of free service provided per household						
Property rates (R value threshold)	130,000	130,000	130,000	130,000	130,000	130,000
Water (kilolitres per household per month)	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	11	11	11	11	11	11
Sanitation (Rand per household per month)	137	137	137	137	137	137
Electricity (kwh per household per month)	75	75	75	75	75	75
Refuse (average litres per week)	178	178	178	178	178	178
Revenue cost of subsidised services provided (R'000)						
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)						
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	114,371	114,371	114,371	173,455	182,995	193,974
Water (in excess of 6 kilolitres per indigent household per month)	29,834	31,336	31,336	31,852	34,180	36,687
Sanitation (in excess of free sanitation service to indigent households)		21,558	21,558	21,565	22,643	23,786
Electricity/other energy (in excess of 50 kwh per indigent household per month)	30,018	29,534	29,534	29,534	29,534	29,534
Refuse (in excess of one removal a week for indigent households)	16,662	15,719	15,719	15,719	15,719	15,719
Municipal Housing - rental rebates						
Housing - top structure subsidies	81,606	250,385	250,385	123,457		
Other						
Total revenue cost of subsidised services provided	272,491	462,903	462,903	395,582	285,071	299,700

Explanatory notes to Table A10 - Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The information utilised in this Table depends on the ability of various Directorates to avail the required information as Directorates will understand better the type of services that they provide plus other pertinent information.

1.9. ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

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

TABLE 38 (A1 BUDGET SUMMARY)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Financial Performance							
Property rates	2,738,530	2,980,757	2,944,079	2,944,079	3,142,251	3,315,074	3,513,960
Service charges	10,567,326	9,252,279	9,265,273	9,265,273	10,017,608	11,030,109	12,174,921
Investment revenue	336,097	208,088	207,878	207,878	220,096	230,441	248,022
Transfer and subsidies - Operational	1,554,247	1,964,652	2,085,586	2,085,586	2,639,328	2,530,119	2,499,533
Other own revenue	1,897,344	1,649,504	1,918,962	1,918,962	2,091,719	2,220,859	2,355,087
Total Revenue (excluding capital transfers and contributions)	17,093,544	16,055,280	16,421,778	16,421,778	18,111,002	19,326,602	20,791,523
Employee costs	3,546,492	4,513,810	4,374,815	4,374,815	4,708,314	5,069,397	5,466,086
Remuneration of councillors	75,900	91,089	90,829	90,829	94,452	98,218	102,133
Depreciation and amortisation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Finance charges	125,550	128,228	130,278	130,278	111,217	88,016	75,081
Inventory consumed and bulk purchases	4,503,763	5,992,062	6,004,059	6,004,059	6,693,578	7,518,368	8,420,366
Transfers and subsidies	121,062	62,687	84,625	84,625	140,492	149,883	153,809
Other expenditure	4,836,236	5,105,966	5,162,432	5,162,432	5,374,146	5,383,098	5,549,588
Total Expenditure	14,247,478	17,272,542	16,891,317	16,891,317	18,172,101	19,388,379	20,855,034
Surplus/(Deficit)	2,846,066	-1,217,262	-469,540	-469,540	-61,099	-61,777	-63,511
Transfers and subsidies - capital (monetary allocations)	1,057,362	1,434,548	1,283,531	1,283,531	1,159,095	1,377,819	1,172,036
Transfers and subsidies - capital (in-kind)	422,150	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	4,325,578	217,286	813,991	813,991	1,160,097	1,379,822	1,174,040
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	4,325,578	217,286	813,992	813,992	1,160,097	1,379,822	1,174,040
Capital expenditure & funds sources							
Capital expenditure	1,683,133	1,995,957	1,807,477	1,807,477	1,965,324	1,971,046	1,770,381
Transfers recognised - capital	1,619,045	1,347,960	1,242,427	1,242,427	1,154,574	1,377,819	1,172,036
Borrowing	-	76,338	58,865	58,865	130,229	-	-
Internally generated funds	19,088	517,253	506,184	506,184	680,521	593,227	598,345
Total sources of capital funds	1,638,133	1,941,550	1,807,477	1,807,477	1,965,324	1,971,046	1,770,381
Financial position							

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Total current assets	9,815,003	9,680,062	10,620,642	10,620,642	10,188,246	9,967,096	10,071,659
Total non-current assets	19,584,097	19,311,372	19,621,798	19,621,798	21,750,990	22,254,201	21,985,928
Total current liabilities	5,582,766	5,506,360	5,781,422	5,781,422	5,825,141	5,868,979	5,894,025
Total non-current liabilities	3,803,041	5,928,608	6,122,039	6,122,039	5,819,377	5,825,197	5,831,022
Community wealth/Equity	21,849,997	19,152,742	19,161,460	19,161,460	19,180,621	19,199,800	19,219,001
Cash flows							
Net cash from (used) operating	1,444,437	1,444,437	1,871,012	1,871,012	3,063,276	2,705,399	2,594,822
Net cash from (used) investing	-1,822,952	-1,822,952	-1,917,799	-1,917,799	-2,119,959	-2,092,282	-1,988,640
Net cash from (used) financing	- 139,993	- 139,993	- 192,376	- 192,376	- 344,028	- 129,971	- 143,198
Cash/cash equivalents at the year end	4,279,142	4,279,142	4,575,873	4,575,873	5,270,166	5,753,312	6,216,296
Cash backing/surplus reconciliation							
Cash and investments available	4,817,560	4,797,650	4,826,138	4,826,138	5,067,445	5,416,856	5,736,792
Application of cash and investments	2,120,047	93,428	-1,219,813	-1,219,813	479,638	772,698	734,414
Balance - surplus (shortfall)	2,697,512	4,704,222	6,045,951	6,045,951	4,587,807	4,644,158	5,002,378
Asset management							
Asset register summary (WDV)	19,449,034	20,954,296	21,099,603	21,099,603	21,604,171	22,106,026	21,836,822
Depreciation	993,760	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Renewal and Upgrading of Existing Assets	765,452	686,532	632,928	632,928	696,488	499,935	634,195
Repairs and Maintenance	452,628	672,327	681,235	681,235	866,011	905,848	897,705
Free services							
Cost of Free Basic Services provided	301,878	371,687	529,705	529,705	483,492	500,514	523,671
Revenue cost of free services provided	148,706	159,843	210,668	210,668	220,951	232,860	246,595
Households below minimum service level	-	-	-	-	-	-	-
Water:	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-

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

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Revenue - Functional							
Municipal governance and administration	4,446,654	4,025,071	4,060,778	4,060,778	4,710,753	4,881,740	5,001,640
Executive and council	1,093	1,142	1,200	1,200	1,194	1,259	1,327
Finance and administration	4,445,546	4,023,928	4,059,578	4,059,578	4,709,559	4,880,480	5,000,313

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Internal audit	15						
Community and public safety	1,157,608	1,602,841	1,454,568	1,454,568	1,573,823	1,832,421	1,990,413
Community and social services	38,783	39,766	38,871	38,871	41,898	43,419	45,654
Sport and recreation	6,933	35,161	25,454	25,454	29,322	12,276	12,480
Public safety	848,934	1,098,227	822,243	822,243	1,030,906	1,142,478	1,261,395
Housing	261,638	427,196	565,446	565,446	469,477	631,928	668,462
Health	1,320	2,491	2,555	2,555	2,220	2,320	2,421
Economic and environmental services	695,128	842,004	681,039	681,039	801,879	673,177	682,874
Planning and development	197,273	203,808	192,340	192,340	170,551	156,891	162,291
Road transport	481,190	592,485	443,134	443,134	587,730	493,502	503,592
Environmental protection	15,177	44,272	44,275	44,275	43,598	16,724	16,991
Trading services	12,234,002	10,974,772	11,465,717	11,465,717	12,122,313	13,259,172	14,217,037
Energy sources	4,706,575	5,523,802	5,523,938	5,523,938	6,130,396	6,809,892	7,655,042
Water management	5,855,602	3,830,572	4,101,137	4,101,137	4,068,058	4,447,822	4,322,947
Waste water management	1,131,877	1,179,150	1,318,157	1,318,157	1,420,732	1,465,552	1,662,699
Waste management	539,947	441,249	522,484	522,484	503,128	535,906	576,349
Other	39,664	45,140	43,206	43,206	61,330	63,972	71,595
Total Revenue - Functional	17,085,399	16,051,220	16,415,218	16,415,218	18,111,003	19,326,602	20,791,524
Expenditure - Functional							
Municipal governance and administration	2,235,279	2,067,897	1,972,298	1,972,298	2,060,586	2,059,316	2,173,741
Executive and council	359,219	398,006	401,058	401,058	416,008	439,861	463,682
Finance and administration	1,817,298	1,600,939	1,504,908	1,504,908	1,572,076	1,542,977	1,629,358
Internal audit	58,763	68,952	66,333	66,333	72,502	76,478	80,701
Community and public safety	1,940,761	2,321,182	2,395,110	2,395,110	2,597,632	2,610,292	2,795,267
Community and social services	411,915	423,240	402,662	402,662	384,216	407,829	435,627
Sport and recreation	481,369	609,396	574,693	574,693	680,761	711,303	758,007
Public safety	562,900	741,508	702,820	702,820	731,694	786,478	854,459
Housing	393,478	335,943	507,419	507,419	545,994	438,284	464,450
Health	91,099	211,096	207,516	207,516	254,968	266,398	282,724
Economic and environmental services	584,650	1,357,422	1,175,465	1,175,465	1,566,515	1,063,932	1,606,054
Planning and development	199,110	319,373	297,358	297,358	523,686	529,255	559,871
Road transport	326,479	932,051	778,299	778,299	956,244	981,938	1,000,816
Environmental protection	59,061	105,998	99,808	99,808	86,585	92,739	99,367
Trading services	10,916,365	11,335,628	11,148,532	11,148,532	11,818,822	12,972,052	14,068,769
Energy sources	5,479,127	6,659,747	6,613,639	6,613,639	7,343,288	8,190,625	9,038,130
Water management	3,909,672	2,835,548	2,835,190	2,835,190	2,711,096	2,982,345	3,146,675
Waste water management	899,709	1,156,750	1,031,712	1,031,712	1,093,987	1,088,050	1,134,214
Waste management	627,857	683,583	667,990	667,990	670,451	711,032	749,749
Other	68,378	104,897	112,178	112,178	128,547	142,787	157,203
Total Expenditure - Functional	14,087,558	17,187,026	16,803,583	16,803,583	18,172,102	19,388,379	20,855,034
Surplus/(Deficit)	2,997,841	-1,135,806	-388,365	-388,365	-61,099	-61,777	-63,510

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

Vote Description	2022/2023	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Revenue by Vote							
Vote 1 - Budget & Treasury	3,703,636	3,939,870	3,978,137	3,978,137	4,615,019	4,784,697	4,897,667
Vote 2 - Public Health	500,694	498,757	579,888	579,888	517,512	551,041	592,231
Vote 3 - Human Settlements	150,986	427,197	598,681	598,681	303,502	182,490	205,716
Vote 4 - Economic Development, Tourism & Agriculture	171,835	54,448	44,763	44,763	38,232	44,091	50,395
Vote 5 - Corporate Services	15,946	17,163	18,164	18,164	19,397	15,606	16,759
Vote 6 - Infrastructure & Engineering Unit - Rate & General	173,501	595,255	444,639	444,639	317,758	298,024	290,012
Vote 7 - Metro Water Service	5,234,166	3,830,572	4,101,137	4,101,137	3,734,347	3,999,262	4,227,520
Vote 8 - Sanitation - Metro	1,319,146	1,179,150	1,318,157	1,318,157	1,292,269	1,339,706	1,425,518
Vote 9 - Electricity & Energy	4,849,694	4,096,828	4,149,523	4,149,523	5,959,948	6,708,879	7,552,920
Vote 10 - Executive & Council	20,369	138,900	132,813	132,813	144,607	145,450	149,904
Vote 11 - Safety & Security	864,678	1,146,029	935,402	935,402	1,049,534	1,162,359	1,282,595
Vote 12 - Mandela Bay Stadium	56,590	60,891	60,891	60,891	72,278	62,531	66,238
Vote 13 - Special Projects and Programmes	8,528	29,816	29,816	29,816	22,684	8,321	9,013
Vote 14 - Recreational & Cultural Services	23,777	40,398	29,267	29,267	23,915	24,145	25,036
Vote 15 - [NAME OF VOTE 15]		-	-	-			
Total Revenue by Vote	17,093,545	16,055,280	16,421,278	16,421,278	18,111,003	19,326,602	20,791,523
Expenditure by Vote to be appropriated							
Vote 1 - Budget & Treasury	1,041,701	1,048,666	1,005,883	1,005,883	1,135,425	1,070,502	1,115,846
Vote 2 - Public Health	897,669	1,089,649	1,022,834	1,022,834	1,086,780	1,155,300	1,227,170
Vote 3 - Human Settlements	351,083	459,332	643,539	643,539	500,427	394,771	421,416
Vote 4 - Economic Development, Tourism & Agriculture	245,746	124,369	292,697	292,697	119,201	130,168	142,153
Vote 5 - Corporate Services	551,131	583,940	571,552	571,552	600,448	625,430	657,721
Vote 6 - Infrastructure & Engineering Unit - Rate & General	1,084,352	1,231,898	1,042,176	1,042,176	1,254,519	1,299,224	1,339,768
Vote 7 - Metro Water Service	2,416,916	2,827,152	2,766,527	2,766,527	2,939,602	3,003,097	3,401,679
Vote 8 - Sanitation - Metro	1,057,841	907,278	847,718	847,718	930,795	910,089	938,071
Vote 9 - Electricity & Energy	4,295,005	6,629,902	6,586,230	6,586,230	7,204,319	8,272,458	8,903,315
Vote 10 - Executive & Council	365,403	540,539	350,460	350,460	554,985	577,854	607,363
Vote 11 - Safety & Security	1,076,297	1,243,361	1,206,662	1,206,662	1,232,955	1,327,862	1,439,810
Vote 12 - Mandela Bay Stadium	202,345	55,653	55,653	55,653	71,498	62,532	66,238
Vote 13 - Special Projects and Programmes	169,083	30,736	28,652	28,652	24,161	9,927	10,758
Vote 14 - Recreational & Cultural Services	492,905	500,067	470,734	470,734	516,988	549,165	583,725

Vote Description	2022/2023	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Vote 15 - [NAME OF VOTE 15]		-					
Total Expenditure by Vote	14,247,478	17,272,542	16,891,317	16,891,317	18,172,101	19,388,379	20,855,034
Surplus/(Deficit) for the year	2,846,067	-1,217,262	-470,039	-470,039	-61,098	-61,777	-63,510

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

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Revenue							
Exchange Revenue							
Service charges - Electricity	4,602,372	5,159,121	5,171,943	5,171,943	5,828,780	6,569,035	7,403,302
Service charges - Water	4,851,512	2,943,776	2,912,999	2,912,999	2,937,779	3,128,734	3,347,746
Service charges - Waste Water Management	790,170	837,553	868,502	868,502	920,511	980,316	1,048,968
Service charges - Waste Management	323,273	311,829	311,829	311,829	330,539	352,024	374,905
Sale of Goods and Rendering of Services	73,659	117,720	113,104	113,104	117,432	109,985	118,094
Agency services	4,329	3,716	3,870	3,870	4,064	4,287	4,519
Interest	-	-				-	-
Interest earned from Receivables	901,629	573,984	883,722	883,722	990,740	1,071,131	1,158,091
Interest earned from Current and Non-Current Assets	331,113	206,088	203,878	203,878	222,156	232,501	250,082
Dividends	-	-				-	-
Rent on Land	-	-				-	-
Rental from Fixed Assets	30,762	30,471	36,534	36,534	38,017	40,440	43,018
Licence and permits	21,438	18,157	18,221	18,221	20,137	21,459	22,862
Operational Revenue	30,021	37,073	31,286	31,286	31,040	32,762	34,545
Non-Exchange Revenue							
Property rates	2,738,530	2,980,757	2,944,079	2,944,079	3,142,251	3,315,074	3,513,960
Surcharges and Taxes	-	-			-	-	-
Fines, penalties and forfeits	77,511	82,843	46,185	46,185	64,223	67,754	71,411
Licences or permits	1	1	1	1	1	1	1
Transfer and subsidies - Operational	1,554,247	1,964,652	2,085,586	2,085,586	2,639,328	2,530,119	2,499,533
Interest	-	-			-	-	-
Fuel Levy	754,473	783,478	783,478	783,478	824,005	870,980	900,487
Operational Revenue	-	-				-	-
Gains on disposal of Assets	360	-				-	-
Other Gains	-	-				-	-
Discontinued Operations	-	-				-	-
Total Revenue (excluding capital transfers and contributions)	17,085,399	16,051,220	16,415,218	16,415,218	18,111,003	19,326,602	20,791,524
Expenditure							
Employee related costs	3,546,492	4,513,810	4,374,815	4,374,815	4,708,314	5,069,397	5,466,086
Remuneration of councillors	75,900	91,089	90,829	90,829	94,452	98,218	102,133

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
Bulk purchases - electricity	4,377,705	5,632,329	5,632,845	5,632,845	6,338,216	7,143,170	8,050,352
Inventory consumed	126,058	359,733	371,214	371,214	355,361	375,199	370,013
Debt impairment	2,945,142	1,874,177	1,872,117	1,872,117	1,836,239	1,861,668	1,882,477
Depreciation and amortisation	1,000,452	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Interest	125,550	128,228	130,278	130,278	111,217	88,016	75,081
Contracted services	840,205	1,550,948	1,615,501	1,615,501	1,737,762	1,679,067	1,728,042
Transfers and subsidies	121,062	62,687	84,625	84,625	222,001	233,838	240,281
Irrecoverable debts written off	231,814	561,360	561,361	561,361	582,995	619,554	661,375
Operational costs	472,421	839,674	831,429	831,429	882,660	869,427	902,937
Losses on disposal of Assets	5,291	-	-	-	-	-	-
Other Losses	219,467	238,662	238,662	238,662	252,982	269,426	288,286
Total Expenditure	14,087,558	17,187,026	16,803,583	16,803,583	18,172,101	19,388,379	20,855,034
Surplus/(Deficit)	2,997,841	-1,135,806	-388,365	-388,365	-61,098	-61,777	-63,510
Transfers and subsidies - capital (monetary allocations)	818,115	1,434,548	1,283,531	1,283,531	1,159,095	1,377,819	1,172,036
Transfers and subsidies - capital (in-kind)	11,417	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions	3,827,372	298,742	895,166	895,166	1,097,997	1,316,042	1,108,526
Income Tax	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	3,827,372	298,742	895,166	895,166	1,097,997	1,316,042	1,108,526
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	3,827,372	298,742	895,166	895,166	1,097,997	1,316,042	1,108,526
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	3,827,372	298,742	895,166	895,166	1,097,997	1,316,042	1,108,526

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

Description	2020/21	2021/22	2022/23	Current year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2024/25
R thousands											
Capital Expenditure - Functional											
Municipal governance and administration	14,301,484	14,301,484	14,278,185	243,158	185,037	185,037	185,037	216,622	181,010	168,617	
Executive and council	50,347	50,347	17,580								
Finance and administration	14,251,137	14,251,137	14,260,605	243,158	185,037	185,037	185,037	216,622	181,010	168,617	
Internal audit											
Community and public safety	3,033,031	3,033,040	3,234,153	128,758	97,051	97,051	97,051	168,724	406,997	412,202	
Community and social services	2,271,567	2,271,567	2,327,995	40,230	23,300	23,300	23,300	48,328	34,600	27,500	
Sport and recreation	257,798	257,798	303,295	51,739	41,485	41,485	41,485	55,561	30,800	29,700	
Public safety	-24,978	-24,970	-21,624	30,422	27,589	27,589	27,589	62,235	11,100	9,950	
Housing	461,392	461,392	556,250	4,417	3,726	3,726	3,726	1,200	329,197	343,652	
Health	67,253	67,253	68,236	1,950	950	950	950	1,400	1,300	1,400	

Description	2020/21	2021/22	2022/23	Current year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands										
Economic and environmental services	4,041,460	4,041,604	4,692,636	574,965	527,767	527,767	527,767	506,098	405,250	433,982
Planning and development	896,650	896,650	931,825	54,407	57,590	57,590	57,590	56,040	57,721	59,452
Road transport	2,950,614	2,950,757	3,558,321	520,557	470,178	470,178	470,178	449,058	347,029	374,529
Environmental protection	194,196	194,196	202,491					1,000	500	
Trading services	8,700,442	8,701,347	9,796,555	1,049,078	997,622	997,622	997,622	1,071,881	975,788	755,581
Energy sources	4,516,335	4,517,065	4,794,653	315,211	300,783	300,783	300,783	246,698	154,296	154,101
Water management	2,703,592	2,703,767	3,530,327	481,371	476,327	476,327	476,327	457,824	551,947	205,900
Waste water management	980,557	980,557	993,076	244,716	215,732	215,732	215,732	331,360	233,546	342,580
Waste management	499,958	499,958	478,499	7,780	4,780	4,780	4,780	36,000	36,000	53,000
Other	21,748	21,748	25,552					2,000	2,000	
Total Capital Expenditure - Functional	30,098,166	30,099,222	32,027,082	1,995,957	1,807,477	1,807,477	1,807,477	1,965,324	1,971,046	1,770,381
Funded by										
National Government	1,566,328	1,566,503	1,619,045	1,307,960	1,187,427	1,187,427		1,116,095	1,334,819	1,129,036
Provincial Government										
District Municipality										
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)				40,000	55,000	55,000	55,000	43,000	43,000	43,000
Transfers recognised - capital	1,566,328	1,566,503	1,619,045	1,347,960	1,242,427	1,242,427	1,242,427	1,159,095	1,377,819	1,172,036
Borrowing				76,338	58,865	58,865	58,865	130,229		
Internally generated funds	19,643	19,643	19,088	571,659	506,184	506,184	506,184	676,000	593,227	598,345
Total Capital Funding	1,585,971	1,586,146	1,638,133	1,995,957	1,807,477	1,807,477	1,807,477	1,965,324	1,971,046	1,770,381

TABLE 43 (A6 BUDGETED FINANCIAL POSITION)

Description	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26
R thousands							
ASSETS							
Current assets							
Cash and cash equivalents	4,751,199	4,788,850	4,817,338	4,817,338	5,032,445	5,123,794	5,222,170
Trade and other receivables from exchange transactions	2,391,969	3,298,835	3,629,188	3,629,188	3,159,969	2,733,572	2,641,810
Receivables from non-exchange transactions	440,864	217,452	497,781	497,781	248,070	274,581	280,832
Current portion of non-current receivables	-	-	-	-	-	-	-
Inventory	182,973	260,285	329,389	329,389	345,859	363,151	381,249
VAT	1,836,568	1,102,841	1,335,146	1,335,146	1,401,903	1,471,998	1,545,598
Other current assets	8,692	-	-	-	-	-	-
Total current assets	9,612,265	9,668,263	10,608,842	10,608,842	10,188,246	9,967,096	10,071,659
Non-current assets							
Investments	-	-	-	-	-	-	-
Investment property	142,512	153,640	142,512	142,512	156,763	159,898	161,497
Property, plant and equipment	19,057,012	18,694,291	19,045,012	19,045,012	21,141,409	21,623,539	21,350,667
Biological assets	-	-	-	-	-	-	-
Living and non-living resources	-	-	-	-	-	-	-
Heritage assets	219,946	217,452	220,197	220,197	220,197	220,197	220,857
Intangible assets	42,595	61,351	41,409	41,409	71,801	88,392	89,801
Trade and other receivables from exchange transactions	86,557	115,638	115,638	115,638	115,638	115,638	115,638
Non-current receivables from non-exchange transactions	50	55,000	43,030	43,030	45,182	46,537	47,468
Other non-current assets	-	-	-	-	-	-	-
Total non-current assets	19,548,672	19,297,372	19,607,798	19,607,798	21,750,990	22,254,201	21,985,928
TOTAL ASSETS	29,160,937	28,965,635	30,216,640	30,216,640	31,939,236	32,221,297	32,057,587
LIABILITIES							
Current liabilities							
Bank overdraft	-	-	-	-	-	-	-
Financial liabilities	192,287	192,379	192,379	192,379	188,490	184,395	186,239
Consumer deposits	155,528	176,659	175,514	175,514	180,779	184,395	186,239
Trade and other payables from exchange transactions	2,116,035	2,863,343	2,973,363	2,973,363	3,006,246	3,033,429	3,036,478
Trade and other payables from non-exchange transactions	190,286	312,695	312,695	312,695	313,007	313,321	313,634
Provision	598,024	226,572	392,759	392,759	396,155	396,551	396,948
VAT	2,134,714	1,716,713	1,716,713	1,716,713	1,740,464	1,756,888	1,774,487
Other current liabilities	-	-	-	-	-	-	-
Total current liabilities	5,386,874	5,488,361	5,763,423	5,763,423	5,825,141	5,868,979	5,894,025
Non-current liabilities							
Financial liabilities	1,153,063	1,055,049	1,369,578	1,369,578	1,232,620	1,233,853	1,235,087
Provision	1,294,951	3,767,977	3,369,398	3,369,398	3,200,928	3,204,129	3,207,333
Long term portion of trade payables	-	-	0	0	-	-	-
Other non-current liabilities	1,350,644	1,105,582	1,383,063	1,383,063	1,385,829	1,387,215	1,388,602
Total non-current liabilities	3,798,658	5,928,608	6,122,039	6,122,039	5,819,377	5,825,197	5,831,022
TOTAL LIABILITIES	9,185,532	11,416,969	11,885,462	11,885,462	11,644,518	11,694,176	11,725,047
NET ASSETS	19,975,405	17,548,666	18,331,178	18,331,178	20,294,718	20,527,121	20,332,540

COMMUNITY WEALTH/EQUITY							
Accumulated surplus/(deficit)	21,458,938	18,245,712	18,576,871	18,576,871	18,595,493	18,614,090	18,632,707
Reserves and funds	391,058	907,030	584,588	584,588	585,129	585,710	586,295
Other	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	21,849,997	19,152,742	19,161,460	19,161,460	19,180,621	19,199,800	19,219,001

TABLE 44 (A7 BUDGETED CASH FLOWS)

Description	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	2,652,874	2,627,874	2,627,874	2,828,026	2,983,567	3,162,564
Service charges	7,144,625	7,152,625	7,152,625	9,293,524	10,325,690	11,076,026
Other revenue	2,408,406	819,052	819,052	2,200,281	1,167,944	1,189,409
Transfers and Subsidies - Operational	1,964,652	1,768,469	1,768,469	2,138,293	2,181,768	2,071,284
Transfers and Subsidies - Capital	1,387,960	1,242,427	1,242,427	1,210,250	1,290,720	1,165,060
Interest	204,088	203,878	203,878	224,156	234,441	251,960
Dividends	-	-	-	-	-	-
Payments						
Suppliers and employees	-14,042,639	-11,643,796	-11,643,796	-14,635,585	-15,298,552	-16,152,045
Finance charges	- 128,228	- 130,278	- 130,278	- 111,217	- 88,016	- 75,081
Transfers and Subsidies	- 62,687	- 84,625	- 84,625	- 84,452	- 92,163	- 94,355
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,529,051	1,955,626	1,955,626	3,063,276	2,705,399	2,594,822
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-16,572	-16,572	-160,820	-162,175	-163,106
Decrease (increase) in non-current investments	-	-	-	-	-	-
Payments						
Capital assets	- 1,719,862	- 1,798,137	- 1,890,837	- 1,959,139	- 1,930,107	- 1,825,534
NET CASH FROM/(USED) INVESTING ACTIVITIES	-1,719,862	-1,814,709	-1,907,409	-2,119,959	-2,092,282	-1,988,640
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans	-	-	-	-	-	-
Borrowing long term/refinancing	-	- 281,943	- 281,943	- 130,229	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-
Payments						
Repayment of borrowing	- 139,993	- 192,376	- 192,376	- 213,799	- 129,971	- 143,198
NET CASH FROM/(USED) FINANCING ACTIVITIES	- 139,993	- 192,376	- 192,376	- 344,028	- 129,971	- 143,198
NET INCREASE/ (DECREASE) IN CASH HELD	-330,804	-51,459	-144,159	599,289	483,146	462,984
Cash/cash equivalents at the year begin:	4,731,290	4,815,036	4,815,036	4,670,877	5,270,166	5,753,312
Cash/cash equivalents at the year-end:	4,400,486		4,670,877	5,270,166	5,753,312	6,216,296

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

Description	Current year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Cash and investments available								
Cash/cash equivalents at the year end	4,273,131	4,820,128	4,820,128	-	5,061,783	5,411,194	5,731,130	
Other current investments > 90 days	413,054			-				
Cash and investments available:	4,686,185	4,820,128	4,820,128	-	5,061,783	5,411,194	5,731,130	
Application of cash and investments								
Unspent conditional transfers	55,600	270,761	270,761	-	156,238	154,809	162,549	
Unspent borrowing	-			-	130,229	-	-	
Statutory requirements	613,872			-	495,130	652,930	689,085	
Other working capital requirements	1,241,068	986,911	986,911	-	1,321,880	1,351,820	958,230	
Other provisions	229,572	909,063	909,063	-	2,384,230	2,406,551	2,496,948	
Long term investments committed	-	-	-	-	-	-	-	
Reserves to be backed by cash/investments	907,030	584,588	584,588	-	585,129	585,710	586,295	
Total Application of cash and investments:	565,006	777,501	777,501	-	479,638	772,698	734,414	
Surplus(shortfall) – Excl Non-Current Creditors Trf to Debt Relief Benefits	4,121,179	4,042,627	4,042,627	-	2,908,714	3,220,878	3,711,061	
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	2,153,069	2,190,316	2,020,069	
Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Relief Benefits	4,121,179	4,042,627	4,042,627	-	2,153,069	2,190,316	2,020,069	

TABLE 46 (A9 - ASSET MANAGEMENT)

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands									
CAPITAL EXPENDITURE									
Total New Assets	686,337	686,346	840,635	1,309,426	1,174,548	1,174,548	1,268,837	1,471,110	1,136,186
<i>Roads Infrastructure</i>	102,072	102,072	102,072	380,220	391,757	391,757	380,180	271,721	295,579
<i>Storm water Infrastructure</i>	549	549	549	30,625	20,489	20,489	30,822	28,500	26,900
<i>Electrical Infrastructure</i>	191,048	191,048	234,275	179,339	159,147	159,147	143,258	69,926	74,231
<i>Water Supply Infrastructure</i>	225,834	225,834	302,077	393,605	381,271	381,271	289,314	414,016	60,600
<i>Sanitation Infrastructure</i>				64,442	41,662	41,662	116,470	112,700	91,200
<i>Solid Waste Infrastructure</i>							2,000	2,000	2,000
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>				5,600			2,000		
Infrastructure	519,503	519,503	638,973	1,053,830	994,325	994,325	964,044	898,863	550,510
Community Facilities	3,733	3,733	3,733	10,117	7,404	7,404	7,848	4,300	
Sport and Recreation Facilities	2,425	2,425	5,439	13,826	1,555	1,555	5,000		
Community Assets	6,158	6,158	9,172	23,943	8,959	8,959	12,848	4,300	-
Heritage Assets									
Revenue Generating									
Non-revenue Generating									
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings				44,471	26,347	26,347	47,800	5,500	630
Housing								328,597	343,652
Other Assets	-	-	-	44,471	26,347	26,347	47,800	334,097	344,282
Biological or Cultivated Assets									
Servitudes									
Licences and Rights	16,669	16,669	16,015	41,200	12,555	12,555	30,958	46,110	47,077
Intangible Assets	16,669	16,669	16,015	41,200	12,555	12,555	30,958	46,110	47,077
Computer Equipment	28,541	28,541	31,460	22,115	27,289	27,289	23,452	18,650	24,450
Furniture and Office Equipment	3,007	3,007	3,344	7,850	6,445	6,445	3,600	4,400	1,800
Machinery and Equipment	71,112	71,121	81,991	65,280	52,613	52,613	112,565	74,300	82,160
Transport Assets	23,640	23,640	11,540	46,320	42,288	42,288	72,070	90,390	84,907
Land	17,706	17,706	48,141	4,417	3,726	3,726	1,500		1,000
Zoo's, Marine and Non-biological Animals									
Mature									
Immature									
Living Resources	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	23,967,113	23,967,256	24,854,776	354,464	361,626	361,626	408,637	284,546	282,900
<i>Roads Infrastructure</i>	1,395,131	1,395,275	1,728,601	87,250	67,250	67,250	70,500	65,500	58,500
<i>Storm water Infrastructure</i>				10,000	10,000	10,000	9,000	8,000	7,000
<i>Electrical Infrastructure</i>	288,796	288,796	375,457	68,424	74,924	74,924	60,270	61,270	61,270
<i>Water Supply Infrastructure</i>				72,767	79,908	79,908	123,510	86,930	66,300
<i>Sanitation Infrastructure</i>				57,292	61,092	61,092	87,983	30,346	61,180
<i>Solid Waste Infrastructure</i>				15,652	18,652	18,652	13,543	500	3,000

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>									
Infrastructure	1,683,927	1,684,071	2,104,058	311,384	311,826	311,826	364,807	252,546	257,250
Community Facilities	20,444	20,444	27,250	15,330	10,900	10,900	25,130	24,200	19,700
Sport and Recreation Facilities				2,000	2,000	2,000	3,950	2,000	
Community Assets	20,444	20,444	27,250	17,330	12,900	12,900	29,080	26,200	19,700
Heritage Assets			224,376						
Revenue Generating									
Non-revenue Generating									
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	39,681	39,681	58,122	2,250	2,800	2,800	4,250	5,300	2,950
Housing			40						
Other Assets	39,681	39,681	58,161	2,250	2,800	2,800	4,250	5,300	2,950
Biological or Cultivated Assets									
Servitudes									
Licences and Rights									
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	24,560	24,560	29,312				500	500	3,000
Furniture and Office Equipment									
Machinery and Equipment	22,197,04 4	22,197,04 4	22,410,16 2	1,000	1,000	1,000			
Transport Assets				22,500	33,100	33,100	10,000		
Land									
Zoo's, Marine and Non-biological Animals	1,457	1,457	1,457						
Mature									
Immature									
Living Resources	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	5,444,716	5,445,621	6,331,670	332,068	271,303	271,303	287,851	215,389	351,295
<i>Roads Infrastructure</i>	809,915	809,915	1,023,163	96,685	66,768	66,768	39,628	43,239	53,095
<i>Storm water Infrastructure</i>	195,479	195,479	237,949	26,437	21,337	21,337	22,000	26,800	22,500
<i>Electrical Infrastructure</i>	878,959	879,689	1,028,327	65,248	61,596	61,596	39,970	20,600	17,100
<i>Water Supply Infrastructure</i>	1,698,553	1,698,728	1,986,168	11,000	10,500	10,500	28,000	32,000	60,500
<i>Sanitation Infrastructure</i>	1,062,856	1,062,856	1,160,530	49,420	44,770	44,770	55,750	24,950	126,800
<i>Solid Waste Infrastructure</i>	38,580	38,580	38,580	3,000			4,000	4,000	19,000
<i>Rail Infrastructure</i>									
<i>Coastal Infrastructure</i>									
<i>Information and Communication Infrastructure</i>	2	2	2	2,000			2,000	2,000	1,000
Infrastructure	4,684,346	4,685,251	5,474,720	253,790	204,971	204,971	191,347	153,589	299,995
Community Facilities	283,803	283,803	303,208	54,550	41,907	41,907	61,637	30,000	24,200
Sport and Recreation Facilities	209,902	209,902	248,153	9,174	12,891	12,891	16,215	10,500	9,700
Community Assets	493,705	493,705	551,360	63,724	54,798	54,798	77,852	40,500	33,900
Heritage Assets	-4,180	-4,180	-4,180	900					
Revenue Generating									

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands									
Non-revenue Generating									
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	107,785	107,785	119,590	12,334	10,533	10,533	17,652	20,300	16,400
Housing	-5,254	-5,254	-5,254						
Other Assets	102,531	102,531	114,336	12,334	10,533	10,533	17,652	20,300	16,400
Biological or Cultivated Assets	7,951	7,951	8,532						
Servitudes									
Licences and Rights	29,871	29,871	41,668						
Intangible Assets	29,871	29,871	41,668	-	-	-	-	-	-
Computer Equipment	1,389	1,389	1,389	1,000	1,000	1,000	1,000	1,000	1,000
Furniture and Office Equipment	2,144	2,144	2,144						
Machinery and Equipment				320					
Transport Assets	126,959	126,959	141,701						
Land									
Zoo's, Marine and Non-biological Animals									
Mature									
Immature									
Living Resources	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	30,098,166	30,099,222	32,027,082	33,582,282	35,011,978	34,727,496	36,516,453	36,783,821	37,830,503
<i>Roads Infrastructure</i>	2,307,119	2,307,262	2,853,836	3,417,991	3,379,611	3,379,611	3,869,919	3,760,071	3,786,785
<i>Storm water Infrastructure</i>	196,028	196,028	238,498	305,560	290,324	290,324	352,146	353,624	346,724
<i>Electrical Infrastructure</i>	1,358,803	1,359,533	1,638,059	1,951,070	1,933,725	1,933,725	2,177,223	2,085,521	2,086,326
<i>Water Supply Infrastructure</i>	1,924,388	1,924,562	2,288,246	2,765,617	2,759,925	2,759,925	3,200,749	3,292,872	2,947,325
<i>Sanitation Infrastructure</i>	1,062,856	1,062,856	1,160,530	1,331,684	1,308,054	1,308,054	1,568,257	1,476,050	1,587,234
<i>Solid Waste Infrastructure</i>	38,580	38,580	38,580	57,232	57,232	57,232	76,775	63,732	81,232
<i>Rail Infrastructure</i>				0					
<i>Coastal Infrastructure</i>				0					
<i>Information and Communication Infrastructure</i>	2	2	2	7,602			4,000	2,000	1,000
Infrastructure	6,887,776	6,888,824	8,217,750	9,836,756	9,728,871	9,728,871	11,249,069	11,033,870	10,836,626
Community Facilities	307,980	307,980	334,190	79,997	60,211	60,211	94,615	58,500	43,900
Sport and Recreation Facilities	212,327	212,327	253,592	25,000	16,446	16,446	25,165	12,500	9,700
Community Assets	520,307	520,307	587,782	104,997	76,657	76,657	119,780	71,000	53,600
Heritage Assets	-4,180	-4,180	220,197	900					
Revenue Generating									
Non-revenue Generating									
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	147,466	147,466	177,711	59,054	39,680	39,680	69,702	31,100	19,980
Housing	-5,253	-5,254	-5,215					328,597	343,652
Other Assets	142,213	142,212	172,496	23,427,627	25,026,434	24,741,952	24,891,959	25,443,601	26,694,883
Biological or Cultivated Assets	7,951	7,951	8,532						
Servitudes									
Licences and Rights	46,540	46,540	57,683	41,200	12,555	12,555	30,958	46,110	47,077
Intangible Assets	46,540	46,540	57,683	41,200	12,555	12,555	30,958	46,110	47,077

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands									
Computer Equipment	54,490	54,490	62,162	23,115	28,289	28,289	24,952	20,150	28,450
Furniture and Office Equipment	5,151	5,151	5,488	7,850	6,445	6,445	3,600	4,400	1,800
Machinery and Equipment	22,268,156	22,268,165	22,492,153	66,600	53,613	53,613	112,565	74,300	82,160
Transport Assets	150,599	150,599	153,241	68,820	75,388	75,388	82,070	90,390	84,907
Land	17,706	17,706	48,141	4,417	3,726	3,726	1,500		1,000
Zoo's, Marine and Non-biological Animals	1,457	1,457	1,457						
Mature									
Immature									
Living Resources									
TOTAL CAPITAL EXPENDITURE - Asset Class	30,098,166	30,099,222	32,027,082	33,582,282	35,011,978	34,727,496	36,516,453	36,783,821	37,830,503
ASSET REGISTER SUMMARY - PPE (WDV)	18,463,958	18,464,996	19,449,034	20,954,296	21,099,603	21,099,603	21,604,171	22,106,026	21,836,822
Roads Infrastructure	2,294,412	2,294,555	2,841,129	212,301	405,120	405,120	415,840	307,248	330,572
Storm water Infrastructure	317,993	317,993	381,175	32,870	30,357	30,357	34,714	24,650	24,581
Electrical Infrastructure	1,388,825	1,389,554	1,668,081	141,662	33,648	33,648	140,735	45,950	43,579
Water Supply Infrastructure	1,993,501	1,993,676	2,416,112	207,501	190,628	190,628	240,812	327,575	-26,023
Sanitation Infrastructure	993,505	993,505	1,032,426	76,556	-73,643	-73,643	184,707	91,265	202,648
Solid Waste Infrastructure	5,754	5,754	5,754	-62,303	-91,604	-91,604	-47,973	-63,042	-47,628
Rail Infrastructure									
Coastal Infrastructure									
Information and Communication Infrastructure	25,496	25,496	27,474	9,600	2,000	2,000	4,000	2,000	1,000
Infrastructure	7,019,486	7,020,534	8,372,150	618,188	496,506	496,506	972,836	735,646	528,730
	522,830	522,830	597,245	-85,939	-65,122	-65,122	-6,033	-33,974	-64,704
Community Assets	522,830	522,830	597,245	-85,939	-65,122	-65,122	-6,033	-33,974	-64,704
Heritage Assets	445,131	218,363	220,197	217,452	220,197	220,197	220,197	220,197	220,857
	-79,607	147,161	142,512	153,640	142,512	142,512	156,763	159,898	161,497
Investment properties	-79,607	147,161	142,512	153,640	142,512	142,512	156,763	159,898	161,497
	10,252,449	10,252,431	9,756,297	19,877,092	-8,835	-8,835	57,256	346,739	340,452
Other Assets	10,252,449	10,252,431	9,756,297	19,877,092	-8,835	-8,835	57,256	346,739	340,452
Biological or Cultivated Assets									
	55,484	55,484	43,409	63,351	43,410	43,410	74,801	90,392	91,801
Intangible Assets	55,484	55,484	43,409	63,351	43,410	43,410	74,801	90,392	91,801
Computer Equipment	28,904	28,913	36,359	22,115	29,429	29,429	27,156	22,420	30,788
Furniture and Office Equipment	3,007	3,007	3,344	8,750	6,245	6,245	3,600	2,900	2,000
Machinery and Equipment	66,265	66,265	76,139	30,225	20,199,904	20,199,904	20,033,087	20,496,508	20,459,227
Transport Assets	132,302	132,302	153,241	45,007	31,631	31,631	64,507	65,299	66,174
Land	17,706	17,706	48,141	4,417	3,726	3,726			
Zoo's, Marine and Non-biological Animals									

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
R thousands									
Living Resources									
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	18,463,958	18,464,996	19,449,034	20,954,296	21,099,603	21,099,603	21,604,171	22,106,026	21,836,822
EXPENDITURE OTHER ITEMS									
Depreciation	1,000,452	1,000,452	993,760	1,334,327	999,907	999,907	1,049,902	1,081,399	1,087,971
Repairs and Maintenance by Asset Class	365,788	381,773	452,628	672,327	681,235	681,235	866,011	905,848	897,705
Roads Infrastructure	34,760	40,291	55,423	105,984	93,436	93,436	130,984	109,931	116,519
Storm water Infrastructure	7,505	9,191	3,578	16,427	24,746	24,746	17,711	18,782	19,919
Electrical Infrastructure	63,635	66,158	85,672	102,850	103,850	103,850	121,262	128,469	106,775
Water Supply Infrastructure	77,669	78,615	100,813	130,713	140,028	140,028	130,447	140,092	149,924
Sanitation Infrastructure	67,451	67,451	83,650	81,652	81,666	81,666	89,532	97,994	107,423
Solid Waste Infrastructure									
Rail Infrastructure	271	393	174	2,310	1,310	1,310	2,913	3,088	3,273
Coastal Infrastructure									
Information and Communication Infrastructure				1,250	1,250	1,250	1,325	1,405	1,052
Infrastructure	251,291	262,099	329,310	441,186	446,285	446,285	494,173	499,760	504,885
Community Facilities	9,156	9,837	12,523	19,587	19,780	19,780	19,516	19,977	20,499
Sport and Recreation Facilities	7,547	8,351	7,174	10,078	9,298	9,298	12,508	13,367	14,360
Community Assets	16,703	18,188	19,697	29,665	29,078	29,078	32,024	33,344	34,859
Heritage Assets	263	263	217	638	403	403	320	339	361
Revenue Generating									
Non-revenue Generating									
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	18,557	19,720	37,225	69,303	72,806	72,806	140,087	152,351	141,187
Housing	468	500	1,546	4,989	8,713	8,713	7,509	8,864	6,852
Other Assets	19,025	20,220	38,772	74,292	81,519	81,519	147,596	161,215	148,039
Biological or Cultivated Assets									
Servitudes									
Licences and Rights	4,006	4,006	4,271	5,455	5,435	5,435	5,930	6,467	7,106
Intangible Assets	4,006	4,006	4,271	5,455	5,435	5,435	5,930	6,467	7,106
Computer Equipment	2,480	3,551	4,087	5,501	5,173	5,173	5,994	6,301	6,716
Furniture and Office Equipment	201	229	1,086	4,347	3,790	3,790	4,251	4,220	4,473
Machinery and Equipment	33,941	34,202	20,960	59,462	56,824	56,824	59,532	62,870	66,739
Transport Assets	37,878	39,014	34,228	51,781	52,727	52,727	116,190	131,331	124,527
Land									
Zoo's, Marine and Non-biological Animals									
Mature									
Immature									
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	1,366,240	1,382,225	1,446,388	2,006,654	1,681,141	1,681,141	1,915,913	1,987,247	1,985,676
Renewal and upgrading of Existing Assets as % of total capex	97.70%	97.70%	97.40%	34.40%	35.00%	35.00%	35.40%	25.40%	35.80%
Renewal and upgrading of Existing Assets as % of deprecn	2939.90%	2940.00%	3138.20%	51.50%	63.30%	63.30%	66.30%	46.20%	58.30%

Description	2020/21	2021/22	2022/23	Current year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
<i>R&M as a % of PPE & Investment Property</i>	2.00%	2.10%	2.30%	3.20%	3.20%	3.20%	4.00%	4.10%	4.10%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	165.70%	163.80%	164.90%	6.50%	6.30%	6.30%	7.30%	6.40%	7.10%

TABLE 47 (A10 BASIC SERVICE DELIVERY MEASUREMENT)

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

Description	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2025/26
Total number of households	330,735	364,114	364,114	414,696	452,354	494,161
<u>Refuse:</u>						
Removed at least once a week	236,822	237,382	237,382	237,382	237,382	237,382
<i>Minimum Service Level and Above sub-total</i>	236,822	235,644	235,644	235,644	235,644	235,644
Removed less frequently than once a week	-	-	-	0	0	0
Using communal refuse dump	39,143	44,090	44,090	44,090	56,064	56,064
Using own refuse dump	-	-	-			
Other rubbish disposal	-	-	-			
No rubbish disposal	23,581	16,702	16,702	16,702	4,728	4,728
<i>Below Minimum Service Level sub-total</i>	62,724	60,792	60,792	60,792	60,792	60,792
Total number of households	299,546	296,436	296,436	296,436	296,436	296,436
<u>Households receiving Free Basic Service</u>						
Water (6 kilolitres per household per month)	90,626	73,368	73,368	90,626	95,426	100,226
Sanitation (free minimum level service)	92,156	74,216	74,216	92,156	96,956	101,756
Electricity/other energy (50kwh per household per month)	73,526	33,905	33,905	73,526	78,526	83,126
Refuse (removed at least once a week)	86,954	65,190	65,190	86,954	91,754	96,554
Informal Settlements				-	-	-
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>						
Water (6 kilolitres per indigent household per month)	119,336	145,699	145,699	150,070	154,572	159,209
Sanitation (free sanitation service to indigent households)	120,128	209,803	209,803	218,176	224,721	231,463
Electricity/other energy (50kwh per indigent household per month)	27,639	27,639	27,639	23,492	24,667	25,900
Refuse (removed once a week for indigent households)	90,143	152,040	152,040	91,754	96,554	107,099
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>						
	-	-	-			
Total cost of FBS provided	357,246	535,181	535,181	483,492	500,514	523,671
<u>Highest level of free service provided per household</u>						
Property rates (R value threshold)	130,000	130,000	130,000	130,000	130,000	130,000
Water (kilolitres per household per month)	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	11	11	11	11	11	11
Sanitation (Rand per household per month)	137	137	137	137	137	137
Electricity (kwh per household per month)	75	75	75	75	75	75
Refuse (average litres per week)	178	178	178	178	178	178
<u>Revenue cost of subsidised services provided (R'000)</u>						
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)						
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	114,371	114,371	114,371	173,455	182,995	193,974
Water (in excess of 6 kilolitres per indigent household per month)	29,834	31,336	31,336	31,852	34,180	36,687
Sanitation (in excess of free sanitation service to indigent households)		21,558	21,558	21,565	22,643	23,786
Electricity/other energy (in excess of 50 kwh per indigent household per month)	30,018	29,534	29,534	29,534	29,534	29,534
Refuse (in excess of one removal a week for indigent households)	16,662	15,719	15,719	15,719	15,719	15,719
Municipal Housing - rental rebates						

Description	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2025/26
Housing - top structure subsidies	81,606	250,385	250,385	123,457		
Other						
Total revenue cost of subsidised services provided	272,491	462,903	462,903	395,582	285,071	299,700

1.10. CONSOLIDATED BUDGET SUPPORTING TABLES

The relevant supporting tables that could be prepared are attached elsewhere to the Budget Report.

1.11. THE FINANCIAL IMPACT OF UNDERFUNDED MANDATES

The following table provides an overview of the Library Services:

TABLE 48 (UNDERFUNDED MANDATES – LIBRARY SERVICES)

LIBRARY SERVICES - NMBM						
Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Fines	482,137	1,263,620	571,870	578,860	609,100	640,420
Government Grants and Subsidies	15,870,000	15,870,000	15,870,000	19,210,000	19,210,000	19,210,000
Rental of Facilities and Equipment	6,818	604,030	31,200	27,210	27,630	28,060
Sale of Goods and Rendering of Services	74,241	164,640	84,500	85,500	89,910	94,490
Operational Revenue	410	94,650	0	210	210	210
TOTAL - REVENUE	16,433,606	17,996,940	16,557,570	19,901,780	19,936,850	19,973,180
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	91,526,282	108,544,030	105,672,780	119,141,040	129,269,570	140,256,070
Impairment - Receivables	523,876	0	0	0	0	0
Contracted Services	1,431,728	2,496,850	2,486,850	3,183,610	3,248,930	3,309,210
Depreciation	179,667	317,550	238,150	250,070	257,580	265,300
Repairs and Maintenance	762,042	1,396,440	1,266,440	1,388,980	1,430,530	1,484,280
General Expenses	4,727,572	9,123,560	8,671,560	10,315,520	10,614,650	10,917,500
Operating Leases	813,855	1,461,400	1,461,400	1,343,670	1,409,940	1,480,250
Inventory	1,547,091	2,328,600	2,328,600	2,427,960	2,656,960	2,551,990
TOTAL - EXPENDITURE	101,512,113	125,668,430	122,125,780	138,050,850	148,888,160	160,264,600
REVENUE - EXPENDITURE	-85,078,507	-107,671,490	-105,568,210	-118,149,070	-128,951,310	-140,291,420

The aforementioned table indicates that the Library Service continues to operate at a significant deficit, ranging from R118.1 million, R128.9 million and R140.3 million for the 2024/25, 2025/26 and 2026/27 financial years, respectively. These deficits are funded from property rates.

1.12. THE PROJECTED FINANCIAL PERFORMANCE OF THE VARIOUS TRADING SERVICES

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

(i) ELECTRICITY SERVICE

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

TABLE 49 (HIGH LEVEL SUMMARY OF THE ELECTRICITY SERVICE)

<i>ELECTRICITY AND ENERGY SERVICE</i>						
Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Service Charges	4,817,229,974	5,163,606,820	5,171,943,090	5,828,779,860	6,569,035,000	7,403,302,330
Interest Earned - Outstanding Debtors	97,625,462	104,287,600	83,733,180	90,766,770	98,391,180	106,656,040
Fines	660,111	850,000	1,217,400	1,278,270	1,348,580	1,421,430
Government Grants and Subsidies	69,759,286	42,562,910	43,042,910	39,004,970	39,979,570	41,408,550
Rental of Facilities and Equipment	15,763	15,000	15,770	16,560	17,480	18,430
Sale of Goods and Rendering of Services	62,093	65,000	65,000	68,250	72,010	75,910
Operational Revenue	454,650	230,000	31,900	33,500	35,350	37,270
TOTAL - REVENUE	4,985,807,339	5,311,617,330	5,300,049,250	5,959,948,180	6,708,879,170	7,552,919,960
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	411,045,010	487,305,520	495,257,220	525,450,570	569,391,080	580,777,930
Impairment - Receivables	48,541,901	111,346,940	111,346,940	114,687,360	118,127,980	121,671,820
Contracted Services	45,983,864	50,174,840	43,653,840	52,955,200	55,703,850	53,346,820
Depreciation	145,884,465	187,448,270	140,586,180	147,615,510	152,043,970	130,705,300
Repairs and Maintenance	97,954,037	122,650,000	123,900,000	142,249,510	150,716,000	127,454,260
Finance Cost	36,953,421	34,860,900	34,860,900	29,730,290	24,687,770	21,364,340
Bulk Purchases	4,705,197,690	5,632,329,340	5,632,844,790	6,338,216,080	7,143,169,530	8,050,352,070
General Expenses	23,755,599	39,477,730	36,346,050	42,590,610	44,055,430	41,697,810
Operating Leases	1,546,653	1,948,330	2,048,330	2,150,760	2,269,180	2,391,660
Inventory	5,599,834	10,757,390	11,588,390	11,658,130	12,293,330	12,950,750
Loss on disposal of PPE	-703,540	0	0	0	0	0
TOTAL - EXPENDITURE	5,521,758,934	6,678,299,260	6,632,432,640	7,407,304,020	8,272,458,120	9,142,712,760
REVENUE - EXPENDITURE	-535,951,595	-1,366,681,930	-1,332,383,390	-1,447,355,840	-1,563,578,950	-1,589,792,800
Service Charges vs. Bulk Purchases	112,032,284	-468,722,520	-460,901,700	-509,436,220	-574,134,530	-647,049,740

The aforementioned table indicates that the Electricity Service is operating at large deficits and the 2024/25 MTREF is projecting deficits ranging from R1.45 billion, R1.56 billion and R1.59 billion for the 2024/25, 2025/26 and 2026/27 financial years, respectively.

When further comparing the Electricity Bulk Purchases budget for the 2024/25 MTREF period with the Service Charges Revenue, the Electricity Bulk Purchases budget is greater than the Service Charges by amounts ranging from R509.4 million, R574.1 million and R647.0 million for the 2024/25, 2025/26 and 2026/27 financial years, respectively.

(ii) WATER SERVICE

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

TABLE 50 (HIGH LEVEL SUMMARY OF THE WATER SERVICE)

WATER SERVICE						
Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Gains and losses	-253,195,621	-238,662,270	-238,662,270	-252,982,010	-269,425,850	-288,285,660
Service Charges	4,851,512,138	2,943,776,280	2,912,998,980	2,937,778,920	3,128,734,190	3,347,746,110
Interest Earned - Outstanding Debtors	647,211,678	261,834,410	536,044,380	581,072,110	629,882,170	682,792,280
Government Grants and Subsidies	176,370,685	220,239,890	208,602,890	214,531,060	239,622,150	195,896,780
Rental of Facilities and Equipment	709,535	726,110	815,180	815,180	864,100	915,950
Other Income	421,433,679	0	0	0	0	0
Operational Revenue	146,453	0	150,000	150,000	159,000	168,540
TOTAL - REVENUE	5,844,188,547	3,187,914,420	3,419,949,160	3,481,365,260	3,729,835,760	3,939,234,000
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	250,925,657	278,174,670	268,954,250	281,822,180	304,781,550	329,576,650
Impairment - Receivables	3,044,163,755	1,589,639,200	1,589,909,150	1,546,847,220	1,746,691,690	1,828,796,690
Contracted Services	25,121,552	46,848,530	39,870,730	40,541,770	41,999,250	43,581,660
Depreciation	139,545,611	205,969,770	154,477,570	162,201,230	167,067,250	172,079,270
Repairs and Maintenance	102,399,084	146,541,640	153,126,640	143,885,090	154,186,880	164,654,520
Finance Cost	39,196,919	38,628,520	38,628,520	33,577,120	28,227,980	23,773,070
General Expenses	126,791,334	164,430,950	164,629,750	168,661,440	180,221,880	196,225,900
Operating Leases	295,195	229,900	229,900	283,790	291,400	299,040
Inventory	-48,400,870	118,026,410	118,037,910	105,815,680	110,203,410	115,008,040
TOTAL - EXPENDITURE	3,680,038,237	2,588,489,590	2,527,864,420	2,483,635,520	2,733,671,290	2,873,994,840
REVENUE - EXPENDITURE	2,388,571,230	1,003,559,140	1,334,610,360	997,729,740	996,164,470	1,065,239,160

Although the aforementioned table indicates that the service is operating with a surplus, it must be viewed against the escalating arrear water debt and the fact that water punitive tariffs are still applicable due to water drought situation. The revenue projections for Water Service are based on Part B for all other consumers and Part A for ATTP consumers.

(iii) SANITATION SERVICE

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

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

SANITATION SERVICES						
Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Service Charges	790,169,701	837,553,460	868,502,020	920,612,140	980,451,930	1,053,672,420
Interest Earned - Outstanding Debtors	108,118,720	67,914,420	91,605,850	99,300,750	107,642,020	116,683,950
Government Grants and Subsidies	229,932,757	269,433,750	233,563,450	268,300,720	247,363,900	255,248,110
Sale of Goods and Rendering of Services	31,088	60,000	60,000	30,000	30,000	30,000
Operational Revenue	3,625,173	4,187,920	3,771,990	4,126,740	4,353,720	4,588,830
TOTAL - REVENUE	1,131,877,439	1,179,149,550	1,318,157,430	1,292,370,350	1,339,841,570	1,430,223,310
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	226,031,101	288,900,710	277,431,170	293,516,290	316,016,180	344,776,700
Impairment - Receivables	300,805,518	234,514,980	234,514,980	257,732,950	274,477,920	293,699,520
Contracted Services	19,238,768	35,162,520	30,630,590	60,433,960	33,497,870	35,472,030
Depreciation	122,133,883	174,033,260	130,524,930	137,051,190	141,162,730	145,397,610
Repairs and Maintenance	89,362,884	117,536,390	117,446,390	126,023,770	136,669,550	148,715,270
Finance Cost	20,629,746	22,251,500	22,251,500	18,824,630	15,425,000	13,118,240
General Expenses	7,152,536	17,666,670	17,729,370	17,846,220	18,463,620	19,139,230
Operating Leases	382,363	589,230	589,230	502,830	519,700	538,120
Inventory	5,374,366	16,622,650	16,599,950	18,863,090	19,920,290	21,120,340
TOTAL - EXPENDITURE	791,111,165	907,277,910	847,718,110	930,794,930	956,152,860	1,021,977,060
REVENUE - EXPENDITURE	340,766,274	271,871,640	470,439,320	361,575,420	383,688,710	408,246,250

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

(iv) REFUSE SERVICE

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

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

WASTE MANAGEMENT / REFUSE SERVICE						
Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Service Charges	323,272,851	311,828,840	311,828,840	330,538,630	352,023,580	374,905,110
Interest Earned - Outstanding Debtors	61,121,613	25,782,590	45,121,000	70,591,160	76,520,820	82,948,570
Government Grants and Subsidies	143,878,660	90,143,120	152,040,180	91,754,000	96,554,000	107,099,000
Rental of Facilities and Equipment	4,813,304	4,993,200	4,993,200	5,242,870	5,531,230	5,835,500

Sale of Goods and Rendering of Services	6,860,913	8,500,000	8,500,000	5,000,000	5,275,000	5,559,860
Operational Revenue	5,540	1,000	1,000	1,000	1,000	1,000
TOTAL - REVENUE	539,952,881	441,248,750	522,484,220	503,127,660	535,905,630	576,349,040
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	130,211,629	141,187,090	144,918,970	270,847,950	293,299,070	312,409,200
Impairment - Receivables	170,588,780	143,441,280	143,441,280	125,371,450	132,893,740	141,531,830
Contracted Services	30,072,909	59,805,220	40,357,660	20,477,090	63,802,600	67,247,230
Depreciation	487,543	635,390	476,540	500,370	515,380	530,840
Repairs and Maintenance	9,885	1,549,010	1,549,010	3,604,550	3,820,900	4,088,420
Finance Cost	61,870	61,870	61,870	0	0	0
General Expenses	153,808,517	83,491,050	92,046,570	155,607,500	119,122,150	122,745,140
Operating Leases	0	76,200	76,200	328,560	345,250	362,520
Inventory	14,367,605	21,815,190	26,801,280	28,428,810	29,992,390	31,612,050
TOTAL - EXPENDITURE	499,121,195	451,426,910	449,252,840	605,166,280	643,791,480	680,527,230
REVENUE - EXPENDITURE	40,831,686	-10,178,160	73,231,380	-102,038,620	-107,885,850	-104,178,190

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

1.13. THE FINANCIAL IMPACT OF SAFETY AND SECURITY SERVICE

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

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

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

Revenue Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Fines	38,605,876	27,479,510	12,779,510	29,168,510	30,772,790	32,434,550
Licences and permits	19,855,317	16,334,030	16,334,030	18,251,590	19,483,360	20,793,910
Government Grants and Subsidies	581,307,550	866,921,510	605,603,670	781,989,430	865,266,320	961,489,340
Rental of Facilities and Equipment	19,200	21,520	21,520	22,600	23,730	24,920
Sale of Goods and Rendering of Services	3,755,228	2,574,500	2,574,500	2,703,250	2,851,810	2,992,320
Operational Revenue	225,644,368	201,588,520	201,694,200	217,398,840	243,960,810	64,859,660
TOTAL - REVENUE	869,187,539	1,114,919,590	839,007,430	1,049,534,220	1,162,358,820	1,082,594,700
Expenditure Category	2022/2023 Actuals	2023/2024 Budget	2023/2024 Revised	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
Employee Related Costs	860,442,691	1,051,209,790	1,016,540,010	1,069,296,740	1,156,963,910	1,261,223,840
Impairment - Receivables	165,865	0	0	0	0	0
Contracted Services	21,776,467	91,058,330	83,938,330	62,504,040	65,958,460	69,507,350
Impairment - OTHER	34,433,525	28,631,500	26,381,500	27,431,500	27,531,500	27,581,500
Repairs and Maintenance	8,615,597	20,076,200	22,526,000	17,492,710	18,638,890	20,076,930
Finance Cost	1,167,707	1,314,770	1,314,770	644,730	575,380	498,090
General Expenses	20,416,534	33,361,300	36,852,630	36,331,230	37,891,930	39,531,820
Operating Leases	971,260	1,093,130	1,243,130	1,147,820	1,210,990	1,276,410
Inventory	11,419,987	16,616,230	17,865,230	18,106,170	19,090,990	20,114,400
TOTAL - EXPENDITURE	959,409,633	1,243,361,250	1,206,661,600	1,232,954,940	1,327,862,050	1,439,810,340
REVENUE - EXPENDITURE	-90,222,094	-128,441,660	-367,654,170	-183,420,720	-165,503,230	-357,215,640

The aforementioned table indicates that the service is operating at a significant deficit. It is to be noted that employee related costs, constitute approximately 86.7% of the total expenditure. The Council resolution of around 2017/18 of insourcing of 672 private security guards has had a significant impact on the employee related costs of the Safety and Security service. The amount of the Overtime budget incurred under the Safety & Security Directorate far exceeds other service delivery Directorates in the institution, accordingly that is not financially sustainable. It must also be noted that Safety and Security Service relies heavily on the Equitable Share for the funding of its operations.

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

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

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

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

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

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

2.2 ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

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

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

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

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

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

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

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

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

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

Strategic Objective	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/25	Budget Year +2 2026/27
Municipal Transformation and Development	1,541,838	1,448,186	1,481,244	1,481,244	1,634,160	1,743,807	1,875,943
Service Delivery and Infrastructure	8,355,324	7,847,821	8,026,965	8,026,965	8,855,620	9,449,805	10,165,858
Local Economic Development	2,227,289	2,092,003	2,139,758	2,139,758	2,360,653	2,519,046	2,709,925
Financial Sustainability and Viability	3,769,126	3,540,189	3,621,002	3,621,002	3,994,812	4,262,852	4,585,867
Good Governance and Public Participation	1,199,967	1,127,081	1,152,809	1,152,809	1,271,818	1,357,153	1,459,991
Total Revenue (excluding capital transfers and contributions)	17,093,544	16,055,280	16,421,778	16,421,778	18,117,063	19,332,662	20,797,583

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

Strategic Objective	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Municipal Transformation and Development	1,198,623	1,420,388	1,557,983	1,523,597	1,523,597	1,634,070	1,743,626	1,875,762
Service Delivery and Infrastructure	6,493,747	6,197,564	8,442,819	8,256,476	8,256,476	8,855,130	9,448,826	10,164,879
Local Economic Development	1,731,344	2,051,846	2,250,612	2,200,939	2,200,939	2,360,522	2,518,785	2,709,664
Financial Sustainability and Viability	2,929,966	3,472,234	3,808,596	3,724,535	3,724,535	3,994,591	4,262,410	4,585,425
Good Governance and Public Participation	932,262	1,105,446	1,212,532	1,185,770	1,185,770	1,271,748	1,357,012	1,459,850
Total Revenue (excluding capital transfers and contributions)	13,285,941	14,247,478	17,272,542	16,891,317	16,891,317	18,116,061	19,330,659	20,795,580

2.2.1 Alignment with National and Provincial Priorities

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

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

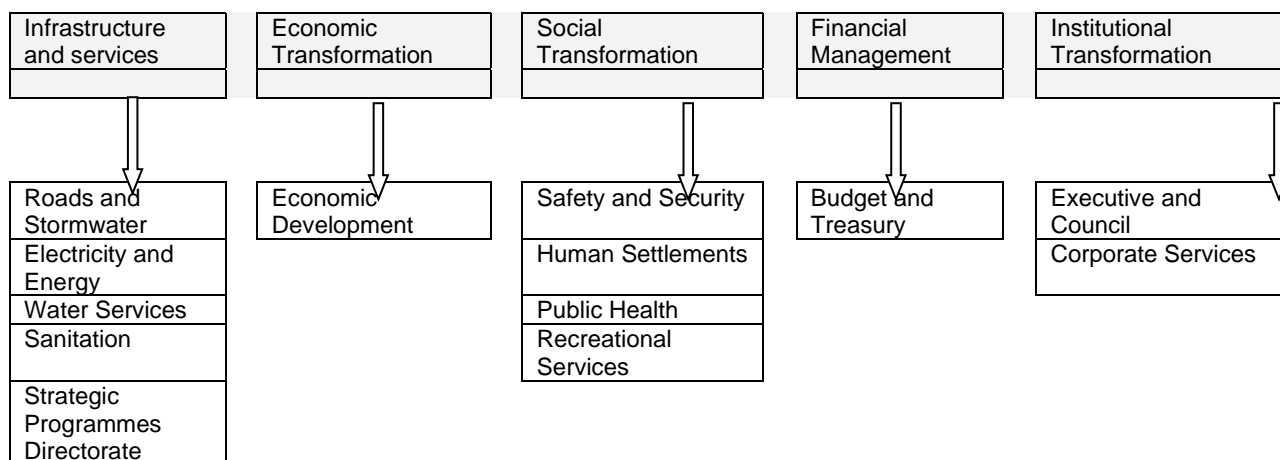


Figure 4: Alignment with National and Provincial Priorities

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

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

This section contains some of the key performance indicators.

TABLE 56 (MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS)

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

2.3.1 Drinking Water Quality and Waste-Water Management

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

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

2.3.2 Basic social services package for indigent households

The Constitution of the Republic of South Act (1996) stipulates that a municipality must structure and manage its administration, budgeting and planning to give priority to the basic needs of the community and to promote their social and economic development. The basic social package is an affirmation of

the Municipality's commitment to push back the frontiers of poverty by providing social welfare to those residents who cannot afford to pay, because of adverse social and economic conditions.

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

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

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

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

Various Services	2024/2025	2025/2026	2026/2027
	Budget	Budget	Budget
Debtors Management Collections_ Property Rates	2,287,710	2,413,540	2,558,360
Rates and Related Income_ Property Rates	173,454,650	182,994,660	193,974,340
Income_ Electricity	24,291,930	25,266,530	26,299,860
Income_ Water	150,070,080	154,572,190	159,209,360
Sewerage Administration	218,175,560	224,720,920	231,462,550
Refuse Administration	91,754,000	96,554,000	107,099,000
Water Loss Detection	31,852,280	34,180,390	36,687,420
Chemical Toilets	21,565,070	22,642,980	23,785,560
TOTAL - Various Services	713,451,280	743,345,210	781,076,450
Indigent Control _ ATTP Administration	27,920,200	34,961,470	32,521,210
Safety & Security	781,989,430	865,266,320	961,489,340
TOTAL - Other	809,909,720	900,227,790	994,010,550
TOTAL - Gazetted Allocation (Equitable Share)	1,523,361,000	1,643,573,000	1,775,087,000

2.4 OVERVIEW OF BUDGET RELATED POLICIES

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

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

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

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

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

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

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

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

2.6 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

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

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

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

Urban Settlements Development Grant (USDG) Annexure W5)	Conditional	635,473,000	663,817,000	786,561,000
Informal Settlement Upgrading Partnership Grant	Conditional	361,684,000	377,887,000	395,200,000
Neighbourhood Partnership Development Grant (NDPG)	Conditional	17,213,000	25,000,000	35,000,000
Public Transport Network Operations Grant	Conditional	339,948,000	333,476,000	323,165,000
Regional Bulk Infrastructure Grant (Page 312 of 336)	Conditional	250,000,000	390,000,000	
Energy Efficiency and Demand Side Management Grant	Conditional	7,000,000	7,000,000	8,500,000
TOTAL - CAPITAL		1,611,318,000	1,797,180,000	1,548,426,000
TOTAL GRANTS (OPERATING AND CAPITAL)		4,006,964,000	4,336,533,000	4,264,200,000

2.7 COUNCILLORS AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

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

TABLE 59 (COUNCILLORS ALLOWANCES AND BENEFITS)

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

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

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

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

In accordance with Section 53 of the MFMA, the Executive Mayor is required to approve the SDBIP within 28 days after the final approval of the budget. Furthermore, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

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

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

2.9 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Below the schedule of contracts impacting on future budgets:

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

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

Contracts Impacting on the Municipality’s Expenditure

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

2.10 LEGISLATION COMPLIANCE STATUS

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

Implementation of the MFMA

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

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

- A Disciplinary Board established in terms of the applicable Regulations is also in existence.

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

IDP

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

Budget

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

In-Year Reporting

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

Supply Chain Management Policy (SCM)

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

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

Budget and Treasury Office (BTO)

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

The BTO is split into the following Directorates: -

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

Audit Committee

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

Internal Audit Function

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

Financial Internship Programme

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

2.11 IMPORTANCE OF THE NATIONAL TREASURY GUIDELINES ISSUED THROUGH BUDGET CIRCULARS

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

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

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

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

PARAGRAPH NUMBER	COMMENTS
3.3. Consumer Deposits and Securities	<ul style="list-style-type: none"> - Credit Control Policies should be reviewed and amended to include the raising of consumer deposits, - The authority to raise deposits should be deleted where it is still in the Electricity & Water By-Laws, - Raising of consumer deposits should be included in the Credit Control and Debt Collection By-Laws, and - Deposits should be equal or more than two months bulk accounts from Water Services Authorities and ESKOM.
5.1. Approval of Deficit Budgets	<ul style="list-style-type: none"> - National / Provincial Treasuries encourage municipalities to prepare a surplus budget to avoid placing the municipality's resources in financial difficulties, - NB: With effect from 1 July 2024 ALL municipal Councils are advised <u>not to approve a deficit budget</u>, as such Mayors who table budgets to Council must be aware of the implications of the deficit budget, - NB: Accounting Officers and their Chief Financial Officers are responsible for preparing budgets and accordingly are tasked with ensuring that the Mayor is guarded against submitting deficit budget to Council for adoption, - NB: Failure thereof may result in Councils implementing Section 171 of the Local Government: Municipal Finance Management Act (56 of 2003) to both the Accounting Officer and Chief Financial Officer. <p>NB: This is the new Paragraph that has been incorporated in the Budget Circular by National Treasury and non-compliance implications are quite serious, as stated. For us to be able to present or table a surplus budget to Council, there are budget decisions that will have to be implemented with effect from the draft 2024/25 Budget when tabled to Council on or before end March 2024. The days of just adding budgets during the final stages of the budgeting process, as was done when the 2023/24 original budget was finalised in May/June 2023 are over, based on this requirement. Our emphasis now must be aiming for the surplus budget, however, in our case prior year decisions are going to haunt the institution.</p>
5.2. Funded Budgets	<ul style="list-style-type: none"> - Municipalities must adopt funded budgets, - Municipalities must fund their MTREF Budgets from the realistically anticipated revenues to be collected as required in terms of Section 18 of the MFMA, - Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired Collection Rates, - Municipalities are encouraged to limit expenditure according to the anticipated revenue projections, - NB: Municipalities should note that the Office of the Auditor General South Africa (AGSA) will soon start auditing those municipalities that have tabled and adopted unfunded budgets over an extended period given that this practice is not only illegal but also compromise their financial sustainability. <p>NB: This is the new Paragraph that has been incorporated in the Budget Circular by National Treasury and non-compliance implications are as indicated. We must, however, be comforted that the NMBM has never tabled an unfunded budget to Council for several years now, so this non-compliance factor is not referring to the NMBM yet.</p>

PARAGRAPH NUMBER	COMMENTS
<p>5.5. Burial of councillors using public funds</p>	<ul style="list-style-type: none"> - In terms of Circular 126 all municipalities are reminded about the contents of Circulars 122 & 123, wherein municipalities were urged to ensure that public funds are not used for burial of councillors, - Municipalities are reminded that the issuance of this requirement would have required, in certain cases, amendment of Council approved Policies dealing with the burial of councillors, - NB: Municipalities are reminded in terms of Circular 126 to ensure that any policies to this effect are rescinded, - NB: National Treasury, through Circular 126 further indicates that this matter will be referred to the Auditor General South Africa (AGSA), to confirm if during the 2023/24 financial year there were any funds that were utilised by the municipality for the burial of a councillor, - The Circular further states that if, during the 2023/24 financial year, instances of this nature are identified by the AGSA, both the Accounting Officer and the Chief Financial Officer will be held responsible in terms of Section 171 of the MFMA. <p>It can be confirmed that Circulars 122 and 123 of 2022 & 2023 gave the warning signals of non-support by National Treasury in utilising public funds for the burial of councillors. The previous budget circulars (i.e. 122 & 123) fell short of indicating / stating the implications of non-compliance as are stated in the latest Circular. The best is for ensuring first that any policies dealing with this matter are rescinded as required, to be in line with these requirements to avoid the implications thereof.</p>
<p>5.6. The use of Mayoral discretionary accounts and any other Council discretionary accounts</p>	<ul style="list-style-type: none"> - In terms of Circular 126 National Treasury re-emphasises previous Circulars where municipalities were cautioned against the utilising Mayoral Discretionary accounts, - The key reason for National Treasury's objection in this approach is due to the fact that public funds are availed/allocated or given out to other bodies or institutions or individuals by the Mayor of a municipality outside a budgeting process, - These allocations are done outside Council or without the knowledge of Council, meaning that there was a lack of transparency during the budgeting processes, - Municipalities are urged to ensure that any policies that support these activities, such policies are rescinded when Council approves the 2024/25 MTREF Budget, - NB: Circular 126 also indicates that with effect from 1 July 2024 the AGSA will be auditing the utilisation of public funds in this manner, and Accounting Officers / Executive Mayors and Chief Financial Officers that allow such practices to continue in their municipalities will be held personally responsible.
<p><u>PARAGRAPH 6 – MUNICIPAL STANDARD CHART OF ACCOUNTS (MSCOA)</u></p> <p><i>NB: Paragraph 6 of the NT Budget Circular 126 summarises the Municipal Standard Chart of Accounts (MSCOA) demands effective from the preparation of the 2024/25 MTREF Budget. Respectfully, it will be important that we concentrate to this paragraph due to the implications for non-compliance & our experience on MSCOA challenges in our municipality, as widely reported by National Treasury in various previous communications.</i></p> <p><i>The following paragraphs discuss the Municipal Standard Chart of Accounts (MSCOA) requirements in terms of NT Circular 126: -</i></p>	
<p>6.1. Release of Version 6.8 of the Chart</p>	<ul style="list-style-type: none"> - This paragraph is emphasising that effective from the 2024/25 Version 6.8 must be used when compiling the 2024/25 MTREF budget, - MSCOA Version 6.8 is accessible from GoMuni on the link under the MSCOA / List MSCOA WIP account linkages menu option.
<p>6.2. Improving MSCOA data strings credibility</p>	<p>This paragraph emphasises the importance of the submission of the credible data strings when uploading them to the GoMuni Upload portal of the NT.</p> <p>The NT Circular 126 also enlists the areas of concern that remain problematic for municipalities as follows:</p> <ul style="list-style-type: none"> - - Transacting against line items without a budget, - Opening balances for the previous year not transferred in the first month (M01) of the current financial year, - Cash flow tables (Tables A7, B7 and C7) are still not populating correctly and fully, - Budget and transacting for water inventory is not done correctly, as per guidance given in terms of NT Budget Circular 115 and 122, - Some municipalities do not budget & transact correctly or completely for irrecoverable debt written off and impairment loss. <p>NB: It must be emphasised that without a proper MSCOA compliant system, and high reliance on human intervention, the municipality will continue to be seen as a failure in this regard, so the sooner we acquire or procure an MSCOA compliant system, the better.</p>
<p>6.3. MSCOA reporting on Value Added Tax (VAT)</p>	<p>In this paragraph NT is reminding municipalities to make use of the guidance provided through MSCOA Circular No. 12 when reporting VAT related issues.</p>
<p>6.4. Use of function segment to achieve GRAP 18 segmental reporting</p>	<p>In this paragraph NT is reminding municipalities to make use of the guidance provided in the Accounting Guideline on GRAP 18 Segment Reporting (February 2020).</p>

PARAGRAPH NUMBER	COMMENTS
6.5. Period closure and reconciliation of General Ledger	In this paragraph NT is reminding municipalities about the requirements contained in Section 65(2)(j) of the MFMA as it relates to the closure of all financial accounts & their reconciliation to the municipality's records at the end of each month. This circular also reminds municipalities about Annexure B of the MFMA Circular No. 80 (8 March 2016) relating to the minimum system requirements.
6.6. MSCOA Governance & Implementation	In this paragraph NT is reminding municipalities of the need to develop MSCOA Roadmap (Action Plan) to fast track the implementation of MSCOA. Annexure A attached to NT Circular 126 contains the focus areas that should be considered, at a minimum, when the MSCOA Roadmap is developed. What is also critically important herein is the operationalisation of the MSCOA STEERCOM and as previously advised by National Treasury, inviting them as a participant to the STEERCOM will yield results.
6.7. Regulating the minimum business processes and system specifications for MSCOA	In this paragraph NT is sensitising all municipalities that with effect from towards the end of 2025/26 NT will regulate the minimum business processes and system specifications for MSCOA. The outputs to be included in this part of the project is listed in terms of NT Circular 126.
6.8. Training Initiatives	In this paragraph NT is sensitising all municipalities that several training initiatives on MSCOA aimed at capacitating municipalities, government departments, system vendors and other stakeholders have been introduced. These training interventions are listed in this paragraph of NT Budget Circular 126.
7.1. Assistance with the compilation of the budgets	According to this paragraph municipalities are advised as to their respective contact officials at National Treasury to consult relating to budget compilation or enquiries thereof.
8.1. Timeframes for submission budget documentation & A Schedules for 2024/25 MTRF	This paragraph of NT Circular 126 emphasises the closing date for the submission of financial information to NT (i.e. on the 10 th Working Day of every month), and importantly, that the closed periods will not be opened to correct errors or to accommodate non-submission of data strings. It is also emphasised that municipalities must verify the credibility and accuracy of information in their financial system prior to closing the month & submitting the MSCOA data strings to NT's portal (LGDRS).
8.2. Updating of contact details on GoMuni	This paragraph emphasises the importance of municipalities' updating their contact details on GoMuni as soon as changes occur, so that important information and deadlines reach the intended GoMuni users.
8.3. Submission of monthly sign-off	This paragraph of NT Budget Circular 126 indicates that with effect from 2024/25 <u>all</u> municipalities will be required to sign off on MSCOA data strings submitted for Section 71 of the MFMA & grant reporting monthly. The monthly sign-off certificates will be system generated from the LGDRS and must be uploaded monthly with data strings submission to the GoMuni Upload portal. NB: This is another reason why it is considered important to prioritise the acquisition of a MSCOA compliant system. The priority now is on the system for us to ensure that we submit credible information without any human intervention. This alone will be another tedious process that involves consultation with National Treasury, etc.
8.4. Training on GoMuni	This paragraph offers guidance on what to do for those role-players who want to be capacitated on the utilisation of GoMuni.

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

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

In ensuring that Council's cash is managed efficiently and effectively as required in terms of Council's Cash Management and Investment Policy, excess cash is invested with banks registered in terms of the Banks Act (Act 94 of 1990). The investments are diversified across various banks based on the types of investments (Term or Call) as well as their maturity dates depending on the cashflow requirements.

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

TABLE 63 (NMBM'S PROJECTED INVESTMENT PORTFOLIO)

INSTITUTION	2022/23 ACTUAL INVESTMENT	ACTUAL INVESTMENTS 29 FEBRUARY 2024	PROJECTED INVESTMENT BALANCE 30 JUNE 2024	PROJECTED INVESTMENT BALANCE 30 JUNE 2025	PROJECTED INVESTMENT BALANCE 30 JUNE 2026	PROJECTED INVESTMENT BALANCE 30 JUNE 2027
ABSA	920,000,000	500,000,000	650,000,000	950,000,000	1,025,000,000	1,000,000,000
ABSA CALL	5,310,000	7,676,969	7,676,969	7,700,000	3,500,000	3,500,000

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

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

2.13 ATTACHMENTS TO THE BUDGET REPORT

Attached to this Budget Report are the following Annexures: -

- Capital Works Plan (2024/25 to 2026/27) (**refer to Annexure "A1"**);
- Ward Budget / Allocations (2024/25 to 2026/27) (**refer to Annexure "A2"**);
- National Treasury Budget Circular 126 (**refer to Annexure "A3"**),
- National Treasury Budget Circular 128 (**refer to Annexure "A4"**),
- National Treasury Letter dated 20th May 2024 (**refer to Annexure "A5"**),
- Letter from NMBM – Responding to NT Letter dated 20th May 2024 (**refer to Annexure "A6"**);
- Letter to National Minister of Finance – Non-Compliance with tabling of Budget (**refer to Annexure "A7"**) and
- Tariffs Book (**refer to Annexure "A8"**).

2.14 CITY MANAGER'S QUALITY CERTIFICATE

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

Print Name : L Magalela (Mr)

Acting City Manager of Nelson Mandela Bay Municipality (EC000)

Signature : _____

Date : 11 June 2024