



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

BUDGET & TREASURY

2526 MTREF

DRAFT BUDGET

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Annexure B: SDBIP Summary

Abbreviations and Acronyms

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

1 Part 1 – Annual Budget

1.1 MAYOR’S REPORT

PURPOSE

To table to Council the 2025/26 Medium Term Revenue and Expenditure Framework Draft budget for noting.

BACKGROUND

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

DISCUSSION:

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

In terms of section 17 of the MFMA;

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

BUDGET SUMMARY:

The 2025/2026 Municipality with Municipal entity **Consolidate** Total Revenue is R 1 billion, broken down as follows:

• Government Grants and Subsidies – Capital	R 293, 4m
• Government Grants and Subsidies – Operational	R 594, 1m
• Own Revenue	R 129, 2m

Allocated as follows;

• Operational budget	R 812m
• Capital budget	R 299, 4m

The 2025/2026 **Municipality only** Total Revenue is R 995, 1m broken down as follows;

- Government Grants and Subsidies – Capital R 293, 4m
- Government Grants and Subsidies – Operational R 573, 9m
- Own Revenue R 127, 7m

Allocated as follows;

- Operational budget R 726m
- Capital budget R 294, 6m

The actual revenue is R996, 7million, however due to R20million for transfers and subsidies paid over to Harry Gwala Development Agency as revenue on their side this result on overstating the revenue by R20million on the consolidated budget. The revenue amount is supposed to be eliminated against the expenditure on parent books on consolidated however this is not happening due to system challenges.

The staff salaries budget for the consolidated has been budgeted at R285, 8m, representing 35% of the operational budget. Councilor's allowances have been budgeted at R8m. Board members have been budgeted at R 320 000.

Local government equitable share

The equitable share for 2025/2026 financial year as gazetted from the Division of Revenue Bill is as follows:

- ✓ Equitable share R 520 871 000

For 2025/26 Draft Budget capital projects amounting to R 299 429 753 (Exclusive of VAT) have been planned under the following categories;

PROJECT TYPE	AMOUNT
Water	R 255 007 113
Sanitation	R 3 913 043
Other Assets	R 40 509 753
TOTAL	R 299 429 753

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

Budget or breakdown allocation per local Municipality is as follows:

Umzimkhulu	R	68 050 104	23%	Has a huge Backlogs and high population
NDZ	R	77 769 873	26%	Huge Backlogs since demarcation
Ubuhlebezwe	R	14 758 192	5%	Few Backlogs
Kokstad	R	94 602 858	32%	Few Backlogs & Kempsdale Dam
Internal	R	44 248 727	15%	No Backlogs

Local Economic Development and Tourism

The Harry Gwala District Municipality has developed a number of local development related strategies and plans that seek to enhance its economic growth. These plans and strategies were circulated to all councilors. The Harry Gwala District Municipality has allocated R 20m towards LED projects in 2025/26 and a total of R40million in the MTREF in line with this National priority. We are hopeful that our partners, the first and second sphere of Government, in economic development will support in this Endeavour. We also intend to attract private sector investment to our district through the strengthening of our Harry Gwala Development Agency (HGDA). The Board of directors is now in place. To further strengthen the administrative capacity of the Agency, the HGDM LED unit was seconded to be part of the HGDA.

Promoting efficient revenue and expenditure management in local government

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

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

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

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

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

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

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

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

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

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

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

Other strategies documents to be linked with the budget are:

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

1.2 COUNCIL RESOLUTIONS

On 25 March 2025 the Council of Harry Gwala District Municipality met in the Harry Gwala District Municipality council chamber to consider the draft budget of the municipality for the financial year 2025/26. The Council notes the following resolutions:

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

1.1. The draft budget of the municipality for the financial year 2025/26 and the multi-year capital appropriations as set out in the following tables:

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

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

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

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

1.1.5. Consolidated budget schedules A1 to A10.

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

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

1.2.1. Budgeted Financial Position as contained in Table A6;

1.2.2. Budgeted Cash Flows as contained in Table A7;

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

1.2.4. Asset management as contained in Table A9; and

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

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

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

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

3. The Council, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) notes 10 percent increase in tariffs and for other services, as set out in tariffs policy.

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

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

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

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

1.3 EXECUTIVE SUMMARY

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

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

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

National Treasury's MFMA Circular No. 51, 54, 58, 59, 66, 70, 72, 74, 75, 79, 80, 85, 86, 93, 94, 98, 99, 112, 115 and 122, 123, 126, 128 and 129 were used to guide the compilation of the 2025/26 MTREF.

The main challenges experienced during the compilation of the 2025/26 MTREF can be summarised as follows:

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

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

The following budget principles and guidelines directly informed the compilation of the 2025/26 MTREF:

- The 2024/25 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2025/26 annual budget.
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals.
- Tariff increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and the operational cost of District expense for the water pumps. In addition, tariffs need to remain or move towards being cost reflective and should take into account the need to address infrastructure backlogs.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2025/26 Medium-term Revenue and Expenditure Framework:

Table 2 below presents a consolidated overview of the 2025/26 budget.

Table 1 Consolidated Overview of the 2025/26 MTREF

R thousand	Adjustments Budget 2024/25	Budget Year 2025/26	Budget Year + 1 2026/27	Budget Year +2 2027/28
Total Operating Revenue	R 654 551 613	R 723 325 429	R 761 585 886	R 797 331 077
Total Operating Expenditure	R 758 215 943	R 813 296 816	R 857 988 741	R 905 669 285
(Surplus)/ Deficit for the year	R -103 664 330	R -89 971 359	R -96 402 827	R - 108 338 181
Total Capital Expenditure	R 361 073 601	R 299 429 753	R323 141 040	R 338 778 573

Total operating revenue for the consolidated municipality has increased by 4% per cent or R38, 3million for the 2025/26 financial year when compared to the 2024/25 Adjustments Budget. For the two outer years, operational revenue increased by 7 % and 5 %, equating to a total revenue growth of R70, 7million and R51, 6million respectively over the MTREF when compared to the 2025/26 financial year.

Total operating expenditure for the 2025/26 financial year has been appropriated at R813, 2million. When compared to the 2024/25 Adjustments Budget, operational expenditure has increased by 14% per cent in the 2025/26 budget. However due to increase in allowance for doubtful debts then the operating expenditure amount also increased to R813, 2million. The operating deficit for 2025/26 decreased from R103, 6million in 2024/25 financial year to R 89, 9million in 2025/26 and increased for the outer years respectively by R96, 4million and R108, 3million. The non- cash item in 2025/26 financial year is at R 188, 9m. The amount for depreciation in 2025/26 financial year is at R108m, irrecoverable debts written off is at R42, 3million and provision for bad debts is R38, 5million.

The capital budget of R299, 4million (Excl VAT) for 2025/26 is 16% per cent less when compared to the 2024/25 Adjustment Budget. The decrease is due to grants reduction gazzetted for the 2025/26 financial year and this is going to have a negative impact on the service delivery and water and sanitation backlogs will increase in the district. The capital budget is largely funded from the Government Grants and Subsidies in the MTREF.

Table 3 Parent Overview of the 2025/26 MTREF

R thousand	Adjustments Budget 2024/25	Budget Year 2025/26	Budget Year + 1 2026/27	Budget Year +2 2027/28
Total Operating Revenue	R 633 021 613	R 701 725 049	R 739 913 489	R 775 559 757
Total Operating Expenditure	R 736 685 943	R 786 997 816	R 834 634 031	R 880 913 292
(Surplus)/ Deficit for the year	R – 103 724 330	R -85 335 499	R -94 786 100	R -105 423 029
Total Capital Expenditure	R 359 560 601	R 294 628 753	R 318 489 745	R 333 848 201

Total operating revenue for the parent municipality has increased by 4% per cent or R38, 3million for the 2025/26 financial year when compared to the 2024/25 Adjustments Budget. For the two outer years, operational revenue increased by 7 % per cent and 5 per cent respectively, equating to a total revenue growth of R70, 7million and R51, 5million respectively over the MTREF when compared to the 2025/26 financial year.

Total operating expenditure for the 2025/26 financial year has been appropriated at R787million. When compared to the 2024/25 Adjustments Budget, operational expenditure has increased by 7% per cent in the 2025/26 budget. The operating deficit for 2025/26 decreased from R103, 7million in 2024/25 financial year to R 85, 3million in 2025/26 and increased for the outer years respectively by R94, 7million and R105, 4million. The non- cash item in 2025/26 financial year is at R 180, 9m. The amount for depreciation in 2025/26 financial year is at R107m and provision for irrecoverable debt written off is at R42, 3million and provision for bad debts of R31, 5million.

The capital budget of R294, 6million (Excl VAT) for 2025/26 is 18% per cent less when compared to the 2024/25 Adjustment Budget. The decrease is due to decrease on grants that is gazetted for the 2025/26 financial year and this is going to have a bad impact on the service delivery and water and sanitation backlogs will be impacted in the district. The capital budget is largely funded from the Government Grants and Subsidies in the MTREF.

1.4 OPERATING REVENUE FRAMEWORK

For Harry Gwala District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the District and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for water and sanitation service charges in the MTREF;
- Achievement in the long term of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the district.

The following table is a summary of the 2025/26 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	49 353	64 525	59 302	56 944	66 213	66 213	44 185	70 186	74 397	78 861
Service charges - Waste Water Management	12 207	13 149	13 256	14 252	12 995	12 995	8 644	13 775	14 601	15 477
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	417	741	178	663	746	746	128	791	839	889
Interest earned from Receivables	11 221	14 117	16 536	16 655	15 146	15 146	9 936	16 055	17 018	18 039
Interest earned from Current and Non Current Assets	5 104	10 858	21 988	17 435	24 590	24 590	18 918	26 046	27 586	29 242
Dividends										
Operational Revenue	402	810	1 241	404	666	666	355	706	748	793
Non-Exchange Revenue										
Surcharges and Taxes										
Fines, penalties and forfeits	2 453	-	478	-	1 572	1 572	786	1 643	-	-
Transfer and subsidies - Operational	453 939	452 460	477 532	532 623	532 623	532 623	390 088	594 125	626 396	654 030
Other Gains	668	3 755	1 374	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	638 975	654 552	654 552	473 040	723 325	761 586	797 331

Table 3 Percentage growth in revenue by main revenue source

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

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
R thousand								
Revenue								
Exchange Revenue								
Service charges - Water	66 213	10%	70 186	10%	74 397	10%	78 861	10%
Service charges - Waste Water Management	12 995	2%	13 775	2%	14 601	2%	15 477	2%
Sale of Goods and Rendering of Services	746	0%	791	0%	839	0%	889	0%
Interest earned from Receivables	15 146	2%	16 055	2%	17 018	2%	18 039	2%
Interest earned from Current and Non Current Assets	24 590	4%	26 046	4%	27 586	4%	29 242	4%
Operational Revenue	666	0%	706	0%	748	0%	793	0%
Non-Exchange Revenue								
Fines, penalties and forfeits	1 572	0%	1 643	0%	-	-	-	-
Transfer and subsidies - Operational	532 623	81%	594 125	82%	626 396	82%	654 030	82%
Total Revenue (excluding capital transfers and contributions)	654 552	100%	723 325	100%	761 586	100%	797 331	100%

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

Revenue generated from services charges forms a small percentage of the revenue basket for the district. Service charges revenue water and sanitation comprises a mere 12% of the total revenue mix. In the 2025/26 financial year, revenue from service charges totaled R 83, 9m or 12% per cent. This increases to R88, 9m, and then R94, 3m in the respective financial years of the MTREF. A notable trend is the constant pattern in the total percentage revenue generated from services charges which averaging 12% in the MTREF. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Operating grants and transfers total R594, 1m in the 2025/26 financial year and increase to R626, 4m 2026/27 and R654m in 2027/28 financial year. The above operating grants figures is including R20 million which is the transfer from the district to the Development Agency. Operating grants and transfers excluding transfer to Development Agency total R573, 9m in the 2025/26 financial year and increase to R606, 2m 2026/27 and R633, 8m in 2027/28 financial year. Note that the year-on-year growth on the operational grants for the 2025/26 financial year is 18% percent and then increased to 18 % and 18 % percent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term, however due to R20million transfer to Harry Gwala Development Agency this results on overstating the operating grants and transfers by R20 million in 2025/26 financial year and in the outer years.

Table 4 Operating Transfers and Grant Receipts

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	17 490	26 969	-	-	-	-	-	-
Current year receipts	(8 071)	(8 802)	(9 414)	(20 656)	(20 656)	(20 656)	(53 118)	(53 803)	(56 437)
Repayment of grants	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	(33 632)	(9 593)	3 653	(41 313)	(41 313)	(41 313)	(106 236)	(107 607)	(112 874)
Conditions still to be met - transferred to liabilities	25 561	18 281	13 901	20 656	20 656	20 656	53 118	53 803	56 437
Provincial Government:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
District Municipality:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Other grant providers:									
Balance unspent at beginning of the year	0	0	0	(314)	(314)	(314)	(314)	(314)	(314)
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	0	0	0	(314)	(314)	(314)	(314)	(314)	(314)
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue	(33 632)	(9 593)	3 653	(41 627)	(41 627)	(41 627)	(106 550)	(107 921)	(113 188)
Total operating transfers and grants - CTBM	25 561	18 281	13 901	20 656	20 656	20 656	53 118	53 803	56 437
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	(17 490)	(48 145)	-	-	-	-	-	-
Current year receipts	(336 580)	(316 011)	(326 130)	(318 124)	(315 844)	(315 844)	(293 458)	(325 980)	(341 871)
Conditions met - transferred to revenue	(655 670)	(618 856)	(706 594)	(636 247)	(631 687)	(631 687)	(586 916)	(651 959)	(683 742)
Conditions still to be met - transferred to liabilities	319 090	285 355	332 319	318 124	315 844	315 844	293 458	325 980	341 871
Provincial Government:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
District Municipality:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Other grant providers:									
Balance unspent at beginning of the year	-	-	-	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue	(655 670)	(618 856)	(706 594)	(637 416)	(632 856)	(632 856)	(588 086)	(653 129)	(684 911)
Total capital transfers and grants - CTBM	319 090	285 355	332 319	318 124	315 844	315 844	293 458	325 980	341 871
TOTAL TRANSFERS AND GRANTS REVENUE	(689 302)	(628 449)	(702 941)	(679 043)	(674 483)	(674 483)	(694 635)	(761 049)	(798 099)
TOTAL TRANSFERS AND GRANTS - CTBM	344 651	303 636	346 221	338 780	336 500	336 500	346 576	379 783	398 308

TARIFFS: 2025/2026 FINANCIAL YEAR

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

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

The percentage increases of Umngeni-Thukela Water bulk tariffs proposed 13, 5% increase for 2025/26 financial year, and it is more than the mentioned inflation target of 4, 4%. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's rates and in these tariffs are largely outside the control of the district. Discounting the impact of these price increases in lower consumer tariffs will erode the district's future financial position and viability.

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

Sale of Water and Impact of Tariff Increases

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

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

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

Better maintenance of infrastructure, new construction of Bulwer dam and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Umngeni-Thukela Water has proposed to increased its bulk tariffs by a higher than the CPIX increase from 1 July 2025, which increases the District's water input cost tremendously.

A tariff increases of 10 per cent from 1 July 2025 for water is proposed. This is based on input cost of 13, 5% increase in the cost of bulk water (Umnngeni-Thukela Water), the cost of other inputs increasing by 6 per cent and a surplus generated on the water service of a minimum 15 per cent. In addition, 6 kℓ water per 30-day period will again be granted free of charge to indigent households. The proposed increase of 10 per cent by the municipality is not cost reflective and unable to cover all inputs since Harry Gwala municipality is in rural and most of the community are indigent and others are unable to pay because of affordability.

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

- Sale of Water and Impact of Tariff Increases

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

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

In addition, National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2025.

Better maintenance of infrastructure, new construction of Bulwer dam and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Umnngeni Water has increased its bulk tariffs by a higher than the CPIX increase from 1 July 2025, which increases the district's water input cost tremendously.

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

Table 5 Proposed Water Tariffs

Residential

Consumption in KL	2024/25	2025/26	Increase
0-6 INDIGENT	R0.00	R0.00	R0.00
07- 20	R 11.72	R 12.89	R 1.17
21- 40	R 12.41	R 13.65	R 1.24
41-100	R 22.73	R 25.00	R 2.27
101- 200	R 37.71	R 41.48	R 3.77
201+	R 42.92	R 47.21	R 4.29
Unmetered flat rate per month	R Interim	R Interim	R -

Commercial & Industrial

Commercial & Industrial				
Consumption Increments in R per KL		2024/25	2025/26	Increase
0-100	R	16.92	R 18.61	R 1.69
101- 200	R	22.73	R 25.00	R 2.27
201-300	R	37.74	R 41.51	R 3.77
301-400	R	40.32	R 44.35	R 4.03
401-500	R	42.92	R 47.21	R 4.29
500+	R	45.53	R 50.08	R 4.55

Consumption Increments in R per KL	Public Service & Government Institutions				Education institution				Agricultural				Geriatric Institutions, Religious organisations, NPO & recreational facilities.			
	2024/25	2025/26	Increase	2024/25	2025/26	Increase	2024/25	2025/26	2024/25	2025/26	Increase	2024/25	2025/26	Increase	2024/25	2025/26
	2024/25	2025/26	Increase	2024/25	2025/26	Increase	2024/25	2025/26	2024/25	2025/26	Increase	2024/25	2025/26	Increase	2024/25	2025/26
0-100	R 16.92	R 18.61	R 1.69	R 16.92	R 18.61	R 1.69	R 16.92	R 18.61	R 16.92	R 18.61	R 1.69	R 11.72	R 12.89	R 1.17		
101-200	R 22.73	R 25.00	R 2.27	R 22.73	R 25.00	R 2.27	R 22.73	R 25.00	R 22.73	R 25.00	R 2.27	R 12.41	R 13.65	R 1.24		
201-300	R 37.74	R 41.51	R 3.77	R 37.74	R 41.51	R 3.77	R 37.74	R 41.51	R 37.74	R 41.51	R 3.77	R 22.73	R 25.00	R 2.27		
301-400	R 40.32	R 44.35	R 4.03	R 40.32	R 44.35	R 4.03	R 40.32	R 44.35	R 40.32	R 44.35	R 4.03	R 37.71	R 41.48	R 3.77		
401-500	R 42.92	R 47.21	R 4.29	R 42.92	R 47.21	R 4.29	R 42.92	R 47.21	R 42.92	R 47.21	R 4.29	R 42.92	R 47.21	R 4.29		
500+	R 45.53	R 50.08	R 4.55	R 45.53	R 50.08	R 4.55	R 45.53	R 50.08	R 45.53	R 50.08	R 4.55	R 46.31	R 50.94	R 4.63		

Road tanker Delivery						Static tank hire per day		
Road Tanker Delivery of Water		2024/25	2025/26	Increase/Decrease		2024/25	2025/26	Increase
2500 l		R 500.00	R 550.00	R 50.00		R 260.22	R 286.24	R26.02
5000 l		R 1 000.00	R 1 100.00	R 100.00		R 650.52	R 715.57	R65.05
7500 l		R 1 500.00	R 1 650.00	R 150.00		R 910.73	R 1 001.80	R91.07
10 000 l		R 2 000.00	R 2 200.00	R 200.00		R1 301.05	R 1 431.16	R130.11
Del. Charge		R 520.40	R 572.44	R 52.04		R 520.40	R 572.44	R52.04

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

Domestic (Metered)			
Consumption Increments in R per Kl	2024/25	2025/26	Increase
INDIGENT 0-6	R 0.00	R 0.00	R 0.00
0-6	R 11.72	R 12.89	R 1.17
7-20	R 12.41	R 13.65	R 1.24
21-40	R 22.73	R 25.00	R 2.27
41-100	R 37.71	R 41.48	R 3.77
101-200	R 42.92	R 47.21	R 4.29
201 +	R 46.31	R 50.94	R 4.63

The tariff structure of the 2025/26 financial year has been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R50.94 per kiloliter for consumption in excess of 201kl per 30-day period. In 2025/26 financial year not all domestic consumers will benefit the free 6kl, only the indigent domestic consumers will receive free basic services. Demand notice fee to consumers of R143.09, borehole flat rate of R238.47 and raw water flat rate of R5.74 have been added on the tariff structure.

Sanitation and Impact of Tariff Increases

A tariff increases of 10 per cent for sanitation from 1 July 2025 is proposed. This is based on the input cost assumptions related to water. It should be noted that District costs contributes approximately 20 per cent of wastewater treatment input costs, therefore the CPI increase of 4, 4 is less than 10 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

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

The total revenue expected to be generated from rendering this service amounts to R83, 9million for the 2025/26 financial year.

The following table compares the current and proposed tariffs:

Table 7 Comparison between current sanitation charges and increases

Conservancy tank clearance on site				Septic tank clearance on site			Disposal into municipal reticulation system		
Static sanitation system given per load	2024/25	2025/26	Increase	2024/25	2025/26	Increase	2024/25	2025/26	Increase
Per load	R 546.46	R 601.11	R 54.65	R1 691.39	R1 860.53	R 169.14	R546.46	R601.11	R54.65
Transport per km	R 16.92	R 18.61	R 1 69	R 16.92	R 18.61	R 1.69	-	-	-

New connections

Disconnect/Reconnection IRO credit control

Misc. sanitation related tariffs given in service pipe diameter	New connections				Disconnect/Reconnection IRO credit control			
	2024/25	2025/26	Increase		2024/25	2025/26	Increase	
	Up to 600 mm	R 5 204.21	R 5 724.63	R 520.42	R 1 301.05	R 1 431.16	R 130.11	
	600 mm -1200 mm	R 6 505.27	R 7 155.80	R 650.53	R 1 951.56	R 2 146.72	R 195.16	
1200 mm +	R 9 107.35	R 10 018.09	R 910.74		R 2 602.11	R 2 862.32	R 260.21	

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

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

Misc. sanitation related tariffs given in service pipe diameter	2024/25	2025/26	Increase	New connection sanitation	2024/25	2025/26	Increase
Disconnection/re connection Up to 600 mm	R 1 301.05	R 1 431.16	R 130.11	New Connections Up to 600 mm	R 5 204.21	R5 724.63	R 520.45
Up to 1 200 mm	R 1 951.56	R2 146.72	R 195.16	Up to 1 200 mm	R 6 505.27	R 7 155.80	R 481.87
1 200 mm +	R 2 602.11	R2 862.32	R 260.21	1 200 mm +	R 9 107.35	R 10 018.09	R 674.62

Sanitation costs given in terms of water consumption	2024/25	2025/26	Increase
Water borne systems. 0-200 KI	R9.10	R10.01	R0.91
201 KI +	R11.74	R12.91	R1.17
Shayamoya, Bhongweni and Fairview 0-200 KI			
200 KI +			
Unmetered / flat rate per month	INTERIM	INTERIM	INTERIM

Overall impact of tariff increases on households.

Property development costs, I.R.O water and sanitation delivery reticulation given in number of sub-divisions Per Sub-Division Clearance Certificate	2024/25	2025/26	Increase
1 Site	R 15 092.22	R 16 601.44	R 1 509.22
2-5 Sites	R 9 107.37	R 10 018.11	R 910.74
6-10 Sites	R 5 204.21	R 5 724.63	R 520.42
11-20 + Sites	R 3 122.52	R 3 434.77	R 312.25
Clearance certificate	R 240.93	R 265.02	R 24.09

Demand Notice to Customers	R130.08	R 143.09	R13.01
Borehole Flat Rate	R216.79	R238.47	R21.68
Raw water Flat Rate	R5.22	R5.74	R0.52
<u>Prepaid meter pad replacement</u>	R779.62	R857.58	R77.96
<u>Purchase, installation and connection of a prepaid meter for businesses</u>	R7 359.61	R8 095.57	R735.96
<u>Purchase, installation and connection of a prepaid meter for domestic</u>	R 6 653.87	R7 319.26	R665.39

Application and renewal of conducting a business within the municipality.

					2024/25	2025/26	Increase
Application for COA for food premise and COC for funeral parlour / Government mortuary					R 868.26	R2 215.00	R1 346.74
Vending Food					R 154.35	R 296.40	R 142.05
Escort agencies, night clubs, massage parlours and adult clubs					R 4 321.97	R 4 575.40	R 253.43
Issuing of a duplicate Certificate					R 154.35	R 1 162.90	R1 008.55
Amendment of COA and COC.					R 154.35	R 162.90	R 8.55
Amendment of a condition on the endorsement to an					R 199.38	R 211.00	R 11.62

issued COC and COA.							
Re-inspection of a food premises for the removal of a prohibition					R 1 382.77	R 1 464.00	R 81.23
Issuing of an export certificate for foodstuffs.					R1 382.77	R 1 464.00	R 81.23
Sampling and analysis boreholes intended for human consumption.					R1 382.77	R 2 464.00	R1 081.23
Sampling and analysis of a communal swimming pool					R 546.67	R 580.00	R 33.33
Issuing of a permit for a service to remove human excrement.					R 836.09	R 1 895.00	R1 058.91
Issuing of destruction of food certificates.					R 836.09	R 920.00	R 83.91
Issuing of destruction of food certificates.					R 836.09	R 920.00	R83.91
Disposal of rotten food into the municipal disposal system. Per each load					-	R 895.00	R895.00
Issuing of a permit for the conducting of an offensive trade					-	R 1 238.00	R1 238.00
Issuing a permit for conducting hairdressing, beauty and/or cosmetology service					-	R 895.00	R 895.00
Issuing a permit to conduct an accommodation establishment					-	R 1 512.00	R1 512.00
Issuing of a permit to conduct a health establishment for					-	R 3 763.00	R3 763.00

medical and surgical purposes.							
Issuing of a permit to conduct a childcare service					-	R 895.00	R 895.00
Issuing a permit for the keeping of poultry					-	R 895.00	R 895.00
Issuing a health certificate for a school.					-	R 500.00	R 500.00
Issuing a health certificate for a health establishment					-	R 1 450.00	R1 450.00
Issuing a health certificate for a childcare centre					-	R 625.00	R 625.00
Penalty for late payments shall be calculated at 10% of the application					%		
						%	%

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at an average of 10 per cent, with the same increase for indigent households.

Table 9 MBRR Table SA14 – Household bills

DC43 Harry Gwala - Supporting Table SA14 Household bills

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26 % Incr.	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption	5,23	5,58	5,94	6,30	6,30	6,30	-	6,67	7,07	7,50
Sanitation	418,25	446,70	446,74	473,54	473,54	473,54	-	501,96	532,07	564,00
Refuse removal	187,90	200,68	213,72	226,54	226,54	226,54	-	240,14	254,54	269,82
Other										
sub-total	611,38	652,96	666,40	706,38	706,38	706,38	6,0%	748,77	793,69	841,31
VAT on Services										
Total large household bill:	611,38	652,96	666,40	706,38	706,38	706,38	6,0%	748,77	793,69	841,31
% Increase/decrease	-	6,8%	2,1%	6,0%	-	-	-	6,0%	6,0%	6,0%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption	5,23	5,59	5,95	6,31	6,31	6,31	-	6,69	7,09	7,51
Sanitation	348,55	372,25	396,45	420,24	420,24	420,24	-	445,45	472,18	500,51
Refuse removal	156,57	167,22	178,09	188,78	188,78	188,78	-	200,10	212,11	224,83
Other										
sub-total	510,35	545,06	580,49	615,32	615,32	615,32	6,0%	652,24	691,37	732,86
VAT on Services										
Total small household bill:	510,35	545,06	580,49	615,32	615,32	615,32	6,0%	652,24	691,37	732,86
% Increase/decrease		6,8%	6,5%	6,0%	-	-	-	6,0%	6,0%	6,0%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption	4,59		5,23	5,54	5,54	5,54	6,0%	5,88	6,23	6,60
Sanitation	305,58		348,55	369,46	369,46	369,46	6,0%	391,63	415,13	440,04
Refuse removal	137,27		156,57	165,96	165,96	165,96	6,0%	175,92	188,48	197,67
Other										
sub-total	447,44	-	510,35	540,97	540,97	540,97	6,0%	573,43	607,84	644,31
VAT on Services										
Total small household bill:	447,44	-	510,35	540,97	540,97	540,97	6,0%	573,43	607,84	644,31
% Increase/decrease		(100,0%)	-	6,0%	-	-	-	6,0%	6,0%	6,0%

1.5 OPERATING EXPENDITURE FRAMEWORK

Harry Gwala District Municipality's expenditure framework for the 2025/26 budget and MTREF is informed by the following:

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

The following table is a high level summary of the 2025/26 budget and MTREF (classified per main type of operating expenditure):

Table 10 Summary of operating expenditure by standard classification item

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Expenditure										
Employee related costs	238 376	245 707	256 039	273 607	274 098	274 098	167 777	287 063	302 076	318 018
Remuneration of councillors	7 239	6 988	6 932	8 606	7 665	7 665	5 114	8 059	8 482	8 928
Inventory consumed	-	-	-	36 543	38 311	38 311	(7)	38 571	40 885	43 338
Debt Impairment	7 533	(1 202)	10 796	-	-	-	-	31 530	30 383	32 206
Depreciation and amortisation	81 505	93 063	236 930	101 837	102 367	102 367	67 891	108 050	114 518	121 389
Interest	307	113	2	115	95	95	-	98	103	109
Contracted services	172 985	134 263	122 694	152 097	174 172	174 172	108 525	184 187	200 502	212 180
Transfers and subsidies	15 100	15 290	-	6 700	6 300	6 300	-	5 500	5 330	5 649
Irrecoverable debts written off	7 614	34 790	29 995	31 908	39 931	39 931	8 026	42 327	44 866	47 558
Operational costs	63 458	69 121	91 263	104 257	115 278	115 278	77 745	107 892	110 844	116 295
Losses on disposal of Assets	1 940	2 875	1 190	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	596 056	601 009	755 861	715 670	758 216	758 216	435 071	813 297	857 989	905 669

The consolidated budgeted allocation for employee-related costs for the 2025/26 financial year totals R287m, which equals 35% per cent of the total operating expenditure. Harry Gwala District Municipality have factored an increase of 6 per cent for the 2025/2026 financial year. An annual increase of 6 per cent has been included in the next 2026/2027 MTREF. The increase of 6 per cent in the 2025/26 financial year is more than the CPI of 4, 4 per cent due to new posts that are prioritized and the municipality is in the process of employing shift workers as a strategy to reduce overtime and to employ more process controllers.

The salary negotiations for 2026/27 as per negotiations and circular the average CPI percentage for the period 1 February 2025 until 31 January 2026 is less than 4 per cent, it will be deemed to be 4 per cent, and if the average CPI percentage for this period is higher than 7 per cent, it will be deemed to be 7 per cent. As part of the district's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards and cost containment measures have been put in place and the cost containment policy is reviewed and will be approved together with the budget. The municipality has the strategy on improving collection as per MFMA circular 99 wage bill.

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

1. **The cost associated with the remuneration of councilors** is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.
2. **The provision of debt impairment** was determined based on an annual collection rate of 80 per cent and the Debt Write-off Policy of the Municipality. The previous financial year collection rate was 71 per cent. For the 2025/26 financial year this amount equates to R31, 5m and for outer years R30, 3m, and R32, 2million respectively. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.
3. **Provision for depreciation and asset impairment** has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R108m for the 2025/26 financial and equates to 13% per cent of the total operating expenditure. Depreciation for the budget year represents an increase from the 2025/26 original budgets due to a number of projects or assets that are still on work in progress.

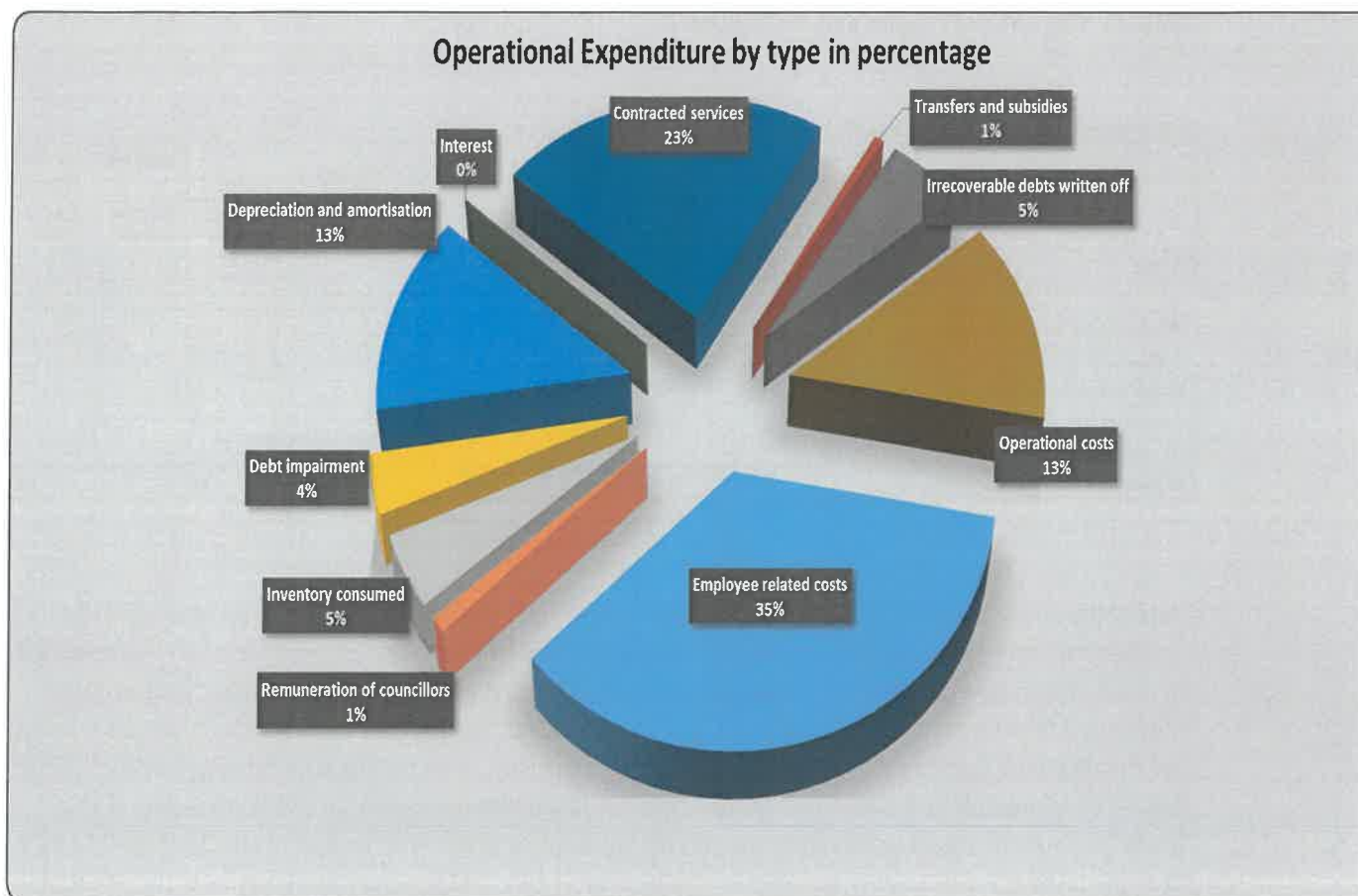
4. **Bulk purchases** are directly informed by the purchase of water from Umngeni-Uthukela Water in the Ubuhlebezwe area. The annual price increases of 6% has been factored into the budget appropriations and directly inform the revenue provisions as per CPI. The expenditures include distribution losses. The increase of bulk water purchases is due to increase in umngeni and Ugu District Municipality.

5. **Contracted services** have been identified as a cost saving area for the Municipality. As part of the compilation of the 2025/26 MTREF this group of expenditure was critically evaluated, and operational efficiencies were enforced. In the 2025/26 financial year, this group of expenditure totals R184, 1million showing an increase of 6% from 2025/26 due to increase in Maintenance and Infrastructure verification of assets funded by MIG under contracted Services R37million, clearly demonstrating that the municipality is committed to comply with cost containment measures since the increase is funded by grant.

For the 2026/27 and 2027/28 financial year growth has increased to 9% per cent and increase to 6 per cent. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2025/26 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. Further details relating to contracted services can be seen in Table 64 MBRR SA1.

6. **Other expenditure** comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The expenditure increased by 6% per cent from the adjusted budget for 2024/25 and increased in the 2025/26 by 3 per cent and 2026/27 financial years by 5 per cent, indicating that significant cost savings. Further details relating to contracted services and other expenditure can be seen in Table MBRR SA1.

Figure 1 Main operational expenditure categories for the 2025/26 financial year



Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the district's current infrastructure, the 2025/26 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the district. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 11 Operational repairs and maintenance

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Inventory Consumed (Project Maintenance)	15 329	3 055	-	-	-	-	-	-	-	-
Contracted Services	29 960	49 412	43 781	48 009	71 753	71 753	44 886	50 137	57 419	60 864
Operational Costs										
Total Repairs and Maintenance Expenditure	45 289	52 468	43 781	48 009	71 753	71 753	44 886	50 137	57 419	60 864

During the compilation of the 2025/26 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the district infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased in the 2024/25 financial year original budget to Adjustments budget, from R48, 6 million to R71, 5million for the 2025/26 financial year repairs and maintenance decreased to R 50, 1m funded by Equitable share and there is a budget of R25, 7million funded by Municipal Infrastructure Grant, therefore the maintenance for 2025/26 amount to R75, 8million. Notwithstanding this decrease excluding funding from MIG as part of the 2025/26 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2025/26 equates to R50, 1million showing a decrease of 30per cent in relation to the Adjustment Budget and grows at 15% and 6 per cent in the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 6 per cent for 2025/26 and 7 per cent for the respective financial years of the MTREF.

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

Table 12 Repairs and maintenance per asset class

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CAPITAL EXPENDITURE									
Total Capital Expenditure	290 905	269 118	309 604	322 312	361 074	361 074	299 430	323 141	338 779
Roads Infrastructure	1 242	-	-	-	-	-	-	-	-
Storm water infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	207 548	208 921	236 539	271 866	297 886	297 886	265 754	267 379	215 451
Sanitation Infrastructure	66 405	44 534	64 965	28 279	36 993	36 993	4 174	27 550	46 419
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	275 195	253 455	301 504	300 135	334 879	334 879	269 928	294 928	261 870
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 138	-	-	4 250	3 080	3 080	7 224	11 390	59 638
Housing	-	-	-	2 000	1 200	1 200	3 551	-	-
Other Assets	1 138	-	-	6 250	4 280	4 280	10 775	11 390	59 638
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	270	-	796	1 475	1 475	505	534	566
Intangible Assets	-	270	-	796	1 475	1 475	505	534	566
Computer Equipment	1 412	410	943	2 000	1 400	1 400	1 679	1 780	1 887
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	4 924	4 843	4 572
Machinery and Equipment	7 376	7 430	1 306	2 668	5 100	5 100	3 724	2 887	3 060
Transport Assets	4 396	6 259	3 543	5 483	6 039	6 039	7 895	6 779	7 186
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	290 905	269 118	309 604	322 312	361 074	361 074	299 430	323 141	338 779

For the 2025/26 financial year R50, 1million of total repairs and maintenance will be spent on infrastructure assets. This signifies the implementation of the municipality's plans of maintaining its infrastructure levels high to ensure uninterrupted service delivery.

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

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

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the district Indigent Policy. The target is to register 5 000 or more indigent households during the 2025/26

financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

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

1.6 CAPITAL EXPENDITURE

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

Table 13 2025/26 Medium-term capital budget per vote

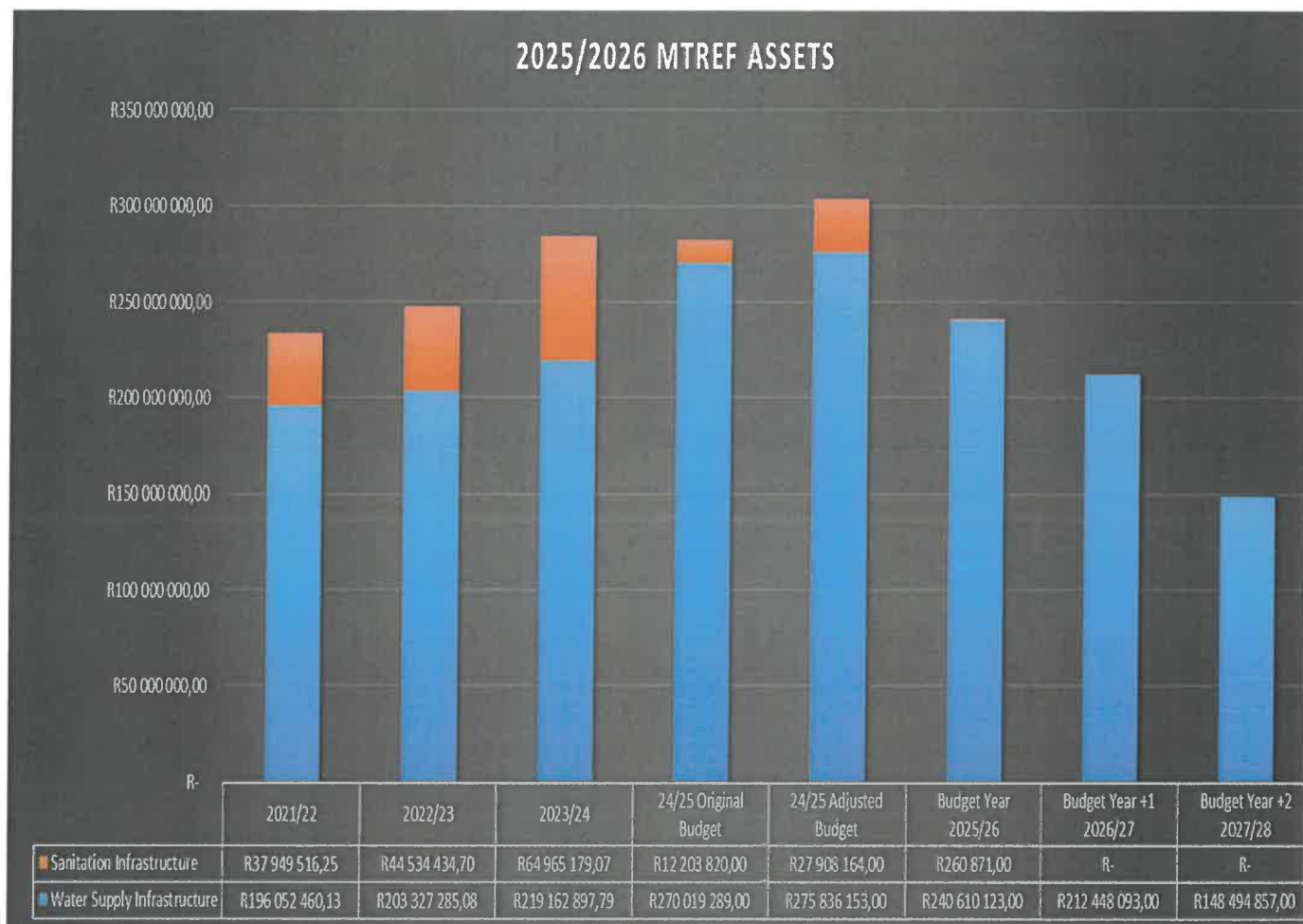
DC43 Harry Gwala - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	275	-	-	-	-	-	2 279	2 416	2 561
Vote 04 - Summary Corporate Services	8 310	7 727	4 385	9 480	14 822	14 822	7 341	10 374	9 937	10 533
Vote 05 - Summary Social Services & Development Planning	47	408	986	5 640	1 513	1 513	-	6 651	4 651	4 930
Vote 06 - Summary Infrastructure Services	30 970	47 306	78 007	122 732	112 769	112 769	57 002	96 104	145 895	246 457
Vote 07 - Summary Water Services	251 578	213 402	226 226	184 460	230 270	230 270	121 934	180 970	169 712	73 736
Capital multi-year expenditure sub-total	290 905	269 118	309 604	322 312	359 374	359 374	186 277	296 378	322 811	338 217
Single-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	-	-	1 700	1 700	-	500	530	562
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	-	-	-	-	-	-	-	2 551	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	1 700	1 700	-	3 051	530	562
Total Capital Expenditure - Vote	290 905	269 118	309 604	322 312	361 074	361 074	186 277	299 430	323 341	338 779

For 2025/26 an amount of R281, 6million has been appropriated for the development of infrastructure which represents 94% of the total capital budget. In the outer years this amount totals R305, 7million, 94% and R320, 3million, 95% respectively for each of the financial years. These expenditures are exclusive of VAT.

Total new assets represent R259, 6million of the total capital budget while asset renewal equates to R20, 2million. Further detail relating to asset classes and proposed capital expenditure is contained in Table MBRR A9 (Asset Management). In addition to the MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Refer to table MBRR SA36 for the detailed listing of the capital projects.

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



Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table MBRR SA35. This table shows that future operational costs associated with the capital programme totals R27, 9 million in 2024/25 and to R260 871 by 2025/26. This associated to the operational expenditure and is expected to be reduced to nil by 2025/26. It needs to be noted that as part of the 2025/26 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 ANNUAL BUDGET TABLES – CONSOLIDATED BUDGET

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/26 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 14 MBRR Table A1 - Budget Summary

DC43 Harry Gwala - Table A1 Consolidated Budget Summary										
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year	Budget Year +1	Budget Year +2
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	61 560	77 674	72 558	71 195	79 208	79 208	52 949	83 961	88 999	94 338
Investment revenue	5 104	10 858	21 988	17 435	24 590	24 590	18 918	26 046	27 586	29 242
Transfer and subsidies - Operational	453 939	452 460	477 532	532 623	532 623	532 623	390 088	594 125	626 396	654 030
Other own revenue	15 181	19 422	19 807	17 721	18 130	18 130	11 208	19 194	18 604	19 721
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	638 975	654 552	654 552	473 162	723 325	761 586	797 331
Employee costs	238 376	245 707	256 039	273 607	274 098	274 098	167 777	287 083	302 076	318 088
Remuneration of councillors	7 239	6 988	6 932	8 606	7 665	7 665	5 114	8 059	8 482	8 928
Depreciation and amortisation	81 505	93 063	236 930	101 837	102 367	102 367	67 891	108 050	114 518	121 389
Interest	307	113	2	115	95	95	-	98	103	109
Inventory consumed and bulk purchases	-	-	-	36 543	38 311	38 311	(7)	38 571	40 885	43 338
Transfers and subsidies	15 100	15 290	-	6 700	6 300	6 300	-	5 500	5 330	5 649
Other expenditure	253 530	239 848	255 958	288 262	329 381	329 381	209 467	365 935	386 596	408 239
Total Expenditure	596 056	601 009	755 861	715 670	758 216	758 216	450 242	813 297	857 989	905 669
Surplus/(Deficit)	(60 272)	(40 595)	(163 976)	(76 695)	(103 664)	(103 664)	22 921	(89 971)	(96 403)	(108 338)
Transfers and subsidies - capital kind)	311 860	283 338	332 319	318 124	323 856	323 856	139 305	293 458	325 980	341 871
Surplus/(Deficit) after capital transfers & contributions	251 588	242 743	168 343	241 428	220 192	220 192	162 226	203 487	229 577	233 533
Share of Surplus/Deficit attributable to	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	251 588	242 743	168 343	241 428	220 192	220 192	162 226	203 487	229 577	233 533
Capital expenditure & funds sources										
Capital expenditure	290 905	269 118	309 604	322 312	361 074	361 074	186 277	299 430	323 141	338 779
Transfers recognised - capital	273 848	251 209	288 048	276 944	281 864	281 864	167 296	255 331	283 617	297 445
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	17 056	17 809	10 539	45 368	79 210	79 210	18 981	44 099	39 524	41 333
Total sources of capital funds	290 905	269 118	309 604	322 312	361 074	361 074	186 277	299 430	323 141	338 779
Financial position										
Total current assets	112 963	194 402	243 572	208 658	186 049	186 049	358 758	227 840	249 346	270 941
Total non current assets	2 759 748	2 927 288	2 997 178	3 446 319	3 258 932	3 258 932	3 115 548	3 443 850	3 650 706	3 869 761
Total current liabilities	114 341	151 972	135 087	124 097	121 273	121 273	230 475	121 261	120 861	119 761
Total non current liabilities	28 545	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
Community wealth/Equity	2 774 486	2 975 404	3 108 725	3 501 643	3 293 172	3 293 172	3 237 335	3 519 892	3 748 655	3 990 406
Cash flows										
Net cash from (used) operating	175 367	1 502 609	1 800 878	326 348	277 611	277 611	977 438	364 628	396 924	415 115
Net cash from (used) investing	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(175 807)	(344 344)	(371 612)	(389 595)
Net cash from (used) financing	(400)	-	(355)	(2 969)	(2 969)	(2 969)	-	(1 831)	(1 831)	(1 831)
Cash/cash equivalents at the year end	(64 076)	1 283 718	1 615 561	152 288	143 561	143 561	801 631	182 015	205 496	229 185
Cash backing/surplus reconciliation										
Cash and investments available	50 226	124 641	209 430	139 694	143 561	143 561	309 710	182 015	205 496	229 185
Application of cash and investments	(190 088)	(673 273)	(222 813)	20 302	54 515	54 515	(154 495)	47 945	52 649	59 453
Balance - surplus (shortfall)	240 314	797 914	432 243	119 392	89 046	89 046	464 205	134 070	152 847	169 732
Asset management										
Asset register summary (WDV)	1 949 818	2 209 283	2 357 654	2 728 314	2 619 408	2 619 408	-	2 804 326	3 011 182	3 230 237
Depreciation	81 505	93 063	236 930	101 837	102 367	102 367	-	108 050	114 518	121 389
Renewal and Upgrading of Existing Asset	44 348	11 853	19 933	22 875	37 173	37 173	-	39 826	96 469	175 768
Repairs and Maintenance	45 289	52 468	43 781	48 009	71 753	71 753	-	50 137	57 419	60 864
Free services										
Cost of Free Basic Services provided	642	1 775	1 828	(724)	(724)	(724)	-	(768)	(814)	(863)
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	31	-	-	37	37	37	-	88	88	88
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

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

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

A financial management reform emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

1. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF Capital expenditure is balanced by capital funding sources, of which transfers recognised is reflected on the Financial Performance Budget.
2. Internally generated funds are financed from a combination of the current operating surplus and VAT refunds on Conditional Grants. The amount is incorporated in the Net cash from operating on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year.

But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2025/26 financial year.

Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. It is anticipated that by 2025/26 the water backlog will have been very nearly eliminated.

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

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

Functional Classification Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional									
<i>Governance and administration</i>	397 365	449 558	490 123	510 213	519 286	519 286	551 436	583 108	609 957
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	397 365	449 558	490 123	510 213	519 286	519 286	551 436	583 108	609 957
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	33	32	42	17	17	17	18	19	20
Community and social services	33	32	42	17	17	17	18	19	20
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	24 384	3 888	-	21 530	29 543	29 543	20 136	20 142	20 149
Planning and development	24 384	3 888	-	21 530	29 543	29 543	20 136	20 142	20 149
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	438 642	394 162	434 040	425 338	429 562	429 562	445 194	484 296	509 076
Energy sources	-	-	-	-	-	-	-	-	-
Water management	392 285	381 035	420 226	409 956	414 271	414 271	428 985	467 115	490 864
Waste water management	46 357	13 126	13 814	15 382	15 291	15 291	16 209	17 181	18 212
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	860 424	847 640	924 204	957 098	978 408	978 408	1 016 784	1 087 566	1 139 202
Expenditure - Functional									
<i>Governance and administration</i>	236 425	284 782	282 513	328 884	352 081	352 081	300 993	319 292	337 537
Executive and council	37 102	29 054	30 252	45 410	44 293	44 293	47 769	50 614	53 527
Finance and administration	189 223	244 498	243 702	271 416	298 447	298 447	241 797	256 633	271 314
Internal audit	10 100	11 230	8 559	12 058	9 342	9 342	11 427	12 045	12 697
<i>Community and public safety</i>	19 479	17 993	19 285	24 662	22 278	22 278	24 047	24 822	26 165
Community and social services	19 479	17 993	19 285	24 662	22 278	22 278	24 047	24 822	26 165
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	148 516	152 099	294 606	175 539	171 706	171 706	215 560	227 606	239 372
Planning and development	148 516	152 099	294 606	175 539	171 706	171 706	215 560	227 606	239 372
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	236 297	179 556	193 055	186 601	211 951	211 951	272 447	286 007	302 318
Energy sources	-	-	-	-	-	-	-	-	-
Water management	216 091	177 046	192 868	185 665	211 200	211 200	263 154	276 163	291 889
Waste water management	20 206	2 509	187	937	750	750	9 292	9 844	10 429
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	250	200	200	250	261	277
Total Expenditure - Functional	640 717	634 430	789 459	715 937	758 216	758 216	813 297	857 989	905 669
Surplus/(Deficit) for the year	219 708	213 210	134 745	241 161	220 192	220 192	203 487	229 577	233 533

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

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

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

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

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

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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	396 921	449 162	489 676	509 775	518 848	518 848	549 507	581 086	607 813
Vote 04 - Summary Corporate Services	359	372	418	387	387	387	410	435	461
Vote 05 - Summary Social Services & Development Planning	11 636	32	42	21 547	21 547	21 547	21 618	21 691	21 791
Vote 06 - Summary Infrastructure Services	318 640	308 606	348 937	343 279	347 846	347 846	350 081	383 477	402 207
Vote 07 - Summary Water Services	132 868	89 467	85 131	82 110	89 780	89 780	95 167	100 877	106 930
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	860 424	847 640	924 204	957 098	978 408	978 408	1 016 784	1 087 566	1 139 202
Expenditure by Vote to be appropriated									
Vote 01 - Summary Council	20 155	18 112	15 581	21 342	19 059	19 059	17 414	18 660	19 716
Vote 02 - Summary Municipal Manager	27 048	22 172	23 229	27 993	27 642	27 642	30 862	32 588	34 411
Vote 03 - Summary Budget And Treasury Office	64 433	94 176	97 677	105 423	100 993	100 993	65 728	69 368	73 209
Vote 04 - Summary Corporate Services	80 035	90 554	93 168	106 417	116 898	116 898	109 656	117 543	124 370
Vote 05 - Summary Social Services & Development Planning	51 282	50 486	56 417	88 372	84 364	84 364	96 266	95 247	99 496
Vote 06 - Summary Infrastructure Services	125 480	122 016	257 942	125 796	123 524	123 524	164 408	175 646	185 610
Vote 07 - Summary Water Services	272 284	236 914	245 444	240 594	285 735	285 735	328 964	348 937	368 856
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	640 717	634 430	789 459	715 937	758 216	758 216	813 297	857 989	905 669
Surplus/(Deficit) for the year	219 708	213 210	134 745	241 161	220 192	220 192	203 487	229 577	233 533

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

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of Harry Gwala Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for water trading services.

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

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

Vote Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote									
Vote 06 - Summary Infrastructure Services	318 640	308 606	348 937	343 279	347 846	347 846	350 081	383 477	402 207
Vote 07 - Summary Water Services	132 868	89 467	85 131	82 110	89 780	89 780	95 167	100 877	106 930
Total Revenue by Vote	451 509	398 073	434 068	425 389	437 626	437 626	445 248	484 354	509 137
Expenditure by Vote to be appropriated									
Vote 06 - Summary Infrastructure Services	125 480	122 016	257 942	125 796	123 524	123 524	164 350	175 585	185 546
Vote 07 - Summary Water Services	272 284	236 914	245 444	240 594	285 735	285 735	328 464	348 412	368 303
Total Expenditure by Vote	397 765	358 930	503 386	366 389	409 260	409 260	492 814	523 996	553 849
Surplus/(Deficit) for the year	53 744	39 143	(69 318)	59 000	28 366	28 366	(47 566)	(39 643)	(44 712)

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

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	49 353	64 525	59 302	56 944	66 213	66 213	44 185	70 186	74 397	78 861
Service charges - Waste Water Management	12 207	13 149	13 256	14 252	12 995	12 995	8 644	13 775	14 601	15 477
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	417	741	178	663	746	746	128	791	839	889
Interest earned from Receivables	11 221	14 117	16 536	16 655	15 146	15 146	9 936	16 055	17 018	18 039
Interest earned from Current and Non Current Assets	5 104	10 858	21 988	17 435	24 590	24 590	18 918	26 046	27 586	29 242
Special rating levies										
Operational Revenue	402	810	1 241	404	666	666	355	706	748	793
Non-Exchange Revenue										
Property rates	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2 453	-	478	-	1 572	1 572	786	1 643	-	-
Licences or permits	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	453 939	452 460	477 532	532 623	532 623	532 623	390 088	594 125	626 396	654 030
Other Gains	688	3 755	1 374	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	638 975	654 552	654 552	473 040	723 325	761 586	797 331
Expenditure										
Employee related costs	238 376	245 707	256 039	273 607	274 098	274 098	167 777	287 063	302 076	318 018
Remuneration of councillors	7 239	6 988	6 932	8 606	7 665	7 665	5 114	8 059	8 482	8 928
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	36 543	38 311	38 311	(7)	38 571	40 885	43 338
Debt impairment	7 533	(1 202)	10 796	-	-	-	-	31 530	30 383	32 206
Depreciation and amortisation	81 506	93 063	236 930	101 837	102 367	102 367	67 891	108 050	114 518	121 389
Interest	307	113	2	115	95	95	-	98	103	109
Contracted services	172 985	134 263	122 694	152 097	174 172	174 172	108 525	184 187	200 502	212 180
Transfers and subsidies	15 100	15 290	-	6 700	6 300	6 300	-	5 500	5 330	5 649
Irrecoverable debts written off	7 614	34 790	29 995	31 908	39 931	39 931	8 026	42 327	44 666	47 558
Operational costs	63 458	69 121	91 283	104 257	115 278	115 278	77 745	107 892	110 844	116 295
Losses on disposal of Assets	1 940	2 875	1 190	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	596 056	601 009	755 861	715 670	758 216	758 216	435 071	813 297	857 989	905 669
Surplus/(Deficit)	(60 272)	(40 595)	(163 976)	(76 695)	(103 664)	(103 664)	37 970	(89 971)	(96 403)	(108 338)
Transfers and subsidies - capital (monetary allocations)	311 860	283 338	332 319	318 124	323 856	323 856	139 305	293 458	325 980	341 871
Transfers and subsidies - capital (in-kind)	12 781	3 888	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	264 369	246 631	168 343	241 428	220 192	220 192	177 275	203 487	229 577	233 533
Income Tax	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	264 369	246 631	168 343	241 428	220 192	220 192	177 275	203 487	229 577	233 533
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	264 369	246 631	168 343	241 428	220 192	220 192	177 275	203 487	229 577	233 533
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	264 369	246 631	168 343	241 428	220 192	220 192	177 275	203 487	229 577	233 533

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

Total operating revenue is R723, 3million in 2025/26 and escalates to R761, 5million by 2026/27. This represents an increase of 11 per cent for the 2025/26 financial year and an increase of 5 per cent for the 2026/27 and 5 % in 2027/28 financial year.

The operating revenue on the system generated A Schedule is R703, 3million which is R20million higher than the actual Draft budget. The R20 million relates to the transfers to Harry Gwala Development

Agency from the parent municipality as shown on the entity's D schedule. This amount should be eliminated on consolidation; however, the system is not eliminating the revenue against the transfers from the parent side resulting in the overstatement of both the consolidated revenue and expenditure by the same amount.

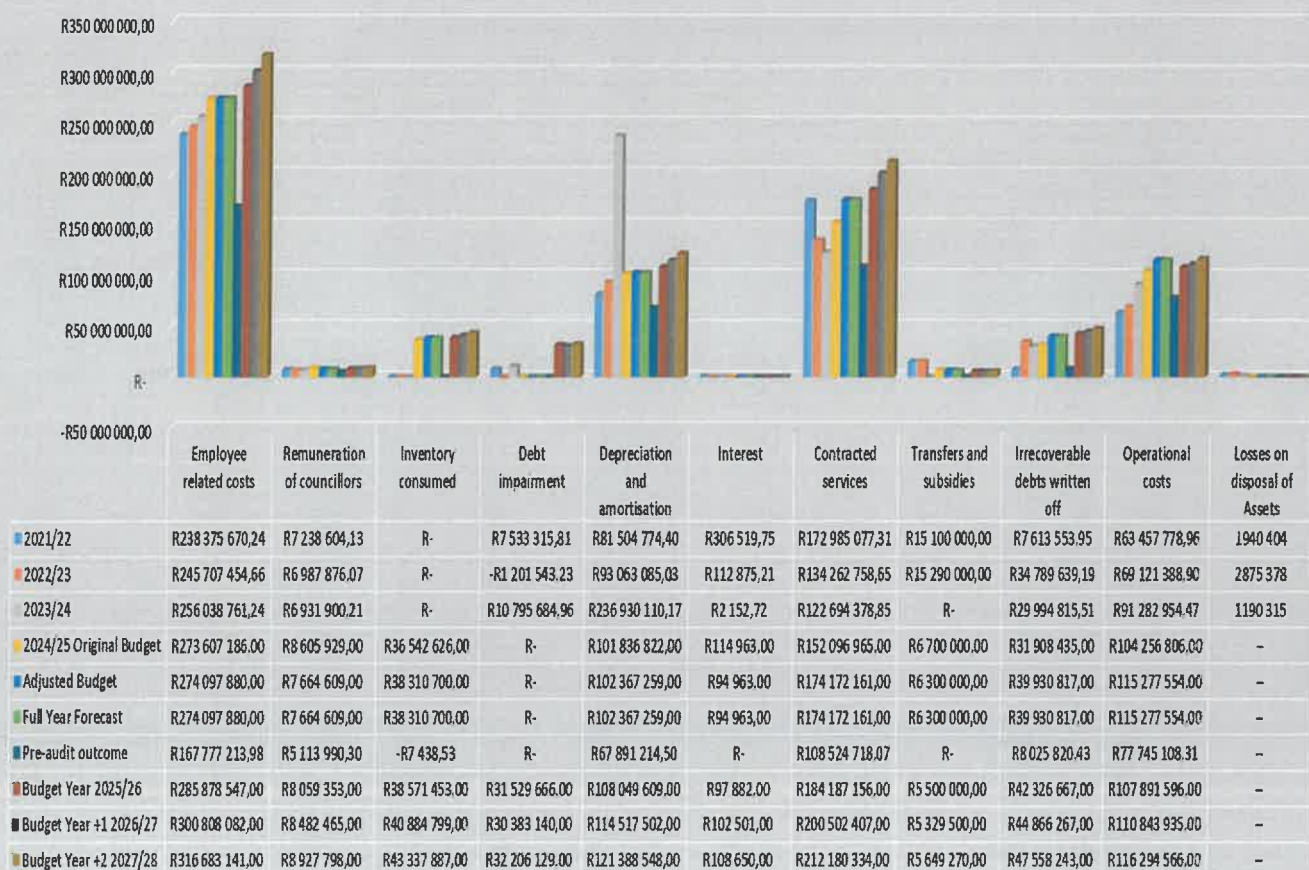
Services charges relating to water and sanitation constitutes the biggest component of the own revenue basket of the district totaling R83, 9million for the 2025/26 financial year and increasing to R88, 9million by 2026/27. For the 2025/26 financial year services charges amount to 6% of the total revenue and 6 per cent in the MTREF. The increase is more than the CPI due to the increase in Umngeni Water and the increase in tariffs and as per the community of Harry Gwala affordability, the municipality increase the service charges with 6 per cent as the maximum of CPI and per the communities affordability.

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government increased by R 61, 5m or 12% in 2025/2026 and by 5 per cent in 2026/2027 and 4 per cent in the 2027/2028 financial year. There is a R 20m operating transfers and grants transferred to Development agency that appears under district municipality which overstate grants by R20m.

The following graph illustrates the major expenditure items per type.

Figure 2 Expenditure by major type

EXPENDITURE BY TYPE



Employee related costs, Contracted Services and Operational Costs are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	275	-	-	-	-	-	2 279	2 416	2 561
Vote 04 - Summary Corporate Services	8 310	7 727	4 385	9 480	14 822	14 822	7 341	10 374	9 937	10 533
Vote 05 - Summary Social Services & Development Planning	47	408	986	5 640	1 513	1 513	-	6 651	4 651	4 930
Vote 06 - Summary Infrastructure Services	30 970	47 306	78 007	122 732	112 769	112 769	57 002	96 104	146 895	246 457
Vote 07 - Summary Water Services	251 578	213 402	226 226	184 460	230 270	230 270	121 934	180 970	159 712	73 736
Capital multi-year expenditure sub-total	290 905	269 118	309 604	322 312	359 374	359 374	186 277	296 378	322 611	338 217
Single-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	-	-	1 700	1 700	-	500	530	562
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	-	-	-	-	-	-	-	2 551	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	1 700	1 700	-	3 051	530	562
Total Capital Expenditure - Vote	290 905	269 118	309 604	322 312	361 074	361 074	186 277	299 430	323 141	338 779
Capital Expenditure - Functional										
Governance and administration	8 310	8 002	4 385	14 205	17 785	17 785	7 341	17 804	17 377	18 420
Executive and council	-	-	-	-	-	-	-	-	-	-
Finance and administration	8 310	8 002	4 385	14 205	17 785	17 785	7 341	17 804	17 377	18 420
Internal audit	-	-	-	-	-	-	-	-	-	-
Community and public safety	47	270	986	600	-	-	-	-	-	-
Community and social services	47	270	986	600	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	21 376	41 851	60 631	121 210	105 819	105 819	53 162	92 891	142 150	236 758
Planning and development	21 376	41 851	60 631	121 210	105 819	105 819	53 162	92 891	142 150	236 758
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	261 172	218 995	243 602	186 297	237 470	237 470	125 774	188 734	163 614	83 601
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	223 223	174 461	178 637	176 093	211 840	211 840	105 367	186 473	163 614	83 601
Waste water management	37 950	44 534	64 965	10 204	25 631	25 631	20 407	261	-	-
Waste management	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	290 905	269 118	309 604	322 312	361 074	361 074	186 277	299 430	323 141	338 779
Funded by:										
National Government	232 612	247 421	298 048	276 629	274 647	274 647	167 296	255 181	283 461	297 279
Provincial Government	41 236	3 888	-	-	6 967	6 967	-	-	-	-
District Municipality	-	-	-	315	250	250	-	150	157	166
Transfers recognised - capital	273 848	251 309	298 048	276 944	281 864	281 864	167 296	255 331	283 617	297 445
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	17 056	17 809	11 555	45 368	79 210	79 210	18 981	44 099	39 524	41 333
Total Capital Funding	290 905	269 118	309 604	322 312	361 074	361 074	186 277	299 430	323 141	338 779

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

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

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2025/26 R296, 3million (Excl VAT) has been allocated of the total R299, 4million infrastructural budget, which totals 100 per cent. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the district. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

The capital programme is funded mainly from national and provincial grants and subsidies. For 2025/26 capital transfers totals R299, 4million and R322, 6million by 2026/27 and then in 2026/27 increase to R338, 2million. No borrowing applications are expected to result in the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 20 MBRR Table A6 - Budgeted Financial Position

DC43 Harry Gwala - Table A6 Consolidated Budgeted Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents	50 226	124 641	209 430	139 694	143 561	143 561	309 710	182 015	205 496	229 185
Trade and other receivables from exchange transactions	27 668	32 136	12 036	29 605	20 680	20 680	19 237	23 719	21 744	19 650
Receivables from non-exchange transactions	2 336	2 318	2 312	2 311	2 312	2 312	2 312	2 312	2 312	2 312
Current portion of non-current receivables	–	–	–	–	–	–	–	–	–	–
Inventory	513	716	868	858	858	858	866	858	858	858
VAT	32 158	34 596	19 164	36 188	18 867	18 867	26 867	19 165	19 165	19 165
Other current assets	62	(5)	(229)	2	(229)	(229)	(234)	(229)	(229)	(229)
Total current assets	112 963	194 402	243 572	208 658	186 049	186 049	358 758	227 840	249 346	270 941
Non current assets										
Investments										
Investment property	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	2 759 364	2 926 773	2 996 864	3 444 846	3 256 494	3 256 494	3 115 235	3 441 435	3 648 024	3 866 795
Biological assets										
Living and non-living resources										
Heritage assets										
Intangible assets	384	515	313	1 473	2 438	2 438	313	2 414	2 682	2 967
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	–	–	–	–	–	–	–	–	–	–
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total non current assets	2 759 748	2 927 288	2 997 178	3 446 319	3 258 932	3 258 932	3 115 548	3 443 850	3 650 706	3 869 761
TOTAL ASSETS	2 872 711	3 121 690	3 240 750	3 654 977	3 444 982	3 444 982	3 474 306	3 671 689	3 900 052	4 140 702
LIABILITIES										
Current liabilities										
Bank overdraft										
Financial liabilities	12 794	12 806	12 806	8 006	10 406	10 406	12 806	8 006	5 606	3 206
Consumer deposits	2 175	2 415	3 179	3 522	3 748	3 748	3 401	3 748	3 748	3 748
Trade and other payables from exchange transactions	77 578	91 868	86 935	86 542	83 968	83 968	73 745	86 356	88 356	89 656
Trade and other payables from non-exchange transactions	(0)	21 177	10 500	1 483	1 483	1 483	113 108	1 483	1 483	1 483
Provision	15 194	16 171	16 385	17 142	16 385	16 385	16 385	16 385	16 385	16 385
VAT	6 600	7 535	5 282	7 402	5 282	5 282	11 029	5 282	5 282	5 282
Other current liabilities										
Total current liabilities	114 341	151 972	135 087	124 097	121 273	121 273	230 475	121 261	120 861	119 761
Non current liabilities										
Financial liabilities	1 299	(0)	(0)	–	–	–	(0)	–	–	–
Provision	27 246	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
Long term portion of trade payables	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities										
Total non current liabilities	28 545	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
TOTAL LIABILITIES	142 886	179 707	165 623	153 496	151 809	151 809	261 011	151 797	151 397	150 297
NET ASSETS	2 729 825	2 941 983	3 075 127	3 501 481	3 293 172	3 293 172	3 213 295	3 519 892	3 748 655	3 990 406
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	2 774 486	2 975 404	3 108 725	3 501 649	3 293 172	3 293 172	3 237 335	3 519 892	3 748 655	3 990 406
Reserves and funds	–	–	–	–	–	–	–	–	–	–
Other										
TOTAL COMMUNITY WEALTH/EQUITY	2 774 486	2 975 404	3 108 725	3 501 649	3 293 172	3 293 172	3 237 335	3 519 892	3 748 655	3 990 406

Explanatory notes to Table A6 - Budgeted Financial Position

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

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

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

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

The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

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

Table 21 MBRR Table A7 - Budgeted Cash Flow Statement

DC43 Harry Gwala - Table A7 Consolidated Budgeted Cash Flows

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	-	18	6	-	-	-	-	-	-	-
Service charges	70 345	51 062	62 324	62 194	69 750	69 750	46 613	73 935	78 372	83 074
Other revenue	808 032	1 823 061	1 805 797	68 324	67 270	67 270	904 167	67 928	71 098	66 402
Transfers and Subsidies - Operational	8 071	128 367	473 045	512 493	512 493	512 493	376 287	573 989	606 254	633 681
Transfers and Subsidies - Capital	369 601	316 011	326 130	318 124	323 856	323 856	255 714	293 458	325 980	341 871
Interest	4 547	10 858	21 988	18 053	24 590	24 590	18 918	26 046	27 586	29 242
Dividends	-	-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(885 094)	(826 768)	(888 412)	(652 698)	(720 334)	(720 334)	(624 261)	(670 714)	(712 351)	(739 339)
Interest	-	-	-	(142)	(15)	(15)	-	(14)	(15)	(16)
Transfers and Subsidies	(135)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	175 367	1 502 609	1 800 878	326 348	277 611	277 611	977 438	364 628	396 924	415 115
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(175 807)	(344 344)	(371 612)	(389 595)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(175 807)	(344 344)	(371 612)	(389 595)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	(355)	(569)	(569)	(569)	-	569	569	569
Payments										
Repayment of borrowing	(400)	-	-	(2 400)	(2 400)	(2 400)	-	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(400)	-	(355)	(2 969)	(2 969)	(2 969)	-	(1 831)	(1 831)	(1 831)
NET INCREASE/ (DECREASE) IN CASH HELD	(115 938)	1 233 491	1 490 920	1 067	(86 432)	(86 432)	801 631	18 453	23 481	23 689
Cash/cash equivalents at the year begin:	51 862	50 226	124 641	151 221	229 993	229 993	-	163 562	182 015	205 496
Cash/cash equivalents at the year end:	(64 076)	1 283 718	1 615 561	152 288	143 561	143 561	801 631	182 015	205 496	229 185

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

As part of the 2024/25 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations, rationalisation of spending priorities and cost containment policy.

The 2025/26 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. Cash and cash equivalents totals R182million as at the end of the 2025/26 financial year and escalates to R205, 4million by 2026/27 and R229, 1m at the end of 2027/2028 financial year.

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	(54 076)	1 283 718	1 615 561	152 288	143 561	143 561	801 631	182 015	205 496	229 185
Other current investments > 90 days	114 302	(1 159 077)	(1 406 130)	(12 695)	-	-	(491 920)	-	-	-
Non current investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	50 226	124 641	209 430	139 694	143 561	143 561	309 710	182 015	205 496	229 185
Application of cash and investments										
Unspent conditional transfers	(0)	21 177	10 500	1 483	1 483	1 483	113 108	1 483	1 483	1 483
Unspent borrowing										
Statutory requirements	(25 557)	(27 061)	(13 883)	(28 787)	(13 585)	(13 585)	(15 838)	(13 883)	(13 883)	(13 883)
Other working capital requirements	(179 724)	(683 560)	(235 816)	30 463	50 231	50 231	(268 151)	43 959	48 663	55 467
Other provisions	15 194	16 171	16 385	17 142	16 385	16 385	16 385	16 385	16 385	16 385
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	(190 088)	(673 273)	(222 813)	20 302	54 515	54 515	(154 495)	47 945	32 649	59 453
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	119 392	89 046	89 046	464 205	134 070	152 847	169 732
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	119 392	89 046	89 046	464 205	134 070	152 847	169 732

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

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded. From the table it can be seen that for the period 2025/26 the budget is sitting on a surplus of R134million then R 152, 8million in 2026/27 then a surplus of R169, 7million and in 2027/28. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2025/26 Draft Budget MTREF is funded.

As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 23 MBRR Table A9 - Asset Management

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	246 557	257 265	289 670	299 437	323 900	323 900	259 604	226 672	163 010
Roads Infrastructure	1 242	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	196 052	203 327	219 163	270 019	275 836	275 836	240 610	212 448	148 495
Sanitation Infrastructure	37 950	44 534	64 965	12 204	27 908	27 908	261	-	-
Infrastructure	235 244	247 862	284 128	282 223	303 744	303 744	240 871	212 448	148 495
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 138	-	-	4 250	3 080	3 080	4 350	4 180	4 431
Housing	-	-	-	2 000	1 200	1 200	3 551	-	-
Other Assets	1 138	-	-	6 250	4 280	4 280	7 901	4 180	4 431
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	270	-	796	1 475	1 475	505	534	566
Intangible Assets	-	270	-	796	1 475	1 475	505	534	566
Computer Equipment	1 412	410	943	2 000	1 400	1 400	1 679	1 780	1 887
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	4 924	4 843	4 572
Machinery and Equipment	7 376	7 430	1 306	2 588	5 100	5 100	3 724	2 887	3 060
Transport Assets	-	-	986	600	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	42 411	6 259	4 802	22 007	27 290	27 290	20 273	26 587	74 032
Water Supply Infrastructure	9 560	-	2 245	970	12 167	12 167	7 764	3 902	9 865
Sanitation Infrastructure	28 455	-	-	16 075	9 085	9 085	1 739	8 696	1 774
Infrastructure	38 015	-	2 245	17 045	21 252	21 252	9 503	12 598	11 639
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	2 874	7 210	55 208
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	2 874	7 210	55 208
Machinery and Equipment	-	-	-	80	-	-	-	-	-
Transport Assets	4 396	6 259	2 557	4 883	6 039	6 039	7 895	6 779	7 186
Land	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	1 936	5 594	15 131	868	9 883	9 883	19 553	69 882	101 736
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	1 936	5 594	15 131	868	9 883	9 883	17 379	51 028	57 091
Sanitation Infrastructure	-	-	-	-	-	-	2 174	18 854	44 645
Infrastructure	1 936	5 594	15 131	868	9 883	9 883	19 553	69 882	101 736
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	290 905	269 118	309 604	322 312	361 074	361 074	299 430	323 141	338 779
Roads Infrastructure	1 242	-	-	-	-	-	-	-	-
Water Supply Infrastructure	207 548	208 921	236 539	271 856	287 886	297 886	265 754	267 379	215 451
Sanitation Infrastructure	66 405	44 534	64 965	28 279	36 993	36 993	4 174	27 550	46 419
Infrastructure	275 195	253 455	301 504	300 135	334 879	334 879	269 928	294 928	261 870
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 138	-	-	4 250	3 080	3 080	7 224	11 390	59 638
Housing	-	-	-	2 000	1 200	1 200	3 551	-	-
Other Assets	1 138	-	-	6 250	4 280	4 280	10 775	11 390	59 638
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	270	-	796	1 475	1 475	505	534	566
Intangible Assets	-	270	-	796	1 475	1 475	505	534	566
Computer Equipment	1 412	410	943	2 000	1 400	1 400	1 679	1 780	1 887
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	4 924	4 843	4 572
Machinery and Equipment	7 376	7 430	1 306	2 588	5 100	5 100	3 724	2 887	3 060
Transport Assets	4 396	6 259	3 543	5 483	6 039	6 039	7 895	6 779	7 186
Land	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	290 905	269 118	309 604	322 312	361 074	361 074	299 430	323 141	338 779

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	1 949 818	2 209 283	2 357 654	2 728 314	2 619 408	2 619 408	2 757 545	2 963 143	3 180 434
<i>Roads Infrastructure</i>	193	188	184	184	184	184	180	175	169
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>	9 250	7 586	5 806	4 213	4 083	4 083	2 257	322	322
<i>Water Supply Infrastructure</i>	1 672 212	1 946 095	2 093 781	2 387 255	2 325 984	2 325 984	2 505 515	2 688 884	2 815 284
<i>Sanitation Infrastructure</i>	197 959	190 739	195 156	260 508	215 511	215 511	209 401	228 464	265 888
<i>Information and Communication Infrastructure</i>	101	296	224	222	185	185	683	182	690
Infrastructure	1 879 714	2 144 905	2 295 152	2 652 382	2 545 947	2 545 947	2 718 046	2 918 027	3 082 353
Community Assets	2 998	1 759	1 520	1 428	1 383	1 383	1 380	5 540	57 515
Other Assets	37 577	36 372	35 178	39 434	38 182	38 182	—	—	—
Intangible Assets	384	515	313	1 473	2 438	2 438	2 414	2 682	2 967
Computer Equipment	6 322	4 392	3 660	1 985	2 321	2 321	3 631	5 020	6 492
Furniture and Office Equipment	1 603	1 739	3 342	10 004	11 450	11 450	15 420	19 420	23 105
Machinery and Equipment	2 238	1 772	2 449	11 876	6 953	6 953	10 049	11 815	19 888
Transport Assets	18 981	17 831	16 039	9 730	10 734	10 734	6 606	840	(5 684)
Land									
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 949 818	2 209 283	2 357 654	2 728 314	2 619 408	2 619 408	2 757 545	2 963 143	3 180 434
EXPENDITURE OTHER ITEMS	126 793	145 531	280 712	149 845	174 121	174 121	158 186	171 936	182 252
<i>Depreciation</i>	81 505	93 053	236 930	101 837	102 367	102 367	108 050	114 518	121 389
<i>Repairs and Maintenance by Asset Class</i>	45 289	52 468	43 781	48 009	71 753	71 753	50 137	57 419	60 864
<i>Roads Infrastructure</i>	—	—	—	—	—	—	—	—	—
<i>Storm water Infrastructure</i>	—	—	—	—	—	—	—	—	—
<i>Electrical Infrastructure</i>	—	—	—	—	—	—	—	—	—
<i>Water Supply Infrastructure</i>	28 248	45 120	39 357	41 300	66 741	66 741	45 091	52 036	55 159
Infrastructure	28 248	45 120	39 357	41 300	66 741	66 741	45 091	52 036	55 159
<i>Community Facilities</i>	—	—	—	—	—	—	—	—	—
<i>Sport and Recreation Facilities</i>	78	63	87	77	117	117	273	289	306
Community Assets	78	63	87	77	117	117	273	289	306
<i>Investment properties</i>	—	—	—	—	—	—	—	—	—
<i>Operational Buildings</i>	1 548	4 008	4 272	6 212	4 061	4 061	4 364	4 624	4 902
<i>Housing</i>	—	—	—	—	—	—	—	—	—
Other Assets	1 548	4 008	4 272	6 212	4 061	4 061	4 364	4 624	4 902
<i>Biological or Cultivated Assets</i>	—	—	—	—	—	—	—	—	—
<i>Servitudes</i>	—	—	—	—	—	—	—	—	—
<i>Licences and Rights</i>	—	—	—	—	—	—	—	—	—
Intangible Assets	—	—	—	—	—	—	—	—	—
<i>Computer Equipment</i>	9	17	16	70	82	82	77	81	86
<i>Furniture and Office Equipment</i>	—	—	—	—	—	—	—	—	—
<i>Machinery and Equipment</i>	15 329	3 055	—	—	—	—	—	—	—
<i>Transport Assets</i>	78	204	49	350	753	753	332	387	411
<i>Land</i>	—	—	—	—	—	—	—	—	—
TOTAL EXPENDITURE OTHER ITEMS	126 793	145 531	280 712	149 845	174 121	174 121	158 186	171 936	182 252
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	15,2%	4,4%	6,4%	7,1%	10,3%	10,3%	13,3%	29,9%	51,9%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	54,4%	12,7%	8,4%	22,5%	36,3%	36,3%	36,6%	84,2%	144,8%
<i>R&M as a % of PPE & Investment Property</i>	2,3%	2,4%	1,9%	1,8%	2,7%	2,7%	1,8%	1,9%	1,9%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	4,6%	2,9%	2,7%	2,6%	4,2%	4,2%	3,3%	5,2%	7,4%

Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. Due to the extremely high infrastructure backlogs that exists in our district a huge allocation of

the conditional funding arising from prior years multi- year capital budget appropriations has been committed towards new water and sanitation infrastructure. However, the revised infrastructure plan will see a shift of more funds being allocated towards the refurbishment of assets as advised by National Treasury.

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

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

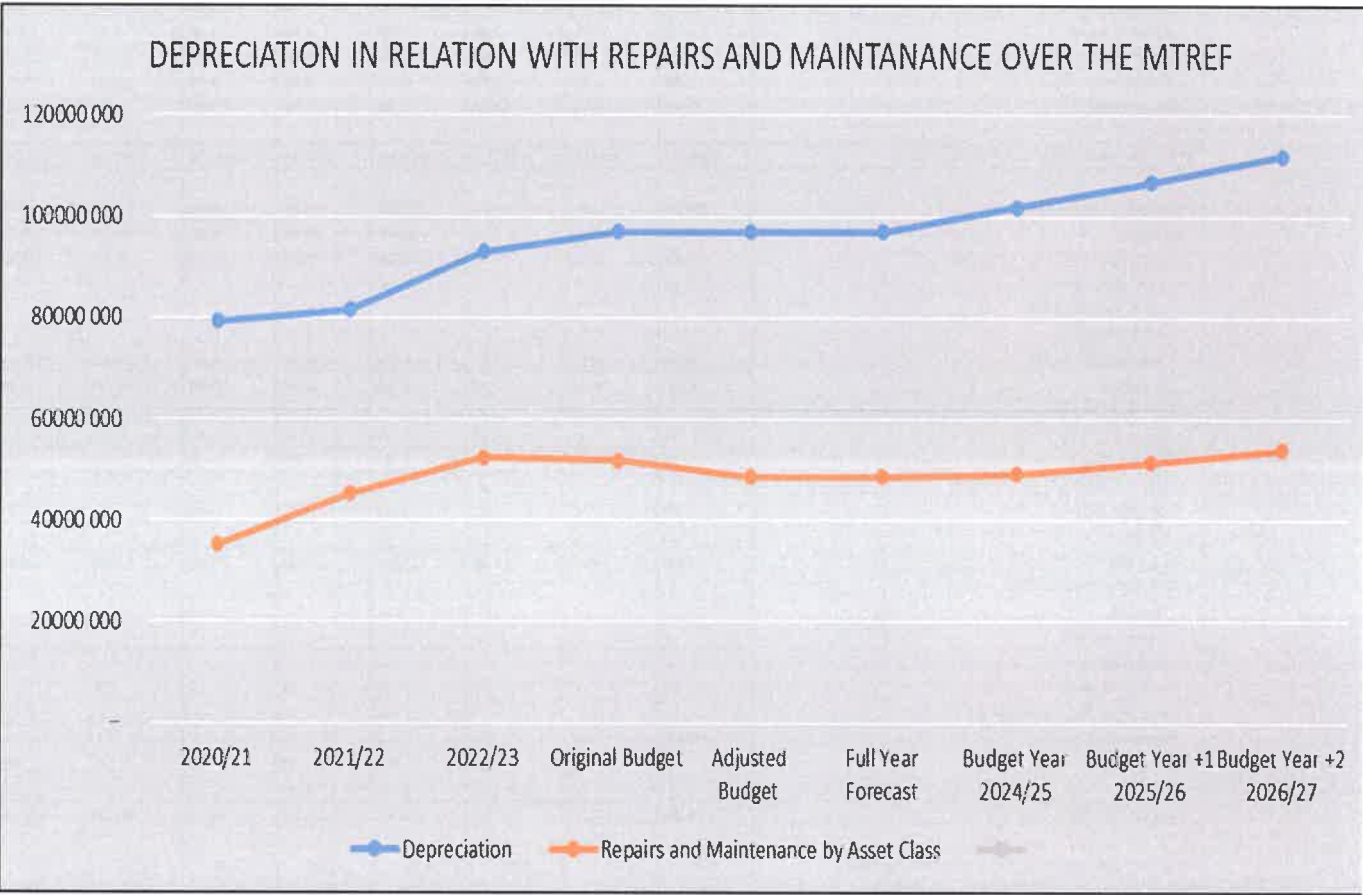


Table 24 MBRR Table A10 - Basic Service Delivery Measurement

DC43 Harry Gwala - Table A10 Consolidated basic service delivery measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	52 292	54 854	59 311	63 166	63 166	63 166	67 272	70 367	74 589
Piped water inside yard (but not in dwelling)	21 261	22 303	24 115	25 682	25 682	25 682	27 352	28 610	30 327
Using public tap (at least min.service level)	37 292	39 119	42 298	45 047	45 047	45 047	47 975	50 182	53 193
Other water supply (at least min.service level)	30 936	32 452	35 089	37 369	37 369	37 369	39 798	41 629	44 126
<i>Minimum Service Level and Above sub-total</i>	141 781	148 728	160 812	171 264	171 264	171 264	182 397	190 787	202 234
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	30 936	32 452	35 088	37 369	37 369	37 369	39 798	41 629	44 126
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	30 936	32 452	35 088	37 369	37 369	37 369	39 798	41 629	44 126
Total number of households	172 717	181 180	195 900	208 633	208 633	208 633	222 195	232 416	246 361
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	81 649	85 650	92 608	98 628	98 628	98 628	105 039	109 871	116 463
Flush toilet (with septic tank)	13 164	13 809	14 931	15 901	15 901	15 901	16 935	17 714	18 777
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	46 969	49 270	53 273	56 736	56 736	56 736	60 424	63 204	66 996
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	141 782	148 729	160 813	171 265	171 265	171 265	182 398	190 788	202 236
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	141 782	148 729	160 813	171 265	171 265	171 265	182 398	190 788	202 236
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolites per indigent household per month)	642	1 775	1 828	(724)	(724)	(724)	(768)	(814)	(863)
Sanitation (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)									
Total cost of FBS provided	642	1 775	1 828	(724)	(724)	(724)	(768)	(814)	(863)

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

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

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

Sanitation services – backlog will be reduced greatly in the MTREF. The budget provides for 12800 households to be registered as indigent in 2025/26, and therefore entitled to receiving Free Basic Services. It is anticipated that these Free Basic Services will cost the municipality R6, 1million in the MTREF. This is covered by the municipality’s equitable share allocation from national government.

1.8 ANNUAL BUDGET TABLES- PARENT MUNICIPALITY

Table 25 MBRR Table A1 - Budget Summary

DC43 Harry Gwala - Table A1 Budget Summary										
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year	Budget Year +1	Budget Year +2
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	61 560	77 674	72 558	71 195	79 208	79 208	52 949	83 961	88 999	94 338
Investment revenue	5 104	10 858	21 988	16 036	23 190	23 190	18 918	24 581	26 056	27 620
Transfer and subsidies - Operational	453 939	452 460	477 532	512 493	512 493	512 493	390 088	573 989	606 254	633 881
Other own revenue	15 181	19 422	19 807	17 721	18 130	18 130	11 208	19 194	18 604	19 721
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	617 445	633 022	633 022	473 162	701 725	739 914	775 560
Employee costs	238 376	245 707	256 039	265 764	265 764	265 764	167 777	276 539	291 057	306 338
Remuneration of councillors	7 239	6 988	6 932	8 606	7 665	7 665	5 114	8 059	8 482	8 928
Depreciation and amortisation	81 505	93 063	236 930	101 010	101 010	101 010	67 340	107 044	113 467	120 275
Interest	307	113	2	15	15	15	-	14	15	16
Inventory consumed and bulk purchases	-	-	-	36 543	38 311	38 311	[7]	38 571	40 885	43 338
Transfers and subsidies	15 100	15 290	-	-	-	-	-	-	-	-
Other expenditure	253 530	239 848	255 958	283 312	323 982	323 982	209 467	356 833	380 793	402 089
Total Expenditure	596 056	601 009	755 961	695 250	736 746	736 746	449 690	787 061	834 700	880 983
Surplus/(Deficit)	(60 272)	(40 595)	(163 976)	(77 805)	(103 724)	(103 724)	23 472	(85 335)	(94 786)	(105 423)
Transfers and subsidies - capital kind)	311 860	283 338	332 319	318 124	323 856	323 856	139 305	293 458	325 980	341 871
Surplus/(Deficit) after capital transfers & contributions	264 369	246 631	168 343	240 318	220 132	220 132	162 777	208 123	231 194	236 448
Share of Surplus/Deficit attributable to	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	264 369	246 631	168 343	240 318	220 132	220 132	162 777	208 123	231 194	236 448
Capital expenditure & funds sources										
Capital expenditure	290 905	288 118	309 604	317 272	359 561	359 561	186 277	294 629	318 490	333 848
Transfers recognised - capital	273 848	251 809	288 048	276 629	281 614	281 614	167 296	255 181	283 461	297 279
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	17 056	17 809	11 555	40 643	77 947	77 947	18 981	39 448	35 029	36 569
Total sources of capital funds	290 905	269 118	309 604	317 272	359 561	359 561	186 277	294 629	318 490	333 848
Financial position										
Total current assets	112 963	194 402	243 572	193 675	152 054	152 054	358 758	198 953	222 782	248 042
Total non current assets	2 759 748	2 927 288	2 997 178	3 440 486	3 256 627	3 256 627	3 115 548	3 438 256	3 645 262	3 864 038
Total current liabilities	114 341	151 972	135 087	120 580	117 266	117 266	230 475	117 744	117 344	116 244
Total non current liabilities	28 545	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
Community wealth/Equity	2 774 486	2 975 404	3 108 725	3 487 234	3 259 546	3 259 546	3 237 887	3 488 865	3 720 098	3 965 230
Cash flows										
Net cash from (used) operating	175 367	1502 609	1800 878	344 742	296 005	296 005	977 438	370 533	399 248	418 780
Net cash from (used) investing	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(175 807)	(344 344)	(371 612)	(389 595)
Net cash from (used) financing	(400)	-	(355)	(2 969)	(2 969)	(2 969)	-	(1 831)	(1 831)	(1 831)
Cash/cash equivalents at the year end	(64 076)	1 283 718	1 615 561	156 316	128 578	128 578	801 631	153 142	178 948	206 302
Cash backing/surplus reconciliation										
Cash and investments available	50 226	124 641	209 430	124 710	109 566	109 566	309 710	153 128	178 933	206 286
Application of cash and investments	(190 088)	(673 273)	(222 813)	16 785	50 508	50 508	(154 495)	50 447	54 482	60 546
Balance - surplus (shortfall)	240 314	797 914	432 243	107 925	59 058	59 058	464 205	102 682	124 451	145 740
Asset management										
Asset register summary (WDV)	1 949 818	2 209 283	2 357 654	2 722 481	2 617 103	2 617 103	-	2 798 732	3 005 738	3 224 514
Depreciation	81 505	93 063	236 930	101 010	101 010	101 010	-	107 044	113 467	120 275
Renewal and Upgrading of Existing Asset	44 348	11 853	19 933	22 875	37 173	37 173	-	39 826	96 469	175 768
Repairs and Maintenance	45 289	52 468	43 781	47 797	71 635	71 635	-	50 037	57 314	60 753
Free services										
Cost of Free Basic Services provided	642	1 775	1 828	(724)	(724)	(724)	-	(768)	(814)	(863)
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	31	-	-	37	37	37	-	88	88	88
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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

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

Functional Classification Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue - Functional									
<i>Governance and administration</i>	397 365	449 558	490 123	510 213	519 286	519 286	549 971	581 578	608 335
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	397 365	449 558	490 123	510 213	519 286	519 286	549 971	581 578	608 335
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	33	32	42	17	17	17	18	19	20
Community and social services	33	32	42	17	17	17	18	19	20
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	24 384	3 888	-	-	8 013	8 013	-	-	-
Planning and development	24 384	3 888	-	-	8 013	8 013	-	-	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	438 642	394 162	434 040	425 338	429 562	429 562	445 194	484 296	509 076
Energy sources	-	-	-	-	-	-	-	-	-
Water management	392 285	381 035	420 226	409 956	414 271	414 271	428 985	467 115	490 864
Waste water management	46 357	13 126	13 814	15 382	15 291	15 291	16 209	17 181	18 212
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	860 424	847 640	924 204	935 568	956 878	956 878	995 183	1 065 893	1 117 431
Expenditure - Functional									
<i>Governance and administration</i>	236 425	284 782	282 513	315 547	337 243	337 243	280 795	301 739	318 930
Executive and council	37 102	29 054	30 252	37 277	35 638	35 638	36 849	39 203	41 430
Finance and administration	189 223	244 498	243 702	266 211	292 263	292 263	232 520	250 491	264 803
Internal audit	10 100	11 230	8 559	12 058	9 342	9 342	11 427	12 045	12 697
<i>Community and public safety</i>	19 479	17 993	19 285	24 662	22 278	22 278	24 047	24 822	26 165
Community and social services	19 479	17 993	19 285	24 662	22 278	22 278	24 047	24 822	26 165
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	148 516	152 099	294 606	168 636	165 214	165 214	209 709	222 066	233 500
Planning and development	148 516	152 099	294 606	168 636	165 214	165 214	209 709	222 066	233 500
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	236 297	179 556	193 055	186 601	211 951	211 951	272 447	286 007	302 318
Energy sources	-	-	-	-	-	-	-	-	-
Water management	216 091	177 046	192 868	185 665	211 200	211 200	263 154	276 163	291 889
Waste water management	20 206	2 509	187	937	750	750	9 292	9 844	10 429
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	640 717	634 430	789 459	695 447	736 686	736 686	786 998	834 634	880 913
Surplus/(Deficit) for the year	219 708	213 210	134 745	240 121	220 192	220 192	208 185	231 259	236 517

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

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

Vote Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote									
Vote 01 - Summary Council	–	–	–	–	–	–	–	–	–
Vote 02 - Summary Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 03 - Summary Budget And Treasury Office	396 921	449 162	489 676	509 775	518 848	518 848	549 507	581 086	607 813
Vote 04 - Summary Corporate Services	359	372	418	387	387	387	410	435	461
Vote 05 - Summary Social Services & Development Planning	11 636	32	42	17	17	17	18	19	20
Vote 06 - Summary Infrastructure Services	318 640	308 606	348 937	343 279	347 846	347 846	350 081	383 477	402 207
Vote 07 - Summary Water Services	132 868	89 467	85 131	82 110	89 780	89 780	95 167	100 877	106 930
Vote 15 - Other	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	860 424	847 640	924 204	935 568	956 878	956 878	995 183	1 065 893	1 117 431
Expenditure by Vote to be appropriated									
Vote 01 - Summary Council	20 155	18 112	15 581	21 342	19 059	19 059	17 414	18 660	19 716
Vote 02 - Summary Municipal Manager	27 048	22 172	23 229	27 993	27 642	27 642	30 862	32 588	34 411
Vote 03 - Summary Budget And Treasury Office	64 433	94 176	97 677	105 423	100 993	100 993	65 728	69 368	73 209
Vote 04 - Summary Corporate Services	80 035	90 554	93 168	106 417	116 898	116 898	109 656	117 543	124 370
Vote 05 - Summary Social Services & Development Planning	51 282	50 486	56 417	67 882	62 834	62 834	69 967	71 893	74 740
Vote 06 - Summary Infrastructure Services	125 480	122 016	257 942	125 796	123 524	123 524	164 408	175 646	185 610
Vote 07 - Summary Water Services	272 284	236 914	245 444	240 594	285 735	285 735	328 964	348 937	368 856
Vote 15 - Other	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	640 717	634 430	789 459	695 447	736 686	736 686	786 998	834 634	880 913
Surplus/(Deficit) for the year	219 708	213 210	134 745	240 121	220 192	220 192	208 185	231 259	236 517

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	49 363	64 525	59 302	56 944	66 213	66 213	44 185	70 186	74 397	78 861
Service charges - Waste Water Management	12 207	13 149	13 256	14 252	12 995	12 995	8 644	13 775	14 601	15 477
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	417	741	178	663	746	746	128	791	839	889
Interest										
Interest earned from Receivables	11 221	14 117	16 536	16 655	15 146	15 146	9 936	16 055	17 018	18 039
Interest earned from Current and Non Current Assets	5 104	10 858	21 988	16 035	23 190	23 190	18 918	24 581	26 056	27 620
Special rating levies										
Operational Revenue	402	810	1 241	404	666	666	355	706	748	793
Non-Exchange Revenue										
Property rates	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2 453	-	478	-	1 572	1 572	786	1 643	-	-
Licences or permits										
Transfer and subsidies - Operational	453 939	452 460	477 532	512 493	512 493	512 493	390 088	573 989	606 254	633 881
Operational Revenue	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Gains	688	3 755	1 374	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	617 445	633 022	633 022	473 040	701 725	739 914	775 560
Expenditure										
Employee related costs	238 376	245 707	258 039	265 764	265 764	265 764	167 777	276 539	291 067	306 338
Remuneration of councillors	7 239	6 988	6 932	8 606	7 665	7 665	5 114	8 069	8 482	8 928
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	36 543	38 311	38 311	(7)	38 571	40 885	43 338
Debt impairment	7 533	(1 202)	10 796	-	-	-	-	31 530	30 383	32 206
Depreciation and amortisation	81 505	93 063	236 930	101 010	101 010	101 010	67 340	107 044	113 467	120 275
Interest	307	113	2	15	15	15	-	14	15	16
Contracted services	172 985	134 263	122 694	149 165	171 354	171 354	108 625	181 596	197 795	209 310
Transfers and subsidies	15 100	15 290	-	-	-	-	-	-	-	-
Irrecoverable debts written off	7 614	34 790	29 995	31 908	39 931	39 931	8 026	42 327	44 866	47 558
Operational costs	63 458	69 121	91 283	102 239	112 697	112 697	77 745	101 380	107 749	113 014
Losses on disposal of Assets	1 940	2 875	1 190	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	598 058	601 009	755 861	695 250	736 746	736 746	434 519	787 061	834 700	880 983
Surplus/(Deficit)	(60 272)	(40 595)	(163 976)	(77 805)	(103 724)	(103 724)	38 521	(85 335)	(94 786)	(105 423)
Transfers and subsidies - capital (monetary allocations)	311 860	283 338	332 319	318 124	323 856	323 856	139 305	293 458	325 980	341 671
Transfers and subsidies - capital (in-kind)	12 781	3 888	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	264 369	246 631	168 343	240 318	220 132	220 132	177 826	208 123	231 194	236 448
Income Tax										
Surplus/(Deficit) after income tax	264 369	246 631	168 343	240 318	220 132	220 132	177 826	208 123	231 194	236 448
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality	264 369	246 631	168 343	240 318	220 132	220 132	177 826	208 123	231 194	236 448
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	264 369	246 631	168 343	240 318	220 132	220 132	177 826	208 123	231 194	236 448

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

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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	275	-	-	-	-	-	2 279	2 416	2 561
Vote 04 - Summary Corporate Services	8 310	7 727	4 385	9 480	14 822	14 822	7 341	10 374	9 937	10 533
Vote 05 - Summary Social Services & Development Planning	47	408	986	600	-	-	-	1 850	-	-
Vote 06 - Summary Infrastructure Services	30 970	47 306	78 007	122 732	112 769	112 769	57 002	96 104	145 895	246 457
Vote 07 - Summary Water Services	251 578	213 402	226 226	184 460	230 270	230 270	121 934	180 970	159 712	73 736
Capital multi-year expenditure sub-total	290 905	269 118	309 604	317 272	357 861	357 861	186 277	291 577	317 960	333 286
Single-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	-	-	-
Vote 04 - Summary Corporate Services	-	-	-	-	1 700	1 700	-	500	530	562
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	-	-	-	-	-	-	-	2 551	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	1 700	1 700	-	3 051	530	562
Total Capital Expenditure - Vote	290 905	269 118	309 604	317 272	359 561	359 561	186 277	294 629	318 490	333 848
Capital Expenditure - Functional										
Governance and administration	8 310	8 002	4 385	9 480	16 522	16 522	7 341	13 153	12 882	13 655
Executive and council	-	-	-	-	-	-	-	-	-	-
Finance and administration	8 310	8 002	4 385	9 480	16 522	16 522	7 341	13 153	12 882	13 655
Internal audit	-	-	-	-	-	-	-	-	-	-
Community and public safety	47	270	986	600	-	-	-	-	-	-
Community and social services	47	270	986	600	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	21 376	41 851	60 631	120 895	105 569	105 569	53 162	92 741	141 993	236 592
Planning and development	21 376	41 851	60 631	120 895	105 569	105 569	53 162	92 741	141 993	236 592
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	261 172	218 995	243 602	186 297	237 470	237 470	125 774	188 734	163 614	83 601
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	223 223	174 461	178 637	176 093	211 840	211 840	105 367	188 473	163 614	83 601
Waste water management	37 950	44 534	64 965	10 204	25 631	25 631	20 407	261	-	-
Waste management	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	290 905	269 118	309 604	317 272	359 561	359 561	186 277	294 629	318 490	333 848
Funded by:										
National Government	232 612	247 421	298 048	276 629	274 647	274 647	167 296	255 181	283 461	297 279
Provincial Government	41 236	3 888	-	-	6 967	6 967	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	273 848	251 309	298 048	276 629	281 614	281 614	167 296	255 181	283 461	297 279
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	17 056	17 809	11 555	40 643	77 947	77 947	18 981	39 448	35 029	36 569
Total Capital Funding	290 905	269 118	309 604	317 272	359 561	359 561	186 277	294 629	318 490	333 848

MBRR Table A6 - Budgeted Financial Position

DC43 Harry Gwala - Table A6 Budgeted Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents	50 226	124 641	209 430	124 710	109 566	109 566	309 710	153 128	178 933	206 286
Trade and other receivables from exchange transactions	27 668	32 136	12 036	29 605	20 680	20 680	19 237	23 719	21 744	19 650
Receivables from non-exchange transactions	2 336	2 318	2 312	2 311	2 312	2 312	2 312	2 312	2 312	2 312
Current portion of non-current receivables	-	-	-	-	-	-	-	-	-	-
Inventory	513	716	868	868	868	868	866	868	868	868
VAT	32 168	34 596	19 164	36 188	18 867	18 867	26 867	19 165	19 165	19 165
Other current assets	62	(5)	(229)	2	(229)	(229)	(234)	(229)	(229)	(229)
Total current assets	112 963	194 402	243 572	193 675	152 054	152 054	358 758	198 953	222 782	248 042
Non current assets										
Investments	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	2 759 364	2 926 773	2 996 864	3 439 263	3 254 513	3 254 513	3 115 235	3 435 892	3 642 632	3 861 127
Biological assets	-	-	-	-	-	-	-	-	-	-
Living and non-living resources	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Intangible assets	384	515	313	1 223	2 113	2 113	313	2 364	2 630	2 911
Trade and other receivables from exchange transactions	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total non current assets	2 759 748	2 927 288	2 997 178	3 440 486	3 256 627	3 256 627	3 115 548	3 438 256	3 645 262	3 864 038
TOTAL ASSETS	2 872 711	3 121 690	3 240 750	3 634 161	3 408 681	3 408 681	3 474 306	3 637 209	3 868 044	4 112 080
LIABILITIES										
Current liabilities										
Bank overdraft	-	-	-	-	-	-	-	-	-	-
Financial liabilities	12 794	12 806	12 806	8 006	10 406	10 406	12 806	8 006	5 606	3 206
Consumer deposits	2 175	2 415	3 179	3 522	3 748	3 748	3 401	3 748	3 748	3 748
Trade and other payables from exchange transactions	77 578	91 868	86 935	84 509	81 444	81 444	73 745	84 323	86 323	87 623
Trade and other payables from non-exchange transactions	(0)	21 177	10 500	-	-	-	113 108	-	-	-
Provision	15 194	16 171	16 385	17 142	16 385	16 385	16 385	16 385	16 385	16 385
VAT	6 600	7 535	5 282	7 402	5 282	5 282	11 029	5 282	5 282	5 282
Other current liabilities	-	-	-	-	-	-	-	-	-	-
Total current liabilities	114 341	151 972	135 087	120 580	117 266	117 266	230 475	117 744	117 344	116 244
Non current liabilities										
Financial liabilities	1 299	(0)	(0)	-	-	-	(0)	-	-	-
Provision	27 246	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
Long term portion of trade payables	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-
Total non current liabilities	28 545	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
TOTAL LIABILITIES	142 886	179 707	165 623	149 979	147 802	147 802	261 011	148 280	147 880	146 780
NET ASSETS	2 729 825	2 941 983	3 075 127	3 484 182	3 260 879	3 260 879	3 213 295	3 488 928	3 720 164	3 965 300
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	2 774 486	2 975 404	3 108 725	3 487 234	3 259 546	3 259 546	3 237 887	3 488 865	3 720 098	3 965 230
Reserves and funds	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2 774 486	2 975 404	3 108 725	3 487 234	3 259 546	3 259 546	3 237 887	3 488 865	3 720 098	3 965 230

MBRR Table A7 - Budgeted Cash Flow Statement

DC43 Harry Gwala - Table A7 Budgeted Cash Flows

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	–	18	6	–	–	–	–	–	–	–
Service charges	70 345	51 062	62 324	62 194	69 750	69 750	46 613	73 935	78 372	83 074
Other revenue	608 032	1 823 061	1 805 797	68 324	67 270	67 270	904 167	47 792	50 956	46 253
Transfers and Subsidies - Operational	8 071	128 367	473 045	512 493	512 493	512 493	376 287	573 989	606 254	633 881
Transfers and Subsidies - Capital	369 601	316 011	326 130	318 124	323 856	323 856	255 714	293 458	325 980	341 871
Interest	4 547	10 858	21 988	17 435	23 972	23 972	18 918	24 581	26 056	27 620
Dividends								–	–	–
Payments										
Suppliers and employees	(885 094)	(826 768)	(888 412)	(633 686)	(701 323)	(701 323)	(624 261)	(643 209)	(688 354)	(713 903)
Interest	–	–	–	(142)	(15)	(15)	–	(14)	(15)	(16)
Transfers and Subsidies	(135)	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	175 367	1 502 609	1 800 878	344 742	296 005	296 005	977 438	370 533	399 248	418 780
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–	–	–
Decrease (increase) in non-current receivables								–	–	–
Decrease (increase) in non-current investments								–	–	–
Payments										
Capital assets	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(175 807)	(344 344)	(371 612)	(389 595)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(175 807)	(344 344)	(371 612)	(389 595)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–	–	–
Borrowing long term/refinancing								–	–	–
Increase (decrease) in consumer deposits	–	–	(355)	(569)	(569)	(569)	–	569	569	569
Payments										
Repayment of borrowing	(400)	–	–	(2 400)	(2 400)	(2 400)	–	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(400)	–	(355)	(2 969)	(2 969)	(2 969)	–	(1 831)	(1 831)	(1 831)
NET INCREASE/ (DECREASE) IN CASH HELD	(115 938)	1 233 491	1 490 920	19 461	(68 038)	(68 038)	801 631	24 358	25 805	27 354
Cash/cash equivalents at the year begin:	51 862	50 226	124 641	136 856	196 616	196 616	–	128 784	153 142	178 948
Cash/cash equivalents at the year end:	(64 076)	1 283 718	1 615 561	156 316	128 578	128 578	801 631	153 142	178 948	206 302

MBRR Table A8 – Cash Backed reserves

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	(64 076)	1 283 718	1 615 561	156 316	128 578	128 578	801 631	153 142	178 948	206 302
Other current investments > 90 days	114 302	(1 159 077)	(1 406 130)	(31 806)	(19 011)	(19 011)	(491 920)	(14)	(15)	(16)
Non current investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	50 226	124 641	209 430	124 710	109 566	109 566	309 710	153 128	178 933	206 286
Application of cash and investments										
Unspent conditional transfers	(0)	21 177	10 500	-	-	-	113 108	-	-	-
Unspent borrowing										
Statutory requirements	(25 557)	(27 061)	(13 863)	(28 787)	(13 585)	(13 585)	(15 838)	(13 883)	(13 883)	(13 883)
Other working capital requirements	(179 724)	(683 560)	(235 816)	28 430	47 707	47 707	(268 151)	47 944	51 979	58 043
Other provisions	15 194	16 171	16 385	17 142	16 385	16 385	16 385	16 385	16 385	16 385
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	(190 088)	(673 273)	(222 813)	16 785	50 508	50 508	(154 495)	50 447	54 482	60 546
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	107 925	59 058	59 058	464 205	102 682	124 451	145 740
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	107 925	59 058	59 058	464 205	102 682	124 451	145 740

MBRR Table A9 - Asset Management

DC43 Harry Gwala - Table A9 Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	246 557	257 265	289 670	294 397	322 387	322 387	254 803	222 021	158 080
Roads Infrastructure	1 242	-	-	-	-	-	-	-	-
Water Supply Infrastructure	196 052	203 327	219 163	266 019	275 836	275 836	240 610	212 448	148 495
Sanitation Infrastructure	37 950	44 534	64 965	12 204	27 908	27 908	261	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	235 244	247 862	284 128	278 223	303 744	303 744	240 871	212 448	148 495
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 138	-	-	4 000	2 430	2 430	-	-	-
Housing	-	-	-	2 000	1 200	1 200	3 551	-	-
Other Assets	1 138	-	-	6 000	3 630	3 630	3 551	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	270	-	546	1 150	1 150	455	482	511
Intangible Assets	-	270	-	546	1 150	1 150	455	482	511
Computer Equipment	1 412	410	943	2 000	1 400	1 400	1 679	1 780	1 887
Furniture and Office Equipment	1 387	1 293	2 306	4 505	7 363	7 363	4 523	4 424	4 128
Machinery and Equipment	7 376	7 430	1 306	2 523	5 100	5 100	3 724	2 887	3 060
Transport Assets	-	-	986	600	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	42 411	6 259	4 802	22 007	27 290	27 290	20 273	26 587	74 032
Water Supply Infrastructure	9 560	-	2 245	970	12 167	12 167	7 764	3 902	9 865
Sanitation Infrastructure	28 455	-	-	16 075	9 085	9 085	1 739	8 696	1 774
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	38 015	-	2 245	17 045	21 252	21 252	9 503	12 598	11 639
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	2 874	7 210	55 208
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	2 874	7 210	55 208
Transport Assets	4 396	6 259	2 557	4 863	6 039	6 039	7 895	6 779	7 186
Land	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	1 936	5 594	15 131	868	9 883	9 883	19 553	69 882	101 736
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	1 936	5 594	15 131	868	9 883	9 883	17 379	51 028	57 081
Infrastructure	1 936	5 594	15 131	868	9 883	9 883	19 553	69 882	101 736
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	290 905	269 118	309 604	317 272	359 561	359 561	294 629	318 490	333 848
Roads Infrastructure	1 242	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	207 548	208 921	236 539	267 856	297 886	297 886	265 754	267 379	215 451
Sanitation Infrastructure	66 405	44 534	64 965	28 278	36 993	36 993	4 174	27 550	46 419
Infrastructure	275 195	253 455	301 504	296 135	334 879	334 879	269 928	294 928	261 870
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 138	-	-	4 000	2 430	2 430	2 874	7 210	55 208
Housing	-	-	-	2 000	1 200	1 200	3 551	-	-
Other Assets	1 138	-	-	6 000	3 630	3 630	6 425	7 210	55 208
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	270	-	546	1 150	1 150	455	482	511
Intangible Assets	-	270	-	546	1 150	1 150	455	482	511
Computer Equipment	1 412	410	943	2 000	1 400	1 400	1 679	1 780	1 887
Furniture and Office Equipment	1 387	1 293	2 306	4 505	7 363	7 363	4 523	4 424	4 128
Machinery and Equipment	7 376	7 430	1 306	2 603	5 100	5 100	3 724	2 887	3 060
Transport Assets	4 396	6 259	3 543	5 483	6 039	6 039	7 895	6 779	7 186
Land	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	290 905	269 118	309 604	317 272	359 561	359 561	294 629	318 490	333 848

DC43 Harry Gwala - Table A9 Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	1 949 818	2 209 283	2 357 654	2 722 481	2 617 103	2 617 103	2 756 301	2 961 879	3 179 142
<i>Roads Infrastructure</i>	193	188	184	184	184	184	180	175	169
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>	9 250	7 586	5 806	4 213	4 083	4 083	2 257	322	322
<i>Water Supply Infrastructure</i>	1 672 212	1 946 095	2 093 781	2 383 255	2 325 984	2 325 984	2 505 515	2 688 884	2 815 284
<i>Sanitation Infrastructure</i>	197 959	190 739	195 156	260 508	215 511	215 511	209 401	228 464	265 886
<i>Information and Communication Infrastructure</i>	101	296	224	222	185	185	693	182	690
Infrastructure	1 879 714	2 144 905	2 295 152	2 648 382	2 545 947	2 545 947	2 718 046	2 918 027	3 082 353
Community Assets	2 998	1 759	1 520	1 428	1 383	1 383	1 380	5 540	57 515
Heritage Assets									
Investment properties	-	-	-	-	-	-	-	-	-
Other Assets	37 577	36 372	35 178	39 184	37 532	37 532	-	-	-
Biological or Cultivated Assets									
Intangible Assets	384	515	313	1 223	2 113	2 113	2 364	2 630	2 911
Computer Equipment	6 322	4 392	3 660	1 985	2 321	2 321	3 631	5 020	6 492
Furniture and Office Equipment	1 603	1 739	3 342	8 737	10 120	10 120	14 226	18 209	21 868
Machinery and Equipment	2 238	1 772	2 449	11 811	6 953	6 953	10 049	11 815	13 688
Transport Assets	18 981	17 831	16 039	9 730	10 734	10 734	6 606	640	(5 684)
Land									
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 949 818	2 209 283	2 357 654	2 722 481	2 617 103	2 617 103	2 756 301	2 961 879	3 179 142
EXPENDITURE OTHER ITEMS	126 793	145 531	280 712	148 806	172 645	172 645	157 081	170 781	181 028
<u>Depreciation</u>	81 505	93 063	236 930	101 010	101 010	101 010	107 044	113 467	120 275
<u>Repairs and Maintenance by Asset Class</u>	45 289	52 468	43 781	47 797	71 635	71 635	50 037	57 314	60 753
<i>Water Supply Infrastructure</i>	28 248	45 120	39 357	41 300	66 741	66 741	45 091	52 036	55 159
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	28 248	45 120	39 357	41 300	66 741	66 741	45 091	52 036	55 159
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	78	63	87	77	117	117	273	289	306
Community Assets	78	63	87	77	117	117	273	289	306
<i>Operational Buildings</i>	1 548	4 008	4 272	6 000	3 943	3 943	4 264	4 520	4 791
<i>Housing</i>	-	-	-	-	-	-	-	-	-
Other Assets	1 548	4 008	4 272	6 000	3 943	3 943	4 264	4 520	4 791
Computer Equipment	9	17	16	70	82	82	77	81	86
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	15 329	3 055	-	-	-	-	-	-	-
Transport Assets	78	204	49	350	753	753	332	387	411
Land	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	126 793	145 531	280 712	148 806	172 645	172 645	157 081	170 781	181 028
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	15,2%	4,4%	6,4%	7,2%	10,3%	10,3%	13,5%	30,3%	52,0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	54,4%	12,7%	8,4%	22,6%	36,8%	36,8%	37,2%	65,0%	146,1%
<i>R&M as a % of PPE & Investment Property</i>	2,3%	2,4%	1,9%	1,8%	2,7%	2,7%	1,8%	1,9%	1,9%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	4,6%	2,9%	2,7%	2,6%	4,2%	4,2%	3,3%	5,2%	7,4%

MBRR Table A10 – Basic Service Delivery Measurement

DC43 Harry Gwala - Table A10 Basic service delivery measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets									
Water:									
Piped water inside dwelling	52 292	54 854	59 311	63 166	63 166	63 166	67 272	70 367	74 589
Piped water inside yard (but not in dwelling)	21 261	22 303	24 115	25 682	25 682	25 682	27 352	28 610	30 327
Using public tap (at least min.service level)	37 292	39 119	42 298	45 047	45 047	45 047	47 975	50 182	53 193
Other water supply (at least min.service level)	30 936	32 452	35 088	37 369	37 369	37 369	39 798	41 629	44 126
<i>Minimum Service Level and Above sub-total</i>	141 781	148 728	160 812	171 264	171 264	171 264	182 397	190 787	202 234
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	30 936	32 452	35 088	37 369	37 369	37 369	39 798	41 629	44 126
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	30 936	32 452	35 088	37 369	37 369	37 369	39 798	41 629	44 126
Total number of households	172 717	181 180	195 900	208 633	208 633	208 633	222 195	232 416	246 361
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	81 649	85 650	92 608	98 628	98 628	98 628	105 039	109 871	116 463
Flush toilet (with septic tank)	13 164	13 809	14 931	15 901	15 901	15 901	16 935	17 714	18 777
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	46 969	49 270	53 273	56 736	56 736	56 736	60 424	63 204	66 996
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	141 782	148 729	160 813	171 265	171 265	171 265	182 398	190 788	202 236
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	141 782	148 729	160 813	171 265	171 265	171 265	182 398	190 788	202 236
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)	-	-	-	-	-	-	-	-	-
<i>Informal Settlements</i>	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	642	1 775	1 828	(724)	(724)	(724)	(768)	(814)	(863)
Sanitation (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)									
Total cost of FBS provided	642	1 775	1 828	(724)	(724)	(724)	(768)	(814)	(863)

Part 2 – Supporting Documentation

1.9 OVERVIEW OF THE ANNUAL BUDGET PROCESS

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

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

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

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

Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2023) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2024. Key dates applicable to the process were:

- a) **August 2024** – Joint strategic planning session of the Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2025/26 MTREF;
- b) **November 2024** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;

- c) **January 2025** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- d) **January 2025** – Multi-year budget proposals are submitted to the Executive Committee for endorsement;
- e) **January 2025** - Council considers the 2024/25 Mid-year Review and Adjustments Budget;
- f) **February 2025** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2025/26 MTREF is revised accordingly;
- g) **March 2025** - Tabling in Council of the draft 2025/26 IDP and 2025/26 MTREF for public consultation;
- h) **April 2025** – Public consultation;
- i) **May 2025** - Closing date for written comments;
- j) **May 2025** – Draftisation of the 2025/26 IDP and 2022/23 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- k) **May 2025** - Tabling of the 2025/26 final MTREF before Council for consideration and approval.

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

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

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

The IDP has been taken into a business and financial planning process leading up to the 2025/26 MTREF, based on the approved 2024/25 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2025/26 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2024/25 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modeling and Key Planning Drivers

Part of the compilation of the 2025/26 MTREF, extensive financial modelling was undertaken to ensure the affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2025/26 MTREF:

1. District growth
2. Policy priorities and strategic objectives
3. Asset maintenance
4. Economic climate and trends (i.e. inflation, household debt, migration patterns)
5. Performance trends
6. The approved 2024/25 adjustments budget and performance against the SDBIP
7. Cash Flow Management Strategy
8. Debtor payment levels
9. Loan and investment possibilities
10. The need for tariff increases versus the ability of the community to pay for services;
11. Improved and sustainable service delivery

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

Community Consultation

The draft 2025/26 MTREF as tabled before Council on 25 March 2025 for community consultation was published on the municipality's website, and hard copies were made available at satellite offices, municipal notice boards and various libraries. In addition, E-mail notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business. The opportunity to give electronic feedback was also communicated on the Harry Gwala district municipality's website, and the district call centre was engaged in collecting inputs via e-mail, fax and SMS.

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

Ward Committees were utilised to facilitate the community consultation process from 03 to 30 April 2024, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and local municipalities a notice board on average attendance of 300 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and izimbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the Draftisation of the 2025/26 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

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

1.10 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

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

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

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

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

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

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

- a) Green Paper on National Strategic Planning of 2009;
- b) Government Programme of Action;
- c) Development Facilitation Act of 1995;
- d) Provincial Growth and Development Strategy (GGDS);
- e) National and Provincial spatial development perspectives;
- f) Relevant sector plans such as transportation, legislation and policy;
- g) National Key Performance Indicators (NKPIs);
- h) Accelerated and Shared Growth Initiative (ASGISA);
- i) National 2014 Vision;
- j) National Spatial Development Perspective (NSDP) and
- k) The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2025/26 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 26 IDP Strategic Objectives

2024/25 Financial Year	2025/26 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Harry Gwala district principles through a caring, accessible and accountable service	4. Foster participatory democracy and Harry Gwala district principles through a caring, accessible and accountable service
5. Good governance, financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

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

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

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

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

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

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

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

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

Integrated Social Services for empowered and sustainable communities

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

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

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

Promote sound governance through:

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

Ensure financial sustainability through:

- b) Reviewing the use of contracted services

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

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

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

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

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

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

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

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

The 2025/26 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

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

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

Strategic Objective	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
GOOD GOVERNANCE	-	-	-	-	-	-	-	-	-
FINANCIAL VIABILITY AND MANAGEMENT	396 921	448 162	489 676	509 775	518 848	518 848	549 507	581 086	607 813
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	11 603	-	-	21 530	21 530	21 530	21 600	21 672	21 771
BASIC SERVICE DELIVERY	126 868	110 848	101 749	107 266	113 770	113 770	151 790	158 374	167 266
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	359	372	418	387	387	387	410	435	461
CROSS-CUTTING	33	32	42	17	17	17	18	19	20
Allocations to other priorities									
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	638 975	654 552	654 552	723 325	761 586	797 331

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

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

Strategic Objective	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
GOOD GOVERNANCE	50 163	43 975	43 449	52 741	48 245	48 245	51 709	54 862	57 931
FINANCIAL VIABILITY AND MANAGEMENT	64 433	94 176	97 677	105 423	100 993	100 993	65 728	69 368	73 209
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	24 991	24 533	27 946	55 035	54 199	54 199	62 607	60 295	62 653
BASIC SERVICE DELIVERY	397 765	358 930	503 386	366 389	410 981	410 981	493 371	524 583	554 467
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	80 035	90 554	93 168	106 417	116 898	116 898	109 656	117 543	124 370
CROSS-CUTTING	23 331	22 263	23 833	29 932	26 900	26 900	30 225	31 338	33 039
Allocations to other priorities									
Total Expenditure	640 717	634 430	789 459	715 937	758 216	758 216	813 297	857 989	905 669

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

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

Strategic Objective	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
GOOD GOVERNANCE	-	-	-	-	-	-	-	-	-
FINANCIAL VIABILITY AND MANAGEMENT	-	275	-	-	-	-	2 279	2 416	2 561
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	-	138	-	5 040	1 513	1 513	6 651	4 651	4 930
BASIC SERVICE DELIVERY	282 548	260 708	304 233	307 192	343 039	343 039	279 625	305 607	320 193
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	8 310	7 727	4 385	9 480	16 522	16 522	10 874	10 467	11 095
CROSS-CUTTING	47	270	986	600	-	-	-	-	-
Allocations to other priorities									
Total Capital Expenditure	290 905	269 118	309 604	322 312	361 074	361 074	299 430	323 141	338 779

1.11 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the district has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

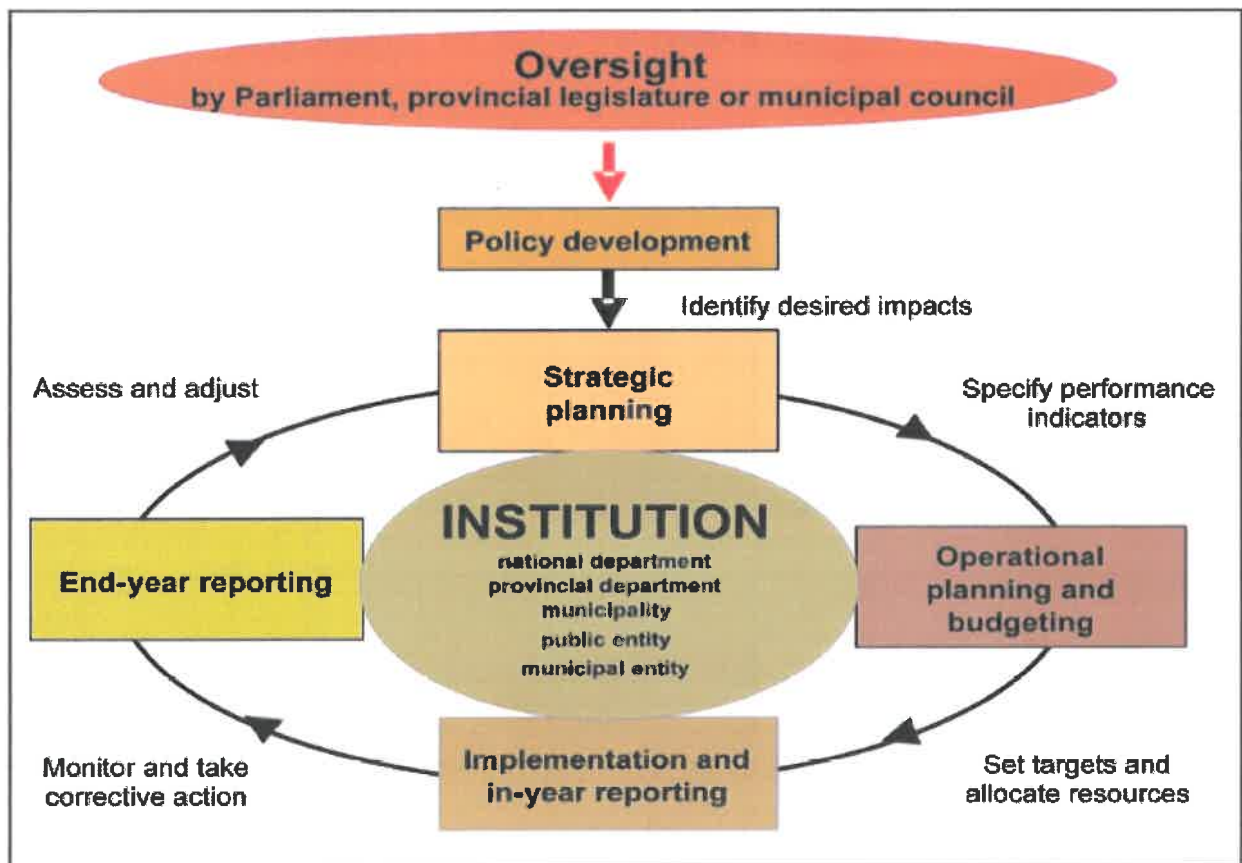


Figure 4 Planning, budgeting and reporting cycle

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

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

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

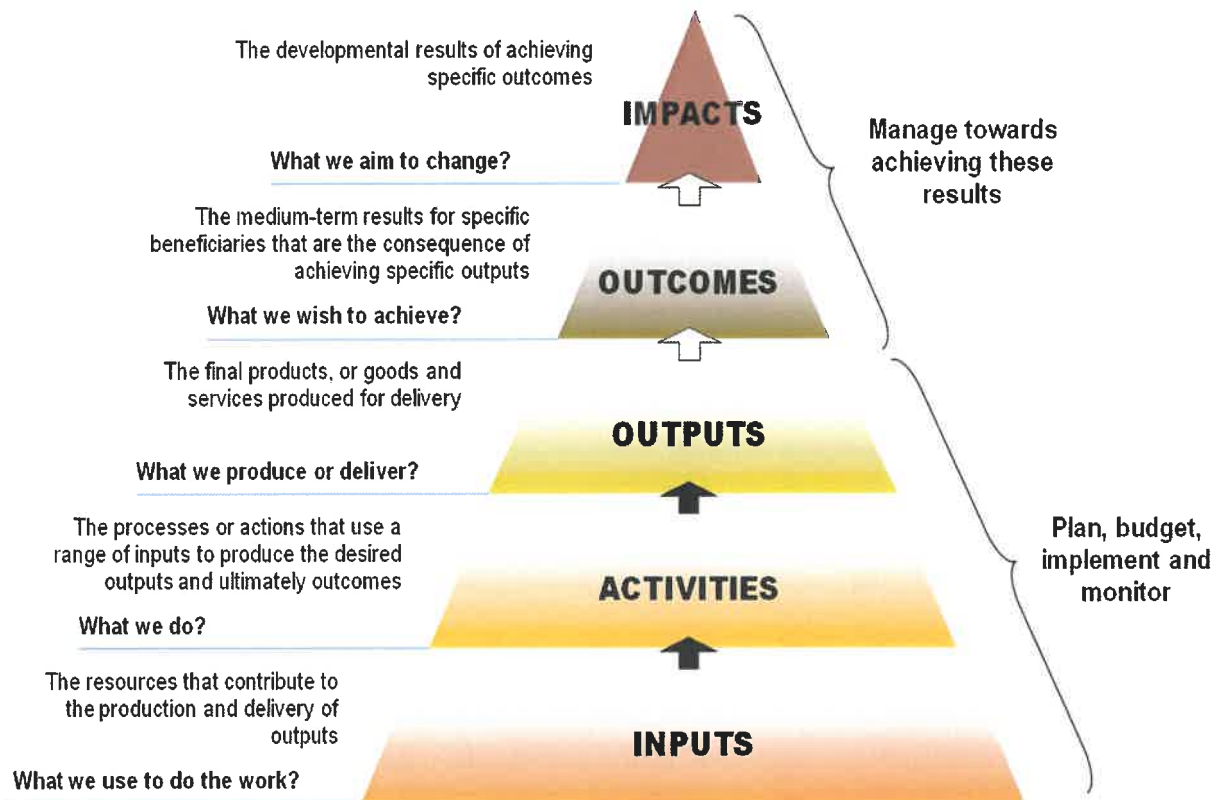


Figure 5 Definition of performance information concepts

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

Table 30 MBRR Table SA7- Measurable Performance Objectives

DC43 Harry Gwala - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
06 - Summary Infrastructure Services										
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households	81 649	86 548	92 608	98 628	98 628	98 628	105 039	111 341	118 022
Flush Toilet (With Septic Tank)	Households	13 164	13 954	14 931	15 901	15 901	15 901	16 935	17 951	19 028
Pit Toilet (Ventilated)	Households	46 969	49 787	53 273	56 736	56 736	56 736	60 424	64 049	67 892
Water Management										
Water Distribution										
Informal Settlements (R000)	Rand Value			7 406						
Other Water Supply (< Min.Service Level)	Households	30 936	32 792	35 088	37 369	37 369	37 369	39 798	42 186	44 717
Other Water Supply (At Least Min.Service Level)	Households	30 936	32 792	35 089	37 369	37 369	37 369	39 798	42 186	44 717
Piped Water Inside Dwelling	Households	52 292	55 430	59 311	63 166	63 166	63 166	67 272	71 308	75 587
Piped Water Inside Yard (But Not In Dwelling)	Households	21 261	22 537	24 115	25 682	25 682	25 682	27 352	28 993	30 733
Using Public Tap (At Least Min.Service Level)	Households	37 292	38 530	42 298	45 047	45 047	45 047	47 975	50 854	53 905

The following table sets out the municipality's main performance objectives and benchmarks for the 2025/26 MTREF.

Table 31 MBRR Table SA8- Performance indicators and benchmarks

DC43 Harry Gwala - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator		Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Borrowing Management</u>												
Credit Rating					0	0,6%	0,6%	0				
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,1%	0,0%	0,0%	0,4%	0,3%	0,3%	0,0%	0,3%	0,3%	0,3%	
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,1%	0,0%	0,0%	0,4%	0,4%	0,4%	0,0%	0,3%	0,3%	0,3%	
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
<u>Safety of Capital</u>												
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
<u>Liquidity</u>												
Current Ratio	Current assets/current liabilities	1,0	1,3	1,8	1,7	1,5	1,5	1,6	1,9	2,1	2,3	
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,0	1,3	1,8	1,7	1,5	1,5	1,6	1,9	2,1	2,3	
Liquidity Ratio	Monetary Assets/Current Liabilities	0,7	1,0	1,6	1,4	1,4	1,4	1,5	1,7	1,9	2,1	
<u>Revenue Management</u>												
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0,0%	113,5%	66,1%	85,7%	86,6%	87,2%	87,2%	88,0%	87,2%	87,2%	
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		113,5%	66,1%	85,7%	86,6%	87,2%	87,2%	88,0%	87,2%	87,2%	0,0%	
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6,5%	6,7%	3,8%	6,2%	3,4%	3,4%	6,1%	3,1%	2,9%	2,8%	
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old											
<u>Creditors Management</u>												
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))											
Creditors to Cash and Investments		-121,1%	7,2%	5,4%	56,8%	58,5%	58,5%	9,1%	36,5%	27,7%	28,3%	
<u>Other Indicators</u>												
Electricity Distribution Losses (Z)	Total electricity losses (Z) - Volume loss	0	0	0	0	0	0	0	0	0	0	
	Bulk Purchase	24 010	20 000	-	20 935	20 935	20 935	-	21 919	-	-	
Water Volumes :System input	Water treatment works	4 792	6 829	-	6 812	6 812	6 812	-	7 132	-	-	
	Natural sources	-	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
	Total Volume Losses (kt)	2 995	-	-	2 995	2 995	2 995	-	2 995	-	-	
	Total Cost of Losses (Rand '000)	0	0	0	6561224	6561224	6561224	0	0	0	0	
Water Distribution Losses (Z)	% Volume (units purchased and generated less units sold)/units purchased and generated	-	0,0%	0,0%	5100,0%	5100,0%	5100,0%	0,0%	0,0%	0,0%	0,0%	
Employee costs	Employee costs/(Total Revenue - capital revenue)	44,5%	43,8%	43,3%	42,8%	41,9%	41,9%	35,5%	39,5%	39,5%	39,7%	
Remuneration	Total remuneration/(Total Revenue - capital revenue)	45,8%	45,1%	44,4%	44,2%	43,0%	43,0%	62,1%	40,6%	40,6%	40,8%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8,5%	9,4%	7,4%	7,5%	11,0%	11,0%	10,6%	6,9%	7,5%	7,6%	
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15,3%	16,6%	40,0%	16,0%	15,7%	15,7%	14,4%	15,0%	15,1%	15,2%	
<u>IDP regulation financial viability indicators</u>												
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	49,3	25,5	28,9	23,7	24,3	34,6	16,6	24,1	317,3	332,2	
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	56,5%	48,0%	30,7%	54,8%	27,6%	27,6%	54,5%	26,4%	24,9%	23,5%	
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(1,6)	35,9	44,8	3,7	3,3	3,3	30,8	5,0	6,3	6,0	

PERFORMANCE INDICATORS AND BENCHMARKS

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Harry Gwala's borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2025/26 MTREF:

No projects are funded from Borrowing in the MTREF

In summary, various financial risks could have a negative impact on the future borrowing District of the municipality. In particular, the continued ability of the district to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

Liquidity (reference SA8)

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the district has set a limit of 1.5, hence at no point in time should this ratio be less than 1. For the 2025/26 MTREF the current ratio is 1.9 and 2.1, 2.3 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2025/26 financial year the ratio was 1.7 and it has been sitting to 1.9 in the 2026/27 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the district. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

Creditors Management

The district has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality will seek to ensure an improvement a 100 per cent compliance rate to this legislative obligation. This has had a favorable impact on suppliers' perceptions of risk of doing business with the district, which is expected to benefit the district in the form of more competitive pricing of tenders, as suppliers compete for the district business.

Other Indicators

The water distribution losses have been increased from 38 per cent in 2025/26 to 39 per cent in 2025/26. This has been achieved with the introduction of a water leakage report and action centre. The intention is to further rollout additional depots within the district to further leverage from the efficiency that the centre offers. It is planned to reduce distribution losses from 38 per cent in 2025/26 to at least 39 per cent by 2025/26.

Employee costs as a percentage of operating revenue remained the same at 35 per cent on all three years. This is primarily owing to the high increase in salaries costs and the filling of vacant posts. The revenue base also has not significantly increased resulting in a lower budget for operational costs.

Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation.

Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the District.

For the 2025/26 financial year all households in the district have been budgeted for the 6 free kilo litres. Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

Providing clean water and managing wastewater

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

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

The following is briefly the main challenges facing the district:

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

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

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

1.12 OVERVIEW OF BUDGET RELATED-POLICIES

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

Review of credit control and debt collection procedures/policies

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

The 2025/26 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 90 per cent on current billings. In addition, the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the district's cash levels. There is panel of lawyers that assist the municipality in collection debt that is older than 90 days. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

Asset Management, Infrastructure Investment and Funding Policy

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

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

Budget Adjustment Policy

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

Supply Chain Management Policy

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

Budget and Virement Policy

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

Cash Management and Investment Policy

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

Tariff Policies

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

Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy have directly informed the compilation of the 2025/26 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every November and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

1. Approved 2024/25 Adjustments Budget;
2. Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
3. Economic climate and trends (i.e. Inflation, household debt levels, indigent factors, growth, recessionary implications);
4. Loan and investment possibilities;
5. Performance trends;
6. Tariff Increases;

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

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

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

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

1.13 OVERVIEW OF BUDGET ASSUMPTIONS

External factors

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

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2025/26 MTREF:

1. National Government macro-economic targets;
2. The general inflationary outlook and the impact on district's residents and businesses;
3. The impact of municipal cost drivers;
4. The increase in the price of bulk water; and other input costs like District and fuel,
5. The increase in the cost of remuneration. Employee related costs comprise 42 per cent of total operating expenditure in the 2025/26 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.
6. Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (71 percent) of annual billings. Cash flow is assumed to be 88 percent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Growth or decline in tax base of the municipality

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

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

Salary increases.

The Salary and Wage Collective Agreement for the period 01 July 2024 to 30 June 2028 were signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024 and municipalities implemented the agreement as from 1 July 2024. In respect of the 2025/26 financial year, all employees covered by the agreement shall receive, with effect from 1 July 2025, an increase based on the average CPI percentage for the period 1 February 2024 until 31 January 2025, plus 0.75 per cent. The publications of Statistics South Africa shall be used to determine the average CPI. In case the average CPI percentage for the period 1 February 2025 until 31 January 2026 is less than 4 per cent, it will be deemed to be 4 per cent, and if the average CPI percentage for this period is higher than 7 per cent, it will be deemed to be 7 per cent.

. As per the circular 128, municipalities are advised to consider their financial sustainability when considering salary increases. In addition, municipalities that could not afford such increases must apply for exemption as provided by SALGBC. Therefore, municipalities are urged to consider projecting salary and wage increases that would reflect their affordability given the current economic challenges. Municipalities should also avoid paying out leave in cash while having major financial challenges.

Impact of national, provincial and local policies

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

1. Creating jobs;
2. Enhancing education and skill development;
3. Improving Health services;

4. Rural development and agriculture; and
5. Fighting crime and corruption.

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

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

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2024/25 MTREF of which performance has been factored into the cash flow budget.

1.14 OVERVIEW OF BUDGET FUNDING

Medium-term outlook: operating revenue

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

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

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

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
Revenue								
Exchange Revenue								
Service charges - Water	66 213	10%	70 186	10%	74 397	10%	78 861	10%
Service charges - Waste Water Management	12 995	2%	13 775	2%	14 601	2%	15 477	2%
Sale of Goods and Rendering of Services	746	0%	791	0%	839	0%	889	0%
Interest earned from Receivables	15 146	2%	16 055	2%	17 018	2%	18 039	2%
Interest earned from Current and Non Current Assets	24 590	4%	26 046	4%	27 586	4%	29 242	4%
Operational Revenue	666	0%	706	0%	748	0%	793	0%
Non-Exchange Revenue								
Fines, penalties and forfeits	1 572	0%	1 643	0%	-		-	
Transfer and subsidies - Operational	532 623	81%	594 125	82%	626 396	82%	654 030	82%
Total Revenue (excluding capital transfers and contributions)	654 552	100%	723 325	100%	761 586	100%	797 331	100%

The following graph is a breakdown of the operational revenue per main category for the 2025/26 financial year.

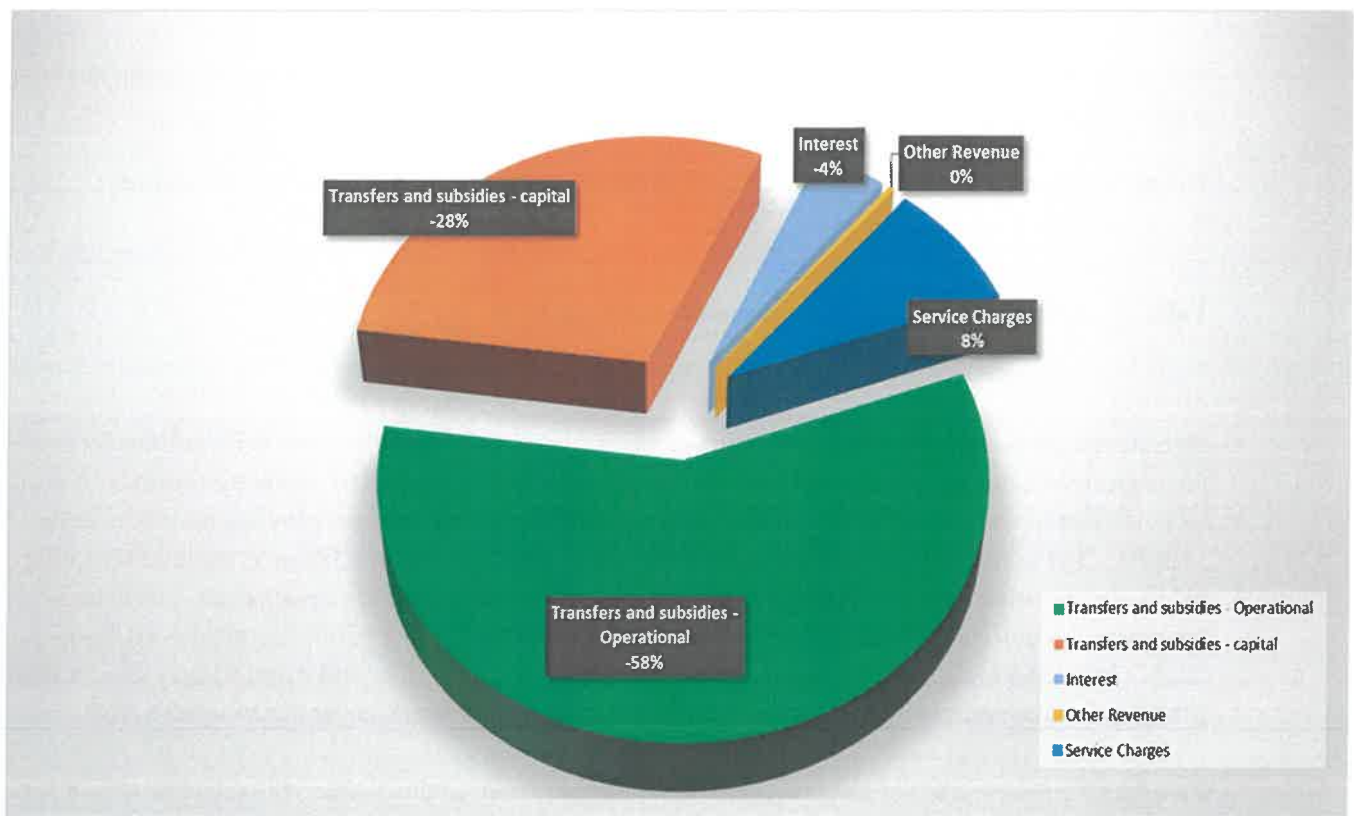


Figure 6 Breakdown of operating revenue over the 2025/26 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The district derives most of its operational revenue from the provision of goods and services such as water and sanitation.

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

1. Growth in the District and economic development;
2. Revenue management and enhancement;
3. Achievement of a 71 per cent annual collection rate for consumer revenue;
4. National Treasury guidelines;
5. District tariff increases within the National District Regulator of South Africa (NERSA) approval;
6. Achievement of full cost recovery of specific user charges;
7. Determining tariff escalation rate by establishing/calculating revenue requirements;

8. And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2025/26 MTREF on the different revenue categories are:

Table 31 Proposed tariff increases over the medium-term

Operational grants and subsidies amount to R594, 1million, R626, 3million and R654million for each of the respective financial years of the MTREF, or 12%, 5% and 4 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges. The actual operational grants and subsidies amount to R 574, 1million for the 2025/2026 financial year, R606, 3m in 2026/27 and R634m in 2027/28 however due to transfers and subsidies paid over to Harry Gwala District Municipality the amount of R20 million and R40m for the outer years as per the attached SA18.

Investment revenue contributes marginally to the revenue base of the district with a budget allocation of R114, 9million, R139, 6million and R165, 7million for the respective three financial years of the 2025/26 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

Table 32 MBRR SA15 – Detail Investment Information

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

DC43 Harry Gwala - Supporting Table SA15 Investment particulars by type

Investment type	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits	(366 744)	128 096	143 508	109 041	61 603	61 603	104 827	129 445	155 540
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Municipal Bonds									
Municipality sub-total	(366 744)	128 096	143 508	109 041	61 603	61 603	104 827	129 445	155 540
Entities									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits	-	-	-	10 169	10 169	10 169	10 169	10 169	10 169
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Entities sub-total	-	-	-	10 169	10 169	10 169	10 169	10 169	10 169
Consolidated total:	(366 744)	128 096	143 508	119 210	71 772	71 772	114 996	139 614	165 709

Table 33 MBRR SA16 – Investment particulars by maturity

DC43 Harry Gwala - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest
	Yrs/Months				
Parent municipality					
First National Bank-Salaries	12	Call account	No	Fixed	9
First National Bank-Mig	12	Call account	No	Fixed	9
First National Bank-Admin Call	12	ADMIN CALLt	No	Fixed	9
First National Bank-Ewpw	12	Call account	No	Fixed	9
First National Bank-Cogta Water Interven	12	Call account	No	Fixed	9
First National Bank-Fmg	12	FIXED DEPOSIT	No	Fixed	9
Fnb New 76204521754	12	FIXED DEPOSIT	No	Fixed	9
First National Bank-Rbig	12	CALL ACCOUNT	No	Fixed	9
First National Bank-Mw-	12	CALL ACCOUNT	No	Fixed	9
Nedbank -37,881,166,592	12	FIXED ACCOUNT	No	Fixed	9
Nedbank	12	Fixed	No	Fixed	9
Fnb 76205904082	12	FIXED ACCOUNT	No	Fixed	9
Fnb 76206443237	12	FIXED ACCOUNT	No	Fixed	9
Fnb 76206443310	12	FIXED ACCOUNT	No	Fixed	9
Fnb 76206443162	12	FIXED ACCOUNT	No	Fixed	9
Fnb 76206443196	12	FIXED ACCOUNT	No	Fixed	9
Fnb 76206443112	12	FIXED ACCOUNT	No	Fixed	9
Fnb 76207829907	12	CALL ACCOUNT	No	Fixed	9
Fnb 76207829858	12	CALL ACCOUNT	No	Fixed	9
Standard Bank - 268610053-001	12	FIXED	No	Fixed	9
Fnb 76207829882	12	CALL ACCOUNT	No	Fixed	9
Municipality sub-total					
TOTAL INVESTMENTS AND INTEREST					

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

Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2025/26 medium-term capital programme:

Table 34 Sources of capital revenue over the MTREF

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

Vote Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funded by:										
National Government	232 612	247 421	298 048	276 629	274 647	274 647	167 296	255 181	283 461	297 279
Provincial Government	41 236	3 888	-	-	6 967	6 967	-	-	-	-
District Municipality	-	-	-	315	250	250	-	150	157	166
Transfers recognised - capital	273 848	251 309	298 048	276 944	281 864	281 864	167 296	255 331	283 617	297 445
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	17 056	17 809	11 555	45 368	79 210	79 210	18 981	44 099	39 524	41 333
Total Capital Funding	290 905	269 118	309 604	322 312	361 074	361 074	186 277	299 430	323 141	338 779

Capital grants and receipts equates to 85 per cent of the total funding source which represents R255, 1 million for the 2025/26 financial year and no improvement still sitting to 88 per cent which represents R283, 4million and increase to R297, 2million for 2026/27.

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

Table 35 MBRR Table SA 17 - Detail of borrowings

DC43 Harry Gwala - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality									
Annuity and Bullet Loans	(0)	(0)	(0)	-	-	-	-	-	-
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases	1 299	-	-	-	-	-	-	-	-
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	1 299	(0)	(0)	-	-	-	-	-	-
Entities									
Annuity and Bullet Loans									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances									
Financial derivatives									
Other Securities									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	1 299	(0)	(0)	-	-	-	-	-	-

The following graph illustrates the growth in outstanding borrowing for the 2020/21 to 2027/28 period.

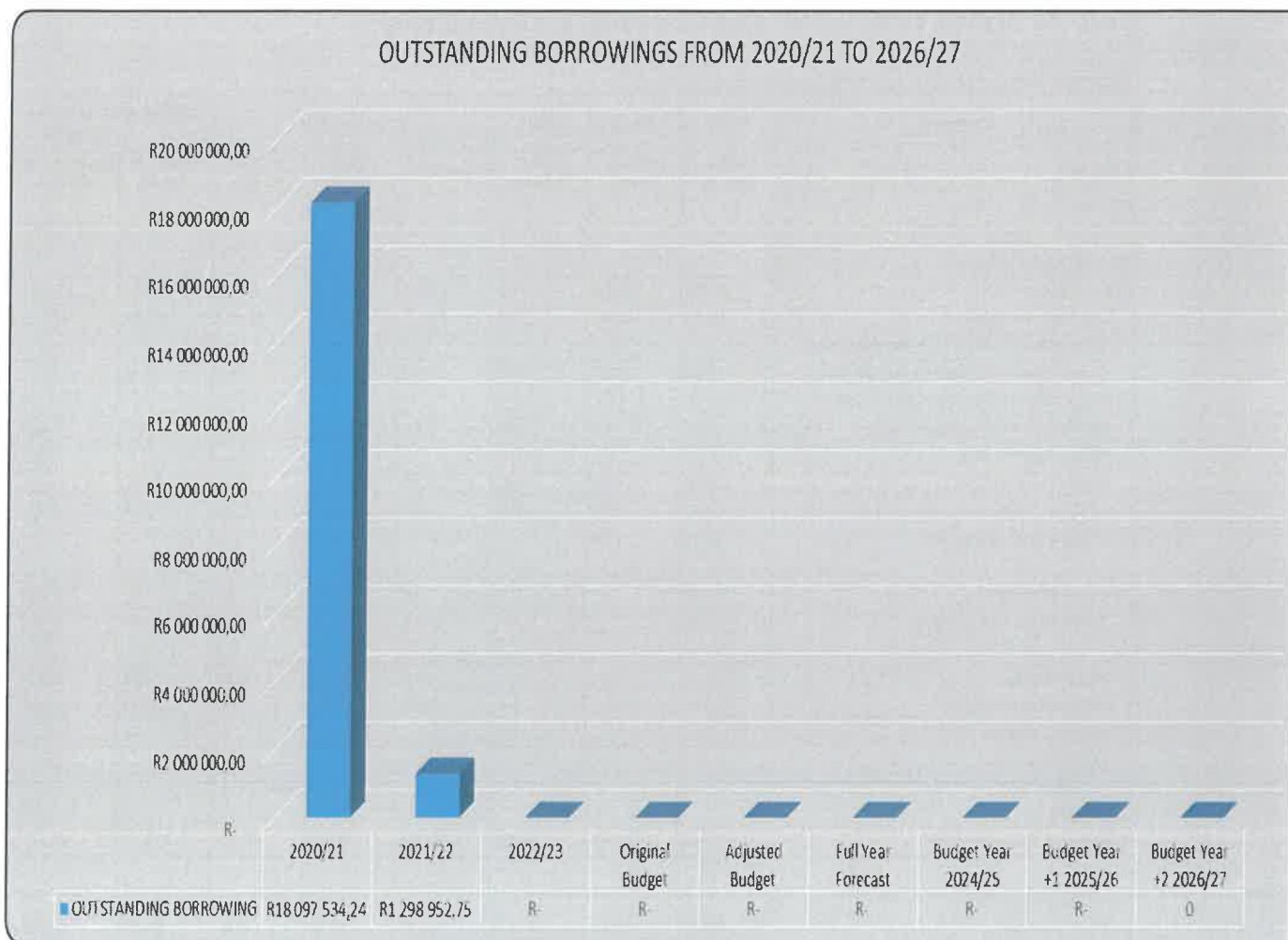


Figure 7 Growth in outstanding borrowing (long-term liabilities)

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

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

DC43 Harry Gwala - Supporting Table SA18 Transfers and grant receipts

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
RECEIPTS:									
<u>Operating Transfers and Grants</u>									
National Government:	453 804	452 460	477 532	512 493	512 493	512 493	573 989	606 254	633 881
Local Government Equitable Share	387 013	432 161	463 631	491 837	491 837	491 837	520 871	552 451	577 444
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	4 596	5 221	5 823	4 460	4 460	4 460	3 660	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	1 200	1 200	1 200	1 200	1 300	1 400	1 500
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	28 958	9 479	4 487	12 498	12 498	12 498	45 548	49 673	52 085
Rural Road Asset Management Systems Grant	2 275	2 381	2 391	2 498	2 498	2 498	2 610	2 730	2 852
Water Services Infrastructure Grant	29 762	2 018	-	-	-	-	-	-	-
Provincial Government:	135	-	-	130	130	130	136	142	149
Capacity Building and Other Grants	135	-	-	130	130	130	136	142	149
District Municipality:	-	-	-	20 000	20 000	20 000	20 000	20 000	20 000
Specify (Add grant description)	-	-	-	20 000	20 000	20 000	20 000	20 000	20 000
Other grant providers:	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	453 939	452 460	477 532	532 623	532 623	532 623	594 125	626 396	654 030
<u>Capital Transfers and Grants</u>									
National Government:	277 860	283 338	332 319	318 124	315 844	315 844	293 458	325 980	341 871
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	191 922	200 355	242 319	218 124	215 844	215 844	193 458	210 980	221 121
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	85 938	82 982	90 000	100 000	100 000	100 000	100 000	115 000	120 750
Provincial Government:	46 781	3 888	-	-	8 013	8 013	-	-	-
Infrastructure Grant	46 781	3 888	-	-	8 013	8 013	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Human Settlement Re-development Programme	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	324 641	287 226	332 319	318 124	323 856	323 856	293 458	325 980	341 871
TOTAL RECEIPTS OF TRANSFERS & GRANTS	778 580	739 685	809 852	850 747	856 480	856 480	887 583	952 376	995 901

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

1. Clear separation of receipts and payments within each cash flow category;
2. Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

Table 37 MBRR Table A7 - Budget cash flow statement

DC43 Harry Gwala - Table A7 Consolidated Budgeted Cash Flows

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	–	18	6	–	–	–	–	–	–	–
Service charges	70 345	51 062	62 324	62 194	69 750	69 750	46 613	73 935	78 372	83 074
Other revenue	608 032	1 823 061	1 805 797	68 324	67 270	67 270	904 167	67 928	71 098	66 402
Transfers and Subsidies - Operational	8 071	128 367	473 045	512 493	512 493	512 493	378 287	573 989	606 254	633 881
Transfers and Subsidies - Capital	369 601	316 011	326 130	318 124	323 856	323 856	255 714	293 458	325 980	341 871
Interest	4 547	10 858	21 988	18 053	24 590	24 590	18 918	26 046	27 586	29 242
Dividends								–	–	–
Payments										
Suppliers and employees	(885 094)	(826 768)	(888 412)	(652 698)	(720 334)	(720 334)	(624 261)	(670 714)	(712 351)	(739 339)
Interest	–	–	–	(142)	(15)	(15)	–	(14)	(15)	(16)
Transfers and Subsidies	(135)	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	175 367	1 502 609	1 800 878	326 348	277 611	277 611	977 438	364 628	396 924	415 115
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments								–	–	–
Payments										
Capital assets	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(175 807)	(344 344)	(371 612)	(389 595)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(175 807)	(344 344)	(371 612)	(389 595)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–	–	–
Borrowing long term/refinancing								–	–	–
Increase (decrease) in consumer deposits	–	–	(355)	(569)	(569)	(569)	–	569	569	569
Payments										
Repayment of borrowing	(400)	–	–	(2 400)	(2 400)	(2 400)	–	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(400)	–	(355)	(2 969)	(2 969)	(2 969)	–	(1 831)	(1 831)	(1 831)
NET INCREASE/ (DECREASE) IN CASH HELD	(115 938)	1 233 491	1 490 920	1 067	(86 432)	(86 432)	801 631	18 453	23 481	23 689
Cash/cash equivalents at the year begin:	51 862	50 226	124 641	151 221	229 993	229 993	–	163 562	182 015	205 496
Cash/cash equivalents at the year end:	(64 076)	1 283 718	1 615 561	152 288	143 561	143 561	801 631	182 015	205 496	229 185

With the 2024/25 adjustments budget various cost efficiencies and savings had to be realised to ensure the district could meet its operational expenditure commitments. These interventions have translated into a surplus for the district, and it is projected that the closing balance for cash and cash equivalents for the 2025/26 financial year will be R182 million. For the 2025/26 MTREF the budget has been prepared to continue ensuring high levels of cash and cash equivalents over the medium-term with cash levels anticipated to be R182million and steadily increasing to R205, 4million by 2026/27 and 2027/2028 decrease to R 229, 1million.

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- a) What are the predicted cash and investments that are available at the end of the budget year?
- b) How are those funds used?
- c) What are the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 38 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation.

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	(64 076)	1 283 718	1 615 561	152 288	143 561	143 561	801 631	182 015	205 496	229 185
Other current investments > 90 days	114 302	(1 159 077)	(1 406 130)	(12 595)	-	-	(491 920)	-	-	-
Non current Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	50 226	124 641	209 430	139 694	143 561	143 561	309 710	182 015	205 496	229 185
Application of cash and investments										
Unspent conditional transfers	(0)	21 177	10 500	1 483	1 483	1 483	113 108	1 483	1 483	1 483
Unspent borrowing										
Statutory requirements	(25 557)	(27 061)	(13 883)	(28 787)	(13 585)	(13 585)	(15 838)	(13 883)	(13 883)	(13 883)
Other working capital requirements	(179 724)	(683 560)	(235 816)	30 463	50 231	50 231	(268 151)	43 959	48 663	55 467
Other provisions	15 194	16 171	16 385	17 142	16 385	16 385	16 385	16 385	16 385	16 385
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	(190 088)	(673 273)	(222 813)	20 302	54 515	54 515	(154 495)	47 945	52 649	59 453
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	119 392	89 046	89 046	464 205	134 070	152 847	169 732
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	119 392	89 046	89 046	464 205	134 070	152 847	169 732

From the above table it can be seen that the cash and investments available total R182million in the 2025/26 financial year and progressively increase to R205, 4million by 2026/27, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

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

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

The 2025/26 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. From a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the district will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

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

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

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 39 MBRR SA10 – Funding compliance measurement

DC43 Harry Gwala Supporting Table SA10 Funding measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures										
Cash/cash equivalents at the year end - R'000	(64 076)	1 283 718	1 615 561	152 288	143 561	143 561	801 631	182 015	205 496	229 185
Cash + investments at the yr end less applications - R'000	240 314	797 914	432 243	119 392	89 046	89 046	480 212	134 070	152 847	169 732
Cash year end/monthly employee/supplier payments	(1,8)	31,1	37,2	3,5	5,5	3,0	15,9	3,4	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	264 369	246 631	168 343	241 428	220 192	220 192	177 275	203 487	229 577	233 533
Service charge rev % change - macro CPIX target exclusive	N.A.	20,2%	(12,6%)	(7,9%)	5,3%	(6,0%)	(39,3%)	0,0%	(0,0%)	(0,0%)
Cash receipts % of Ratepayer & Other revenue	857,6%	2250,6%	2249,4%	175,7%	146,7%	146,7%	1589,8%	162,9%	165,0%	155,7%
Debt impairment expense as a % of total billable revenue	12,2%	(1,5%)	14,9%	0,0%	0,0%	0,0%	0,0%	37,6%	34,1%	34,1%
Capital payments % of capital expenditure	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	94,4%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	N.A.	14,8%	(58,4%)	122,4%	(28,0%)	0,0%	(6,3%)	20,8%	(7,6%)	(8,7%)
Long term receivables % change - incr(decr)	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	2,3%	2,4%	1,9%	1,8%	2,7%	2,7%	1,8%	1,9%	1,9%	0,0%
Asset renewal % of capital budget	14,6%	2,3%	1,6%	6,8%	7,6%	7,6%	0,0%	6,8%	8,2%	21,9%

DC43 Harry Gwala Supporting Table SA10 Funding measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Supporting indicators										
% incr total service charges (incl prop rates)	0,0%	26,2%	(6,6%)	(1,9%)	11,3%	0,0%	(33,3%)	6,0%	6,0%	6,0%
% incr Property Tax	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Electricity	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Water	0,0%	30,7%	(8,1%)	(4,0%)	16,3%	0,0%	(33,3%)	6,0%	6,0%	6,0%
% incr Service charges - Waste Water Management	0,0%	7,7%	0,8%	7,5%	(8,8%)	0,0%	(33,5%)	6,0%	6,0%	6,0%
% incr Service charges - Waste Management	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr in Sale of Goods and Rendering of Services	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	61 560	77 674	72 558	71 195	79 208	79 208	52 829	83 961	88 999	94 338
Service charges	61 560	77 674	72 558	71 195	79 208	79 208	52 829	83 961	88 999	94 338
Service charges - water revenue	49 353	64 525	59 302	56 944	66 213	66 213	44 185	70 186	74 397	78 861
Service charges - sanitation revenue	12 207	13 149	13 256	14 252	12 995	12 995	8 644	13 775	14 601	15 477
Capital expenditure excluding capital grant funding	17 056	17 809	11 555	45 368	79 210	79 210	18 981	44 099	39 524	41 333
Cash receipts from ratepayers	678 378	1 874 141	1 868 127	130 519	137 021	137 021	950 780	141 863	149 469	149 476
Ratepayer & Other revenue	79 104	83 272	83 051	74 280	93 380	93 380	59 803	87 100	90 585	96 020
Change in consumer debtors (current and non-current)	N/A	4 450	(20 105)	17 567	(8 924)	-	(1 443)	4 482	(1 975)	(2 093)
Operating and Capital Grant Revenue	765 799	735 797	809 852	850 747	856 480	856 480	529 393	887 583	952 376	995 901
Capital expenditure - total	290 905	269 118	309 604	322 312	361 074	361 074	186 277	299 430	323 141	338 779
Capital expenditure - renewal	42 411	6 259	4 802	22 007	27 290	27 290		20 273	26 587	74 032
Supporting benchmarks										
Growth guideline maximum	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline	4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY										
DoRA capital grants total MFY										
Provincial operating grants										
Provincial capital grants										
District Municipality grants										
Total gazetted/advised national, provincial and district grants								-	-	-
Average annual collection rate (arrears inclusive)										

DC43 Harry Gwala Supporting Table SA10 Funding measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Operating Revenue	535 784	560 414	591 885	638 975	654 552	654 552	473 040	723 325	761 586	797 331
Total Operating Expenditure	596 056	601 009	755 861	715 670	758 216	758 216	435 071	813 297	857 989	905 669
Operating Performance Surplus/(Deficit)	(60 272)	(40 595)	(163 976)	(76 695)	(103 664)	(103 664)	37 970	(89 971)	(96 403)	(108 338)
Cash and Cash Equivalents (30 June 2012)								182 015		
Revenue										
% Increase in Total Operating Revenue		4,6%	5,6%	8,0%	2,4%	0,0%	(27,7%)	10,5%	5,3%	4,7%
% Increase in Property Rates Revenue		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% Increase in Electricity Revenue		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% Increase in Property Rates & Services Charges		26,2%	(6,6%)	(1,9%)	11,3%	0,0%	(33,3%)	6,0%	6,0%	6,0%
Expenditure										
% Increase in Total Operating Expenditure	0,0%	0,8%	25,8%	(5,3%)	5,9%	0,0%	(42,6%)	7,3%	5,5%	5,6%
% Increase in Employee Costs	0,0%	3,1%	4,2%	6,9%	0,2%	0,0%	(38,8%)	4,7%	5,2%	5,3%
% Increase in Electricity Bulk Purchases	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average Cost Per Budgeted Employee Position (Remuneration)	0	289067,5937	580586,7802	538596,8228	649521,0427	5481957,6	330270,1063	565124,6661	607799,2394	6360357,16
Average Cost Per Councillor (Remuneration)	0	0	266611,5465	268935,2813	0	239519,0313	159812,1969	251854,7813	0	278993,6875
R&M % of PPE	2,3%	2,4%	1,9%	1,8%	2,7%	2,7%	1,8%	1,8%	1,9%	1,9%
Asset Renewal and R&M as a % of PPE	4,6%	2,9%	2,7%	2,6%	4,2%	4,2%	3,2%	3,2%	5,1%	7,3%
Debt Impairment % of Total Billable Revenue	12,2%	(1,5%)	14,9%	0,0%	0,0%	0,0%	0,0%	37,6%	34,1%	34,1%
Capital Revenue										
Internally Funded & Other (R'000)	17 056	17 809	11 555	45 368	79 210	79 210	18 981	44 099	39 524	41 333
Borrowing (R'000)	-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)	273 848	251 309	298 048	276 944	281 864	281 864	167 296	255 331	283 617	297 445
Internally Generated funds % of Non Grant Funding	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding	94,1%	93,4%	96,3%	85,9%	78,1%	78,1%	89,8%	85,3%	87,8%	87,8%
Capital Expenditure										
Total Capital Programme (R'000)	290 905	269 118	309 604	322 312	361 074	361 074	186 277	299 430	323 141	338 779
Asset Renewal	44 348	11 853	19 933	22 875	37 173	37 173	-	39 826	96 489	175 768
Asset Renewal % of Total Capital Expenditure	15,2%	4,4%	6,4%	7,1%	10,3%	10,3%	0,0%	13,3%	29,9%	51,9%
Cash										
Cash Receipts % of Rate Payer & Other	857,6%	2250,6%	2249,4%	175,7%	146,7%	146,7%	1589,8%	162,9%	165,0%	155,7%
Cash Coverage Ratio	(0)	0	0	0	0	0	0	0	-	-
Borrowing										
Most recent Credit Rating								0		
Capital Charges to Operating	0,1%	0,0%	0,0%	0,4%	0,3%	0,3%	0,0%	0,3%	0,3%	0,3%
Borrowing Receipts % of Capital Expenditure	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reserves										
Uncommitted reserves after application of cash and investments	240 314	797 914	432 243	119 392	89 046	89 046	480 212	134 070	152 847	169 732
Free Services										
Free Basic Services as a % of Equitable Share	0,2%	0,4%	0,4%	(0,1%)	(0,1%)	(0,1%)	(0,1%)	(0,1%)	(0,1%)	(0,1%)
Free Services as a % of Operating Revenue (excl operational transfers)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
High Level Outcome of Funding Compliance										
Total Operating Revenue	535 784	560 414	591 885	638 975	654 552	654 552	473 040	723 325	761 586	797 331
Total Operating Expenditure	596 056	601 009	755 861	715 670	758 216	758 216	435 071	813 297	857 989	905 669
Surplus/(Deficit) Budgeted Operating Statement	(60 272)	(40 595)	(163 976)	(76 695)	(103 664)	(103 664)	37 970	(89 971)	(96 403)	(108 338)
Surplus/(Deficit) Considering Reserves and Cash Backing	240 314	797 914	432 243	119 392	89 046	89 046	480 212	134 070	152 847	169 732
MTREF Funded (1) / Unfunded (0)	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Cash/cash equivalent position

The District's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2025/26 MTREF show R182 million, R205, 4 million and R229, 1million for each respective financial year.

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the District to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection. Notably, the ratio has been falling significantly for the period 2023/24 then improved from 2024/25 adjusted budget, moving from 1.5 to 1.9 this ratio improve from 1.9 to 2.1 in the 2025/26 then show a great improvement from 2026/2027 to 2, 1 and then to 2, 3 again in the 2027/2028 financial year.

Operating surplus/deficit excluding non-cash items offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2025/26 MTREF the indicative outcome is a surplus of R203, 4million, R229, 5million and R233, 5million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

Service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase. The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 0 per cent for the respective financial year of the 2025/26 MTREF. Considering tariff increase in relation to revenue generated from rates and services charges is 6 per cent. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 60.2 for the each of the respective financial years. Given that the assumed collection rate was based on a 71 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 32.9 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 2 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

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

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

Consumer debtors change (Current and Non-current)

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the District's policy of settling debtor's accounts within 30 days.

Repairs and maintenance expenditure level

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

Asset renewal/rehabilitation expenditure level

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

1.15 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

Table 40 MBRR SA19 - Expenditure on transfers and grant programmes

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
EXPENDITURE:									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	573 921	560 559	680 056	632 656	642 214	642 214	652 257	687 909	725 485
Local Government Equitable Share	517 753	536 551	662 032	608 896	616 676	616 676	593 730	624 584	659 044
Energy Efficiency and Demand Side Management Grant	–	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant	6 578	9 729	7 177	7 751	8 215	8 215	8 988	9 463	9 962
Local Government Financial Management Grant	995	847	1 200	1 012	1 257	1 257	1 327	1 402	1 481
Municipal Disaster Relief Grant	–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant	20 737	9 606	7 569	12 498	13 567	13 567	45 602	49 730	52 146
Rural Road Asset Management Systems Grant	1 978	2 070	2 079	2 498	2 498	2 498	2 610	2 730	2 852
Water Services Infrastructure Grant	25 880	1 755	–	–	–	–	–	–	–
Provincial Government:	–	–	–	1 400	1 000	1 000	2 100	2 195	2 326
Capacity Building and Other Grants	–	–	–	1 400	1 000	1 000	2 100	2 195	2 326
District Municipality:	–	–	–	5 587	5 602	5 602	4 162	3 774	4 001
Specify (Add grant description)	–	–	–	5 587	5 602	5 602	4 162	3 774	4 001
Other grant providers:	–	–	–	–	–	–	–	–	–
Chemical Industry Seta	–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:	573 921	560 559	680 056	639 643	648 816	648 816	658 519	693 877	731 811
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	232 612	247 421	298 048	276 629	274 647	274 647	255 181	283 461	297 279
Local Government Financial Management Grant	–	275	–	–	–	–	–	–	–
Municipal Infrastructure Grant	156 293	171 657	214 739	189 673	187 690	187 690	168 225	183 461	192 279
Regional Bulk Infrastructure Grant	–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant	76 319	75 489	83 310	86 957	86 957	86 957	86 957	100 000	105 000
Provincial Government:	41 236	3 888	–	–	6 967	6 967	–	–	–
Infrastructure Grant	41 236	3 888	–	–	6 967	6 967	–	–	–
District Municipality:	–	–	–	315	250	250	150	157	166
Specify (Add grant description)	–	–	–	315	250	250	150	157	166
Other grant providers:	–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants	273 848	251 309	298 048	276 944	281 864	281 864	255 331	283 617	297 445
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	847 770	811 868	978 105	916 587	930 680	930 680	913 850	977 495	1 029 257

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	17 490	26 969	–	–	–	–	–	–
Current year receipts	(8 071)	(8 802)	(9 414)	(20 656)	(20 656)	(20 656)	(53 118)	(53 803)	(56 437)
Repayment of grants	–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue	(33 632)	(9 593)	3 653	(41 313)	(41 313)	(41 313)	(106 236)	(107 607)	(112 874)
Conditions still to be met - transferred to liabilities	25 561	18 281	13 901	20 656	20 656	20 656	53 118	53 803	56 437
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	0	0	0	(314)	(314)	(314)	(314)	(314)	(314)
Current year receipts	–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue	0	0	0	(314)	(314)	(314)	(314)	(314)	(314)
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue	(33 632)	(9 593)	3 653	(41 627)	(41 627)	(41 627)	(106 550)	(107 921)	(113 188)
Total operating transfers and grants - CTBM	25 561	18 281	13 901	20 656	20 656	20 656	53 118	53 803	56 437
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	–	(17 490)	(48 145)	–	–	–	–	–	–
Current year receipts	(336 580)	(316 011)	(326 130)	(318 124)	(315 844)	(315 844)	(293 458)	(325 980)	(341 871)
Conditions met - transferred to revenue	(655 670)	(618 856)	(706 594)	(636 247)	(631 687)	(631 687)	(586 916)	(651 959)	(683 742)
Conditions still to be met - transferred to liabilities	319 090	285 355	332 319	318 124	315 844	315 844	293 458	325 980	341 871
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year	–	–	–	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)
Current year receipts	–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue	–	–	–	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)	(1 169)
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue	(655 670)	(618 856)	(706 594)	(637 416)	(632 856)	(632 856)	(588 086)	(653 129)	(684 911)
Total capital transfers and grants - CTBM	319 090	285 355	332 319	318 124	315 844	315 844	293 458	325 980	341 871
TOTAL TRANSFERS AND GRANTS REVENUE	(689 302)	(628 449)	(702 941)	(679 043)	(674 483)	(674 483)	(694 635)	(761 049)	(798 099)
TOTAL TRANSFERS AND GRANTS - CTBM	344 651	303 636	346 221	338 780	336 500	336 500	346 576	379 783	398 308

Councilor and Employee benefits

Table 44 MBRR SA22-Summary of councilor and staff benefits

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

Summary of Employee and Councillor remuneration	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	4 470	3 902	4 586	4 658	5 087	5 087	5 349	5 630	5 926
Pension and UIF Contributions	473	469	133	578	54	54	56	59	63
Medical Aid Contributions	54	153	33	197	3	3	3	3	4
Cellphone Allowance	516	491	547	566	518	518	545	574	604
Other benefits and allowances	1 726	1 973	1 633	2 607	2 002	2 002	2 105	2 216	2 332
Sub Total - Councillors	7 239	6 988	6 932	8 606	7 665	7 665	8 059	8 482	8 928
% Increase		(3,5%)	(0,8%)	24,1%	(10,9%)	-	5,2%	5,2%	5,3%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 927	4 029	5 777	4 759	5 430	5 430	5 710	6 010	6 325
Pension and UIF Contributions	13	15	-	4	4	4	4	4	5
Medical Aid Contributions	170	66	48	51	51	51	54	56	59
Performance Bonus	106	81	55	181	158	158	166	175	184
Motor Vehicle Allowance	1 028	813	1 056	918	1 179	1 179	1 240	1 305	1 374
Cellphone Allowance	115	105	110	119	120	120	126	133	140
Housing Allowances	152	212	394	336	398	398	418	440	463
Other benefits and allowances	454	246	259	299	312	312	328	345	363
Payments in lieu of leave	25	332	-	384	104	104	109	115	121
Acting and post related allowance	42	53	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 030	5 950	7 699	7 052	7 756	7 756	8 156	8 584	9 034
% Increase		(1,3%)	29,4%	(8,4%)	10,0%	-	5,2%	5,2%	5,2%
Other Municipal Staff									
Basic Salaries and Wages	136 625	142 683	148 363	154 317	157 293	157 293	162 714	171 256	180 247
Pension and UIF Contributions	22 037	21 654	22 634	24 096	23 721	23 721	24 929	26 238	27 615
Medical Aid Contributions	9 953	10 412	10 905	11 412	10 860	10 860	11 416	12 015	12 646
Overtime	18 500	19 197	21 207	22 092	22 942	22 942	24 087	25 351	26 682
Performance Bonus	11 195	10 259	10 668	10 909	10 789	10 789	11 344	11 940	12 567
Motor Vehicle Allowance	20 487	20 410	19 940	23 900	20 795	20 795	21 865	23 013	24 222
Cellphone Allowance	984	1 132	1 086	1 316	1 129	1 129	1 157	1 218	1 282
Housing Allowances	585	636	652	784	646	646	679	715	752
Other benefits and allowances	5 788	6 003	6 044	7 716	6 116	6 116	6 420	6 757	7 112
Payments in lieu of leave	1 581	1 418	1 020	657	2 215	2 215	2 309	2 430	2 557
Long service awards	1 023	1 547	1 312	1 277	1 146	1 146	-	-	-
Postretirement benefit obligations	3 386	4 244	4 175	-	-	-	-	-	-
Acting and post related allowance	200	163	335	235	357	357	258	272	286
Sub Total - Other Municipal Staff	232 346	239 757	248 340	258 713	258 008	258 008	267 178	281 205	295 969
% Increase		3,2%	3,6%	4,2%	(0,3%)	-	3,6%	5,2%	5,2%
Total Parent Municipality	245 614	252 695	262 971	274 370	273 429	273 429	283 393	298 271	313 931
Board Members of Entities									
Basic Salaries and Wages	-	-	-	320	525	525	320	334	354
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities	-	-	-	320	525	525	320	334	354
% Increase					63,9%	-	(39,0%)	4,5%	6,0%
Other Staff of Entities									
Basic Salaries and Wages	-	-	-	7 400	7 604	7 604	10 010	10 461	11 088
Pension and UIF Contributions	-	-	-	23	29	29	30	32	34
Payments in lieu of leave	-	-	-	50	50	50	52	55	58
Acting and post related allowance	-	-	-	50	126	126	132	138	146
Sub Total - Other Staff of Entities	-	-	-	7 523	7 809	7 809	10 225	10 685	11 326
% Increase					3,8%	-	30,9%	4,5%	6,0%
Total Municipal Entities	-	-	-	7 843	8 334	8 334	10 545	11 019	11 680
TOTAL SALARY, ALLOWANCES & BENEFITS	245 614	252 695	262 971	282 213	281 762	281 762	293 938	309 291	325 611
% Increase		2,9%	4,1%	7,3%	(0,2%)	-	4,3%	5,2%	5,3%
TOTAL MANAGERS AND STAFF	238 376	245 707	256 039	273 287	273 573	273 573	285 559	300 474	316 329

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

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

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
<u>Councillors</u>						
Speaker	735 856	9 673	221 263			966 792
Chief Whip	736 038	1 651	139 745			877 434
Executive Mayor	879 204	–	265 226			1 144 430
Deputy Executive Mayor	751 534	9 673	221 263			982 470
Executive Committee	1 245 347	15 845	354 557			1 615 749
Total for all other councillors	1 001 264	22 975	1 448 239			2 472 478
Total Councillors	5 349 243	59 817	2 650 293			8 059 353
<u>Senior Managers of the Municipality</u>						
Municipal Manager (MM)	1 173 642	–	449 209			1 622 851
Chief Finance Officer	1 102 481	–	234 672			1 337 153
SM D01	788 495	53 501	395 661	60 798		1 298 455
SM D02	1 065 792	–	232 662	–		1 298 454
SM D03	837 550	2 494	458 412			1 298 456
SM D04	741 835	1 663	451 545	105 150		1 300 193
						–
Total Senior Managers of the Municipality	5 709 795	57 658	2 222 161	165 948		8 155 562
<u>A Heading for Each Entity</u>						
List each member of board by designation						
Harry Gwala Development Agency						–
BM D01	320 000					320 000
						–
Total for municipal entities	320 000	–	–	–		320 000
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	11 379 038	117 475	4 872 454	165 948		16 534 915

Table 46 MBRR SA24- Summary of personnel numbers

DC43 Harry Gwala - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	2023/24			Current Year 2024/25			Budget Year 2025/26		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	26	–	26	32	–	32	32	–	32
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	3	–	3	5	–	5	5	–	5
Other Managers	8	–	8	9	–	9	9	–	9
Professionals	251	247	13	280	260	16	280	285	16
Finance	13	13	3	13	13	–	13	13	–
Spatial/town planning	1	1	2	2	1	1	2	1	1
Information Technology	5	5	–	5	5	–	5	5	–
Roads	2	2	–	2	2	–	2	2	–
Electricity	4	4	–	4	4	–	4	4	–
Water	110	109	8	126	110	13	126	135	13
Sanitation	75	75	–	87	87	2	87	87	2
Refuse	1	1	–	1	1	–	1	1	–
Other	40	37	–	40	37	–	40	37	–
Technicians	28	27	–	28	27	–	28	27	–
Finance	–	–	–	–	–	–	–	–	–
Spatial/town planning	4	4	–	4	4	–	4	4	–
Information Technology	1	–	–	1	–	–	1	–	–
Roads	1	1	–	1	1	–	1	1	–
Electricity	1	1	–	1	1	–	1	1	–
Water	4	4	–	4	4	–	4	4	–
Sanitation	3	3	–	3	3	–	3	3	–
Refuse	1	1	–	1	1	–	1	1	–
Other	13	13	–	13	13	–	13	13	–
Clerks (Clerical and administrative)	–	–	6	38	38	10	38	38	10
Service and sales workers	2	2	–	2	2	–	2	2	–
Skilled agricultural and fishery workers	2	2	–	2	2	–	2	2	–
Craft and related trades	1	1	–	1	1	7	1	1	7
Plant and Machine Operators	82	73	9	95	45	–	95	95	–
Elementary Occupations	48	47	3	48	47	3	48	47	3
TOTAL PERSONNEL NUMBERS	451	399	68	540	422	82	540	497	82
% increase				19,7%	5,8%	20,6%	–	17,8%	–
Total municipal employees headcount	526	464	73	617	492	105	617	567	105
Finance personnel headcount	68	58	5	68	61	23	68	61	23
Human Resources personnel headcount	7	7	–	9	9	–	9	9	–

2.8 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table 47 MBRR SA25-Budgeted monthly revenue and expenditure

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

MONTHLY CASH FLOWS		Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts By Source														1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	61 747	65 462	69 379
Service charges - water revenue	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	12 188	12 920	13 695
Service charges - sanitation revenue	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	26 046	27 586	29 242
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	137	137	137	137	137	137	137	137	137	137	137	137	137	1 643	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	573 889	606 254	633 881
Transfers and Subsidies - Operational	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	66 285	71 088	86 402
Other revenue	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	744 898	783 310	812 599
Cash Receipts by Source																
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	293 458	325 980	341 871
Borrowing long term/refinancing	47	47	47	47	47	47	47	47	47	47	47	47	47	569	569	569
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	1 035 926	1 109 859	1 155 039
Cash Payments by Type																
Employee related costs	23 924	23 924	23 924	23 924	23 924	23 924	23 924	23 924	23 924	23 924	23 924	23 924	(23 922)	287 083	302 076	318 018
Remuneration of councillors	672	672	672	672	672	672	672	672	672	672	672	672	(671)	8 059	8 482	8 928
Interest	1	1	1	1	1	1	1	1	1	1	1	1	(1)	14	15	16
Acquisitions - water & other inventory	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	(2 819)	33 828	35 858	38 009
Contracted services	14 697	14 697	14 697	14 697	14 697	14 697	14 697	14 697	14 697	14 697	14 697	14 697	(14 697)	176 365	192 688	203 897
Other expenditure	12 948	12 948	12 948	12 948	12 948	12 948	12 948	12 948	12 948	12 948	12 948	12 948	(12 948)	155 378	160 247	166 288
Cash Payments by Type	55 061	55 061	55 061	55 061	55 061	55 061	55 061	55 061	55 061	55 061	55 061	55 061	(55 038)	660 729	699 366	725 155
Other Cash Flows/Payments by Type																
Capital assets	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	69 867	344 344	371 612	389 595
Repayment of borrowing	200	200	200	200	200	200	200	200	200	200	200	200	200	2 400	2 400	2 400
Other Cash Flows/Payments	833	833	833	833	833	833	833	833	833	833	833	833	833	10 000	13 000	14 200
Total Cash Payments by Type	81 047	81 047	81 047	81 047	81 047	81 047	81 047	81 047	81 047	81 047	81 047	81 047	15 842	1 017 473	1 086 378	1 131 351
NET INCREASE/(DECREASE) IN CASH HELD	5 280	5 280	5 280	5 280	5 280	5 280	5 280	5 280	5 280	5 280	5 280	5 280	70 485	18 453	23 481	23 689
Cash/cash equivalents at the monthly/year begin:	163 562	168 843	174 123	179 403	184 684	189 964	195 244	199 524	200 524	205 805	211 085	216 365	221 645	183 562	182 015	205 496
Cash/cash equivalents at the monthly/year end:	168 843	174 123	179 403	184 684	189 964	195 244	199 524	200 524	205 805	211 085	216 365	221 645	282 130	182 015	205 496	229 185

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

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

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Revenue by Vote															
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	45 792	45 792	45 792	45 792	45 792	45 792	45 792	45 792	45 792	45 792	45 792	45 792	549 507	581 086	607 813
Vote 04 - Summary Corporate Services	34	34	34	34	34	34	34	34	34	34	34	34	410	435	461
Vote 05 - Summary Social Services & Development Planning	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	21 618	21 691	21 791
Vote 06 - Summary Infrastructure Services	29 173	29 173	29 173	29 173	29 173	29 173	29 173	29 173	29 173	29 173	29 173	29 173	350 081	383 477	402 207
Vote 07 - Summary Water Services	7 931	7 931	7 931	7 931	7 931	7 931	7 931	7 931	7 931	7 931	7 931	7 931	95 167	100 877	106 930
Vote 15 - Other													-	-	-
Total Revenue by Vote	84 732	84 732	84 732	84 732	84 732	84 732	84 732	84 732	84 732	84 732	84 732	84 732	1 016 784	1 087 566	1 139 202
Expenditure by Vote to be appropriated															
Vote 01 - Summary Council	1 451	1 451	1 451	1 451	1 451	1 451	1 451	1 451	1 451	1 451	1 451	1 451	17 414	18 660	19 716
Vote 02 - Summary Municipal Manager	2 572	2 572	2 572	2 572	2 572	2 572	2 572	2 572	2 572	2 572	2 572	2 572	30 862	32 588	34 411
Vote 03 - Summary Budget And Treasury Office	5 477	5 477	5 477	5 477	5 477	5 477	5 477	5 477	5 477	5 477	5 477	5 477	65 728	69 368	73 209
Vote 04 - Summary Corporate Services	9 138	9 138	9 138	9 138	9 138	9 138	9 138	9 138	9 138	9 138	9 138	9 137	109 656	117 543	124 370
Vote 05 - Summary Social Services & Development Planning	8 022	8 022	8 022	8 022	8 022	8 022	8 022	8 022	8 022	8 022	8 022	8 021	96 266	95 247	99 496
Vote 06 - Summary Infrastructure Services	13 701	13 701	13 701	13 701	13 701	13 701	13 701	13 701	13 701	13 701	13 701	13 700	164 408	175 646	185 610
Vote 07 - Summary Water Services	27 414	27 414	27 414	27 414	27 414	27 414	27 414	27 414	27 414	27 414	27 414	27 413	328 984	348 937	368 856
Vote 15 - Other													-	-	-
Total Expenditure by Vote	67 775	67 775	67 775	67 775	67 775	67 775	67 775	67 775	67 775	67 775	67 775	67 771	813 297	857 989	905 689
Surplus/(Deficit) before assoc. Income Tax	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 961	203 487	229 577	233 533
Share of Surplus/(Deficit) attributable to Minorities Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 961	203 487	229 577	233 533

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

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

R thousand	Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
Revenue - Functional	Governance and administration	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	551 436	583 108	609 957	
	Executive and council	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	551 436	583 108	609 957	
	Finance and administration	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Internal audit	1	1	1	1	1	1	1	1	1	1	1	1	18	19	20	
	Community and public safety	1	1	1	1	1	1	1	1	1	1	1	1	18	19	20	
	Community and social services	1	1	1	1	1	1	1	1	1	1	1	1	18	19	20	
	Economic and environmental services	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	20 136	20 142	20 149	
	Planning and development	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	1 678	20 136	20 142	20 149	
	Road transport	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Environmental protection	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Trading services	37 100	37 100	37 100	37 100	37 100	37 100	37 100	37 100	37 100	37 100	37 100	37 100	445 194	484 296	509 076	
	Energy sources	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Water management	35 749	35 749	35 749	35 749	35 749	35 749	35 749	35 749	35 749	35 749	35 749	35 749	428 985	467 115	490 864	
	Waste water management	1 351	1 351	1 351	1 351	1 351	1 351	1 351	1 351	1 351	1 351	1 351	1 351	16 209	17 181	18 212	
	Waste management	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Total Revenue - Functional		84 732	84 732	84 732	84 732	84 732	84 732	84 732	84 732	84 732	84 732	84 732	84 732	1 016 784	1 087 566	1 139 202
	Expenditure - Functional	Governance and administration	25 083	25 083	25 083	25 083	25 083	25 083	25 083	25 083	25 083	25 083	25 083	25 081	300 993	319 292	337 537
		Executive and council	3 981	3 981	3 981	3 981	3 981	3 981	3 981	3 981	3 981	3 981	3 981	3 980	47 769	50 614	53 527
		Finance and administration	20 150	20 150	20 150	20 150	20 150	20 150	20 150	20 150	20 150	20 150	20 150	20 148	241 797	256 633	271 314
Internal audit		952	952	952	952	952	952	952	952	952	952	952	952	11 427	12 045	12 697	
Community and public safety		2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	24 047	24 822	26 165	
Community and social services		2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	2 004	24 047	24 822	26 165	
Economic and environmental services		17 963	17 963	17 963	17 963	17 963	17 963	17 963	17 963	17 963	17 963	17 963	17 963	215 560	227 606	239 372	
Planning and development		17 963	17 963	17 963	17 963	17 963	17 963	17 963	17 963	17 963	17 963	17 963	17 963	215 560	227 606	239 372	
Road transport		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Trading services		22 704	22 704	22 704	22 704	22 704	22 704	22 704	22 704	22 704	22 704	22 704	22 703	272 447	286 007	302 318	
Energy sources		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Water management		21 930	21 930	21 930	21 930	21 930	21 930	21 930	21 930	21 930	21 930	21 930	21 929	263 154	276 163	291 889	
Waste water management		774	774	774	774	774	774	774	774	774	774	774	774	9 292	9 844	10 429	
Waste management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other		21	21	21	21	21	21	21	21	21	21	21	21	250	261	277	
Total Expenditure - Functional		67 775	67 775	67 775	67 775	67 775	67 775	67 775	67 775	67 775	67 775	67 771	813 297	857 989	905 669		
Surplus/(Deficit) before assoc. intercompany/Parent subsidiary transactions			16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 961	203 487	228 577	233 533	
		Surplus/(Deficit)	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 957	16 961	203 487	228 577	233 533	

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

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

Description		Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
<u>Multi-year expenditure to be appropriated</u>																
	Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 03 - Summary Budget And Treasury Office	190	190	190	190	190	190	190	190	190	190	190	190	2 279	2 416	2 561
	Vote 04 - Summary Corporate Services	865	865	865	865	865	865	865	865	865	865	865	865	10 374	9 937	10 533
	Vote 05 - Summary Social Services & Development Planning	554	554	554	554	554	554	554	554	554	554	554	554	6 651	4 661	4 930
	Vote 06 - Summary Infrastructure Services	8 009	8 009	8 009	8 009	8 009	8 009	8 009	8 009	8 009	8 009	8 009	8 009	96 104	145 895	246 457
	Vote 07 - Summary Water Services	15 081	15 081	15 081	15 081	15 081	15 081	15 081	15 081	15 081	15 081	15 081	15 081	180 970	159 712	73 736
	Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Capital multi-year expenditure sub-total	24 698	24 698	24 698	24 698	24 698	24 698	24 698	24 698	24 698	24 698	24 698	24 698	296 378	322 611	338 217
<u>Single-year expenditure to be appropriated</u>																
	Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 03 - Summary Budget And Treasury Office	190	190	190	190	190	190	190	190	190	190	190	(2 089)	-	-	-
	Vote 04 - Summary Corporate Services	42	42	42	42	42	42	42	42	42	42	42	42	500	530	562
	Vote 05 - Summary Social Services & Development Planning	554	554	554	554	554	554	554	554	554	554	554	(6 097)	-	-	-
	Vote 06 - Summary Infrastructure Services	213	213	213	213	213	213	213	213	213	213	213	213	2 551	-	-
	Vote 07 - Summary Water Services	15 081	15 081	15 081	15 081	15 081	15 081	15 081	15 081	15 081	15 081	15 081	(165 889)	-	-	-
	Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Capital single-year expenditure sub-total	16 079	16 079	16 079	16 079	16 079	16 079	16 079	16 079	16 079	16 079	16 079	(173 821)	3 051	530	562
	Total Capital Expenditure	40 777	40 777	40 777	40 777	40 777	40 777	40 777	40 777	40 777	40 777	40 777	(149 123)	299 430	323 141	338 779

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

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

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Capital Expenditure - Functional															
<i>Governance and administration</i>	1 484	1 484	1 484	1 484	1 484	1 484	1 484	1 484	1 484	1 484	1 484	1 484	17 804	17 377	18 420
Executive and council															
Finance and administration	1 484	1 484	1 484	1 484	1 484	1 484	1 484	1 484	1 484	1 484	1 484	1 484	17 804	17 377	18 420
Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	7 741	7 741	7 741	7 741	7 741	7 741	7 741	7 741	7 741	7 741	7 741	7 741	92 891	142 150	236 758
Planning and development	7 741	7 741	7 741	7 741	7 741	7 741	7 741	7 741	7 741	7 741	7 741	7 741	92 891	142 150	236 758
Road transport															
Environmental protection															
<i>Trading services</i>	15 728	15 728	15 728	15 728	15 728	15 728	15 728	15 728	15 728	15 728	15 728	15 728	188 734	163 614	83 601
Energy sources															
Water management	15 706	15 706	15 706	15 706	15 706	15 706	15 706	15 706	15 706	15 706	15 706	15 706	188 473	163 614	83 601
Waste water management	22	22	22	22	22	22	22	22	22	22	22	22	261	–	–
Waste management															
<i>Other</i>															
Total Capital Expenditure - Functional	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 952	299 430	323 141	338 779
Funded by:															
National Government	21 265	21 265	21 265	21 265	21 265	21 265	21 265	21 265	21 265	21 265	21 265	21 265	255 181	283 461	297 279
Provincial Government	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality	13	13	13	13	13	13	13	13	13	13	13	13	150	157	166
Transfers recognised - capital	21 278	21 278	21 278	21 278	21 278	21 278	21 278	21 278	21 278	21 278	21 278	21 277	255 331	283 617	297 445
Borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	3 675	3 675	3 675	3 675	3 675	3 675	3 675	3 675	3 675	3 675	3 675	3 675	44 099	39 524	41 333
Total Capital Funding	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 952	299 430	323 141	338 779

Table 52 MBRR SA30- Budgeted monthly cash flow

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

MONTHLY CASH FLOWS		Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts by Source														1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	5 146	61 747	65 452	69 379
Service charges - water revenue	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	1 016	12 188	12 920	13 695
Service charges - sanitation revenue	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	26 046	27 586	29 242
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	137	137	137	137	137	137	137	137	137	137	137	137	137	1 643	-	-
Fines, penalties and forfeits	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	573 989	606 254	633 881
Transfers and Subsidies - Operational	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	5 524	66 285	71 098	66 402
Cash Receipts by Source	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	741 898	783 310	812 599
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	293 458	325 980	341 871
Increase (decrease) in consumer deposits	47	47	47	47	47	47	47	47	47	47	47	47	47	569	569	569
VAT Control (receipts)																
Total Cash Receipts by Source	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	1 035 925	1 109 859	1 155 039
Cash Payments by Type																
Employee related costs	23 924	23 924	23 924	23 924	23 924	23 924	23 924	23 924	23 924	23 924	23 924	23 924	(23 922)	287 083	302 076	318 018
Remuneration of councillors	672	672	672	672	672	672	672	672	672	672	672	672	(671)	8 059	8 482	8 928
Interest	1	1	1	1	1	1	1	1	1	1	1	1	(1)	14	15	16
Acquisitions - water & other inventory	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	(2 819)	33 828	35 858	38 009
Contracted services	14 697	14 697	14 697	14 697	14 697	14 697	14 697	14 697	14 697	14 697	14 697	14 697	(14 697)	176 365	192 688	203 897
Other expenditure	16 691	16 691	16 691	16 691	16 691	16 691	16 691	16 691	16 691	16 691	16 691	16 691	(16 690)	200 293	208 718	207 104
Cash Payments by Type	58 804	58 804	58 804	58 804	58 804	58 804	58 804	58 804	58 804	58 804	58 804	58 804	(58 800)	705 643	747 837	775 972
Other Cash Flows/Payments by Type																
Capital assets	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 953	24 952	299 430	323 141	338 779
Repayment of borrowing	200	200	200	200	200	200	200	200	200	200	200	200	200	2 400	2 400	2 400
Other Cash Flows/Payments	833	833	833	833	833	833	833	833	833	833	833	833	833	10 000	13 000	14 200
Total Cash Payments by Type	84 790	84 790	84 790	84 790	84 790	84 790	84 790	84 790	84 790	84 790	84 790	84 790	(32 815)	1 017 473	1 086 378	1 131 351
NET INCREASE/(DECREASE) IN CASH HELD		1 537	1 537	1 537	1 537	1 537	1 537	1 537	1 537	1 537	1 537	1 537	119 142	18 453	23 481	23 689
Cash/cash equivalents at the month/year begin:	163 562	165 100	166 637	168 175	169 712	169 712	171 249	172 787	174 324	175 862	177 399	178 936	180 474	163 562	182 015	205 496
Cash/cash equivalents at the month/year end:	165 100	166 637	168 175	169 712	169 712	171 249	172 787	174 324	175 862	177 399	178 936	180 474	299 616	182 015	205 496	229 185

1.16 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS

Water Services Department – Vote 07

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

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

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

Description	Vote 01 - Summary Council	Vote 02 - Summary Municipal Manager	Vote 03 - Summary Budget And Treasury Office	Vote 04 - Summary Corporate Services	Vote 05 - Summary Social Services & Development	Vote 06 - Summary Infrastructure Services	Vote 07 - Summary Water Services	Total
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity								-
Service charges - Water						1 433	68 753	70 186
Service charges - Waste Water Management						3 372	10 402	13 775
Service charges - Waste Management								-
Sale of Goods and Rendering of Services			791		-			791
Interest earned from Receivables			43				16 011	16 055
Interest earned from Current and Non Current Assets			24 581		1 464			26 046
Operational Revenue			278	410	18		-	706
Non-Exchange Revenue								
Property rates								-
Surcharges and Taxes								-
Fines, penalties and forfeits			1 643		-			1 643
Licences or permits								-
Transfer and subsidies - Operational			522 171	-	20 136	51 818	-	594 125
Interest							-	-
Total Revenue (excluding capital transfers and contributions)	-	-	549 507	410	21 618	56 623	95 167	723 325
Expenditure								
Employee related costs	-	16 740	40 586	28 516	44 254	28 162	128 825	287 083
Remuneration of councillors	8 059							8 059
Bulk purchases - electricity							-	-
Inventory consumed			9 156				29 416	38 571
Debt impairment				-	-		31 530	31 530
Depreciation and amortisation		-	66	14 459	2 857	89 101	1 566	108 050
Interest			-	14	84			98
Contracted services	4 804	11 154	12 552	36 324	12 708	45 560	61 085	184 187
Transfers and subsidies	-	-	-	-	5 500	-	-	5 500
Irrecoverable debts written off			-				42 327	42 327
Operational costs	4 550	2 968	12 525	30 097	29 679	1 584	26 488	107 892
Losses on disposal of Assets		-	-	-	-	-	-	-
Other Losses			-				-	-
Total Expenditure	17 414	30 862	74 884	109 411	95 083	164 408	321 237	813 297
Surplus/(Deficit)	(17 414)	(30 862)	474 623	(109 000)	(73 465)	(107 784)	(226 070)	(89 971)
Transfers and subsidies - capital (monetary allocations)					-	293 458	-	293 458
Transfers and subsidies - capital (in-kind)						-		-
Surplus/(Deficit) after capital transfers & contributions	(17 414)	(30 862)	474 623	(109 000)	(73 465)	185 674	(226 070)	203 487

Table 43 Water Services Department – Performance objectives and indicators

DC43 Harry Gwala - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
06 - Summary Infrastructure Services										
Waste Water Management										
Sewerage										
Flush Toilet (Connected To Sewerage)	Households	81 649	86 548	92 608	98 628	98 628	98 628	105 039	111 341	118 022
Flush Toilet (With Septic Tank)	Households	13 164	13 954	14 931	15 901	15 901	15 901	16 935	17 951	19 028
Pit Toilet (Ventilated)	Households	46 969	49 787	53 273	56 736	56 736	56 736	60 424	64 049	67 892
Water Management										
Water Distribution										
Informal Settlements (R000)	Rand Value			7 406						
Other Water Supply (< Min.Service Level)	Households	30 936	32 792	35 088	37 369	37 369	37 369	39 798	42 186	44 717
Other Water Supply (At Least Min.Service Level)	Households	30 936	32 792	35 089	37 369	37 369	37 369	39 798	42 186	44 717
Piped Water Inside Dwelling	Households	52 292	55 430	59 311	63 166	63 166	63 166	67 272	71 308	75 587
Piped Water Inside Yard (But Not In Dwelling)	Households	21 261	22 537	24 115	25 682	25 682	25 682	27 352	28 993	30 733
Using Public Tap (At Least Min.Service Level)	Households	37 292	39 530	42 298	45 047	45 047	45 047	47 975	50 854	53 905

There are no unfilled positions in the top management structure of the Water Services Department, The top management structure consists of 2 Executive Director (Water and Infrastructure services), five directors and 7 professional engineers. As part of the performance objectives for the 2025/26 financial year, the expansion of the functional water demand management unit will require an amendment to the departmental organogram and the subsequent filling of vacancies.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance of R50, 1million, R57, 4 million and R60, 8 million in each of the respective financial years of the MTREF.

The departmental revenue base is primarily informed by the sale of water and charges for sanitation of which budget appropriation for the 2025/26 financial year is R83, 9 million and increases to R88, 9million by 2026/27 by the 2027/28 and has been informed by a collection rate of 715 per cent and distribution losses of 31, 2 per cent in the outer years.

The reduction of distribution losses is considered a priority and hence the departmental objectives. There has been a huge, concerted effort in the 2025/26 in trying to minimize the water losses with initiatives such as the water meter and infrastructure audits. The enhancement of the ongoing Water Demand Management & Conservation initiatives are expected to also have a positive impact in minimizing water losses in the medium to long term.

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

1.17 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

3.11 CAPITAL EXPENDITURE DETAILS

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

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	235 244	247 862	284 128	282 223	303 744	303 744	240 871	212 448	148 495
Roads Infrastructure	1 242	–	–	–	–	–	–	–	–
Roads	1 242	–	–	–	–	–	–	–	–
Water Supply Infrastructure	196 052	203 327	219 163	270 019	275 836	275 836	240 610	212 448	148 495
Dams and Weirs	7 606	18 068	24 469	59 786	34 250	34 250	53 150	71 179	–
Boreholes	69 041	37 187	3 346	–	16 483	16 483	–	–	–
Reservoirs	3 315	–	–	–	–	–	435	6 356	19 920
Pump Stations	24 379	3 716	18 006	29 516	20 037	20 037	87	–	–
Water Treatment Works	8 400	267	–	–	–	–	–	–	–
Bulk Mains	15 699	45 795	50 385	95 999	79 765	79 765	59 807	40 500	30 993
Distribution	67 612	98 295	122 957	84 718	125 301	125 301	127 131	94 413	97 581
Distribution Points	–	–	–	–	–	–	–	–	–
PRV Stations	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure	37 950	44 534	64 965	12 204	27 908	27 908	261	–	–
Pump Station	15 010	–	12 051	1 739	1 234	1 234	87	–	–
Reticulation	22 940	44 534	52 914	5 217	24 396	24 396	174	–	–
Waste Water Treatment Works	–	–	–	2 000	2 278	2 278	–	–	–
Outfall Sewers	–	–	–	–	–	–	–	–	–
Toilet Facilities	–	–	–	3 248	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Other assets	1 138	–	–	6 250	4 280	4 280	7 901	4 180	4 431
Operational Buildings	1 138	–	–	4 250	3 080	3 080	4 350	4 180	4 431
Municipal Offices	1 138	–	–	4 250	3 080	3 080	4 350	4 180	4 431
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Housing	–	–	–	2 000	1 200	1 200	3 551	–	–
Staff Housing	–	–	–	2 000	1 200	1 200	3 551	–	–
Social Housing	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	–	270	–	796	1 475	1 475	505	534	566
Servitudes	–	270	–	796	1 475	1 475	505	534	566
Licences and Rights	–	270	–	796	1 475	1 475	505	534	566
Water Rights	–	–	–	–	–	–	–	–	–
Effluent Licenses	–	–	–	–	–	–	–	–	–
Solid Waste Licenses	–	–	–	–	–	–	–	–	–
Computer Software and Applications	–	270	–	796	1 475	1 475	505	534	566
Load Settlement Software Applications	–	–	–	–	–	–	–	–	–
Unspecified	–	–	–	–	–	–	–	–	–
Computer Equipment	1 412	410	943	2 000	1 400	1 400	1 679	1 780	1 887
Computer Equipment	1 412	410	943	2 000	1 400	1 400	1 679	1 780	1 887
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	4 924	4 843	4 572
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	4 924	4 843	4 572
Machinery and Equipment	7 376	7 430	1 306	2 588	5 100	5 100	3 724	2 887	3 060
Machinery and Equipment	7 376	7 430	1 306	2 588	5 100	5 100	3 724	2 887	3 060
Transport Assets	–	–	986	600	–	–	–	–	–
Transport Assets	–	–	986	600	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	246 557	257 265	289 670	299 437	323 900	323 900	259 604	226 672	163 010

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	38 015	–	2 245	17 045	21 252	21 252	9 503	12 598	11 639
Roads Infrastructure	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	9 560	–	2 245	970	12 167	12 167	7 764	3 902	9 865
Dams and Weirs	–	–	–	–	–	–	–	–	–
Bulk Mains	–	–	–	–	–	–	–	–	–
Distribution	9 560	–	2 245	970	12 167	12 167	7 764	3 902	9 865
Distribution Points	–	–	–	–	–	–	–	–	–
PRV Stations	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure	28 455	–	–	16 075	9 085	9 085	1 739	8 696	1 774
Pump Station	–	–	–	–	–	–	–	–	–
Reticulation	–	–	–	–	–	–	–	–	–
Waste Water Treatment Works	28 455	–	–	16 075	9 085	9 085	1 739	8 696	1 774
Other assets	–	–	–	–	–	–	2 874	7 210	55 208
Operational Buildings	–	–	–	–	–	–	2 874	7 210	55 208
Municipal Offices	–	–	–	–	–	–	2 874	7 210	55 208
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	80	–	–	–	–	–
Machinery and Equipment	–	–	–	80	–	–	–	–	–
Transport Assets	4 396	6 259	2 557	4 883	6 039	6 039	7 895	6 779	7 186
Transport Assets	4 396	6 259	2 557	4 883	6 039	6 039	7 895	6 779	7 186
Land	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	42 411	6 259	4 802	22 007	27 290	27 290	20 273	26 587	74 032
Renewal of Existing Assets as % of total capex	14,6%	2,3%	1,6%	6,8%	7,6%	7,6%	6,8%	8,2%	21,9%
Renewal of Existing Assets as % of deprehn"	52,0%	6,7%	2,0%	21,6%	26,7%	26,7%	18,8%	23,2%	61,0%

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

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

Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	28 248	45 120	39 357	41 300	66 741	66 741	45 091	52 036	55 159
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	28 248	45 120	39 357	41 300	66 741	66 741	45 091	52 036	55 159
Dams and Weirs									
Boreholes									
Reservoirs	12 215	26 400	19 046	21 800	34 103	34 103	23 000	26 500	28 090
Pump Stations	9 037	11 207	9 615	10 500	15 249	15 249	11 273	13 009	13 790
Water Treatment Works									
Bulk Mains									
Distribution									
Distribution Points									
PRV Stations									
Capital Spares	6 996	7 514	10 696	9 000	17 389	17 389	10 818	12 527	13 279
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Community Assets	78	63	87	77	117	117	273	289	306
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	78	63	87	77	117	117	273	289	306
Indoor Facilities	78	63	87	77	117	117	273	289	306
Outdoor Facilities									
Capital Spares									
Unimproved Property									
Other assets	1 548	4 008	4 272	6 212	4 061	4 061	4 364	4 624	4 902
Operational Buildings	1 548	4 008	4 272	6 212	4 061	4 061	4 364	4 624	4 902
Municipal Offices	1 548	4 008	4 272	6 212	4 061	4 061	4 364	4 624	4 902
Pay/Enquiry Points									
Building Plan Offices									
Computer Equipment	9	17	16	70	82	82	77	81	86
Computer Equipment	9	17	16	70	82	82	77	81	86
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	15 329	3 055	-	-	-	-	-	-	-
Machinery and Equipment	15 329	3 055	-	-	-	-	-	-	-
Transport Assets	78	204	49	350	753	753	332	387	411
Transport Assets	78	204	49	350	753	753	332	387	411
Land	-	-	-	-	-	-	-	-	-
Land									
Total Repairs and Maintenance Expenditure	45 289	52 468	43 781	48 009	71 753	71 753	50 137	57 419	60 864
R&M as a % of PPE & Investment Property	2,3%	2,4%	1,9%	1,8%	2,7%	2,7%	1,8%	1,9%	1,9%
R&M as % Operating Expenditure	7,6%	8,7%	5,8%	6,7%	9,5%	9,5%	11,5%	7,1%	7,1%

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

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

Vote Description R thousand	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure			
Vote 01 - Summary Council	–	–	–
Vote 02 - Summary Municipal Manager	–	–	–
Vote 03 - Summary Budget And Treasury Office	2 279	2 416	2 561
Vote 04 - Summary Corporate Services	10 874	10 467	11 095
Vote 05 - Summary Social Services & Development Planning	6 651	4 651	4 930
Vote 06 - Summary Infrastructure Services	98 656	145 895	246 457
Vote 07 - Summary Water Services	180 970	159 712	73 736
Vote 08 -	–	–	–
Vote 09 -	–	–	–
Vote 10 -	–	–	–
Vote 11 -	–	–	–
Vote 12 -	–	–	–
Vote 13 -	–	–	–
Vote 14 -	–	–	–
Vote 15 - Other	–	–	–
<i>List entity summary if applicable</i>			
Total Capital Expenditure	299 430	323 141	338 779
Future revenue by source			
Exchange Revenue	43 597	46 191	48 962
Service charges - Electricity			
Service charges - Water	70 186	74 397	78 861
Service charges - Waste Water Management	13 775	14 601	15 477
Service charges - Waste Management			
Agency services			
<i>List other revenues sources if applicable</i>	889 226	952 376	995 901
<i>List entity summary if applicable</i>			
Total future revenue	1 016 784	1 087 566	1 139 202
Net Financial Implications	(717 354)	(764 424)	(800 423)

Table 59 MBRR SA36- Detailed capital budget per municipal vote

DC24 Harry Ganda - Supporting Table SA36 Consolidated detailed capital budget

R-Board	Function	Project Description	Project Number	Type	MTSF Service Outcome	ILOF	Our Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	2025/26 Medium Term Revenue & Expenditure Framework			
											Audited Outcome 2025/24	Current Year 2025/25 Full Year Forecast	Budget Year 2025/25	Budget Year +1 2026/26
Pamamungub City List all capital projects grouped by Function	Administrative And Corporate Support	Vehicle New Major	P2020020101_0006	RENEWAL	Sustainable business settlements and improved quality of household life An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, effective and development-oriented public service An efficient, 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DC43 Harry Gweta - Supporting Table SA-6 Consolidated detailed capital budget

Function	Project Description	Project Number	Type	MPS Service Outcome	KUP	One Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Audited Outcome 2023/24	2025/26 Medium Term Revenue & Expenditure Framework		
											Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27
Parent municipality: List of capital projects grouped by function													
Water Distribution	Gweta Summerfall Wm Supply Pipe Lin	PC0000000407_0038	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	54 213	21 427	4 348	26 387
Water Distribution	Installation Of Bulk Water Meters	PC0000000407_0001	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	15	2 990	3 380	3 888
Water Distribution	Installation Of Smart Meter	PC0000000407_0021	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	-	11 712	4 100	4 240
Water Distribution	Jet Grouting Machine	PC0000000407_0023	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	-	-	-	-
Water Distribution	Obtaining Water Supply Pipes	PC0000000407_0023	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	17 588	23 944	40 223	-
Water Distribution	Reamain-Through Water 3 Pipe Line	PC0000000407_0040	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	844	3 738	87	-
Water Distribution	Magwani-Through Water 4 Pipe Line	PC0000000407_0048	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	2 621	7 546	30 103	25 584
Water Distribution	Magwani-Through Water 3 Pipe Line	PC0000000407_0047	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	1 416	-	-	-
Water Distribution	Water Tankers	PC0000000407_0022	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	-	12 000	4 100	4 240
Water Distribution	Purchase Of Bulk In New	PC0000000407_0004	RENEWAL	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	-	-	-	-
Water Distribution	Vehicle New-Major	PC0000000407_0001	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	1 332	1 183	1 123	1 130
Water Distribution	Office Equipment	PC00000005_0003	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	RAMKOLE OF THE DISTRICT	118	97	90	105
Water Distribution	Call Centre Software	PC00000005002_0002	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Software And Applications	Computer Software And Applications	RAMKOLE OF THE DISTRICT	-	1 150	465	482
Water Distribution	Diesel Tanks	PC00000005003_0006	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	RAMKOLE OF THE DISTRICT	-	300	486	526
Water Treatment	Greater Bulwer Dam-Through Water Supply	PC00000005003_0003	RENEWAL	As efficient, competitive and responsive economic infrastructure network	Induction And Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	-	4 300	87	-
Water Treatment	Kemengga-Bulwer Dam-Through Water Supply	PC00000005003_0019	RENEWAL	As efficient, competitive and responsive economic infrastructure network	Induction And Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	-	436	7 577	3 392
Water Treatment	Medulla-Monem Water Supply	PC00000005003_0009	RENEWAL	As efficient, competitive and responsive economic infrastructure network	Induction And Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	2 246	-	-	-
Water Treatment	Mulimale-Through Water Supply	PC00000005003_0016	RENEWAL	As efficient, competitive and responsive economic infrastructure network	Induction And Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	-	436	-	-
Water Treatment	Mogwani-Through Community Water Supply	PC00000005003_0004	RENEWAL	As efficient, competitive and responsive economic infrastructure network	Induction And Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	RAMKOLE OF THE DISTRICT	15 137	2 207	-	-
Parent Capital expenditure										309 844	365 581	294 025	316 482
Entity:													
List of capital projects grouped by Entity													
Entity A													
Harry Gweta Development Agency													
Economic Development/Planning	Furniture & Office Equipment	PC00000005_0005	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	RAMKOLE OF THE DISTRICT	-	250	150	157
Economic Development/Planning	Machinery	PC00000005_0003	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	RAMKOLE OF THE DISTRICT	-	-	-	-
Finance	Land Purchase	PC00000005003_0004	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Dams And Weirs	RAMKOLE OF THE DISTRICT	-	-	-	-
Finance	Equipment	PC00000005_0007	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	RAMKOLE OF THE DISTRICT	-	286	261	262
Finance	Software (Integrates Assets)	PC00000005003_0001	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Computer Software And Applications	Computer Software And Applications	RAMKOLE OF THE DISTRICT	-	325	50	50
Finance	Building	PC00000005003_0002	NEW	As efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Operational Buildings	Municipal Offices	RAMKOLE OF THE DISTRICT	-	550	4 350	4 180
Entity Capital expenditure										-	-	1 813	4 681
Total Capital expenditure										309 844	361 074	295 400	321 141
													4 390

Table 61 MBRR SA38 - Consolidated detailed operational projects

DC43 Harry Grade - Supporting Table SA38 Consolidated detailed operational projects

Function	Project Description	Project Number	Type	MTS Service Outcome	IUOF	Own Strategic Objectives	Ward Location	Prior year outcomes		2024/25 Medium Term Revenue & Expenditure Framework			
								Actual Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year 41 2026/27	Budget Year 2 2027/28	
Parent municipality: Let all operational projects progress by function													
Administrative And Corporate Support	Q. Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	59 046	62 169	32 302	34 644	36 472	
Administrative And Corporate Support	Q. Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-OPERATION WINDFARM	(6)	30	4	4	5	
Administrative And Corporate Support	Q. Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN WINDFARM	(17)	3	3	3	4	
Administrative And Corporate Support	Q. Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN WINDFARM	620	600	759	665	653	
Administrative And Corporate Support	Q. Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN WINDFARM	26 343	34 074	36 005	36 552	36 650	
Administrative And Corporate Support	Capacity Building Local Municipalities (Shared Boundaries)	P0002_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	12	2	16	17	16	
Administrative And Corporate Support	Human Resource Management	P0002_0004	Work Streams	Responsive, accountable, effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	-	1	13	19	20	
Administrative And Corporate Support	Q. The Capacity Building Team & Day Workshops Seminars & Subject Matter Train	P0002_0005	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	114	-	-	-	-	
Administrative And Corporate Support	Q. The Capacity Building Team & Day Workshops Seminars & Subject Matter Train	P0002_0011	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	142	337	308	327	347	
Administrative And Corporate Support	Capital Spaces	P0002_0007	Preventative Maintenance	An efficient, competitive and responsible economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	10 686	11 388	10 816	11 227	11 279	
Administrative And Corporate Support	Mechanical Equipment	P0002_0007	Preventative Maintenance	An efficient, competitive and responsible economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN WINDFARM	9 615	15 246	11 273	12 009	13 290	
Administrative And Corporate Support	Pipe Work	P0002_0007	Preventative Maintenance	An efficient, competitive and responsible economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	10 790	12 271	11 273	12 009	13 290	
Governance Function	Q. Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	6 444	9 019	9 467	9 959	10 328	
Governance Function	Amenities And Information	P0002_0001	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN WINDFARM	-	-	35	37	39	
Governance Function	Disciplinary Committee	P0002_0001	Work Streams	Responsive, accountable, effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	-	130	142	151	160	
Governance Function	Up Planning And Revision	P0002_0004	Work Streams	Responsive, accountable, effective and efficient local government	Special Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN WINDFARM	-	-	1 300	1 350	1 385	
Governance Function	Risk Management	P0002_0001	Work Streams	Responsive, accountable, effective and efficient local government	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	15	173	227	241	255	
Mayor And Council	Q. Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	15 957	17 682	16 334	17 463	18 441	
Mayor And Council	Q. Municipal Running Cost	P0002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN WINDFARM	469	561	1 011	1 064	1 120	
Mayor And Council	Capacity Building Councils	P0002_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	28	-	-	-	-	
Mayor And Council	Capacity Building Local Municipalities (Shared Boundaries)	P0002_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	759	1 225	723	767	813	
Mayor And Council	Community Development Initiatives	P0002_0002	Work Streams	A comprehensive, responsive and sustainable social protection system	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	-	-	167	163	204	
Mayor And Council	Government Information System (GIS) Project And Support	P0002_0010	Work Streams	Responsive, accountable, effective and efficient local government	Special Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN WINDFARM	-	12	100	105	112	
Mayor And Council	Holiday Program	P0002_0011	Work Streams	A comprehensive, responsive and sustainable social protection system	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN ON HEAD OFFICE	55	149	241	255	271	

DC15 Harry Gwala - Supporting Table S438 Consolidated detailed operational projects

Function	Project Description	Project Number	Type	MTRF Service Outcomes	IUDF	Own Strategic Objective	Ward Location	Prior year outcomes			2025/26 Medium Term Revenue & Expenditure Framework		
								Audited Outcomes 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 1 2025/26	Budget Year 1 2025/26	Budget Year 2 2027/28	
Parent municipality: List all operational projects grouped by Function													
Mayor And Council	Mayor/Executive Mayor Campaigns	POM000004_0001	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	634	121	142	151	160	
Mayor And Council	Mayor/Executive Mayor Campaigns	POM000004_0002	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	-	-	100	105	112	
Mayor And Council	Mayor/Executive Mayor Campaigns	POM000004_0003	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	111	280	255	302	320	
Mayor And Council	Mayor/Executive Mayor Campaigns	POM000004_0004	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	-	50	47	287	314	
Mayor And Council	Mayor/Executive Mayor Campaigns	POM000004_0005	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	105	372	255	313	332	
Mayor And Council	Mayor/Executive Mayor Campaigns	POM000004_0006	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	541	-	-	-	-	
Mayor And Council	Mayor/Executive Mayor Campaigns	POM000004_0007	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	345	887	370	382	416	
Municipal Manager, Town Secretary And Chief Executive Officer	O Municipal Planning Unit	POM000004_0008	Municipal Planning Unit	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	8789	10 159	13 002	13 753	14 588	
Municipal Manager, Town Secretary And Chief Executive Officer	O Municipal Planning Unit	POM000004_0009	Municipal Planning Unit	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	3 116	3 452	3 626	3 817	4 017	
Municipal Manager, Town Secretary And Chief Executive Officer	Capacity Building Local Municipalities (District Bantolani)	POM000004_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	30	70	66	70	75	
Municipal Manager, Town Secretary And Chief Executive Officer	Government Information System (GIS) Project And Support	POM000004_0002	Work Streams	Responsive, accountable, effective and efficient local government	Spacial Integration	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	21 783	24 315	18 341	19 423	20 589	
Finance	O Municipal Planning Unit	POM000004_0003	Municipal Planning Unit	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	66	62	66	70	74	
Finance	O Municipal Planning Unit	POM000004_0004	Municipal Planning Unit	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	588	689	645	684	725	
Finance	Job Aid Life Long Learning Programme	POM000004_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	201	411	380	402	427	
Finance	Assistance To Local Municipalities (Capacity Building)	POM000004_0001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	3 043	5 853	3 638	3 855	4 083	
Finance	Financial Systems	POM000004_0001	Work Streams	Responsive, accountable, effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	-	50	265	302	320	
Finance	Government Information System (GIS) Project And Support	POM000004_0005	Work Streams	Responsive, accountable, effective and efficient local government	Spacial Integration	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	-	-	596	584	1 021	
Finance	Indigenous And Cultural Management And Services	POM000004_0007	Work Streams	Responsive, accountable, effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	8 257	9 577	9 534	10 147	10 588	
Human Resources	O Municipal Planning Unit	POM000004_0002	Municipal Planning Unit	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	20	27	455	482	511	
Human Resources	Employee Assistance Programme	POM000004_0003	Work Streams	Responsive, accountable, effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	273	5 116	4 000	4 240	4 494	
Human Resources	Government Information System (GIS) Project And Support	POM000004_0002	Work Streams	Responsive, accountable, effective and efficient local government	Spacial Integration	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	16	28	27	29	30	
Human Resources	Human Resource Management	POM000004_0002	Work Streams	Responsive, accountable, effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	74	1 683	1 048	1 207	1 243	
Human Resources	O Time, Capacity Build Train & Dev, Workshops, Seminars & Subject Matter Train	POM000004_0002	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	25	31	370	382	415	
Human Resources	O Time, Capacity Build Train & Dev, Workshops, Seminars & Subject Matter Train	POM000004_0004	Work Streams	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	63 559	73 359	65 715	71 045	75 220	
Information Technology	O Municipal Planning Unit	POM000004_0008	Municipal Planning Unit	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	1 133	1 559	2 122	2 249	2 384	
Information Technology	O Municipal Planning Unit	POM000004_0009	Municipal Planning Unit	Responsive, accountable, effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	241	823	777	771	817	
Information Technology	Employee Assistance Programme	POM000004_0001	Work Streams	Responsive, accountable, effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	-	1	9	10	10	
Information Technology	Government Information System (GIS) Project And Support	POM000004_0007	Work Streams	Responsive, accountable, effective and efficient local government	Spacial Integration	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	377	629	558	594	540	
Information Technology	Government Information System (GIS) Project And Support	POM000004_0008	Work Streams	Responsive, accountable, effective and efficient local government	Spacial Integration	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	680	2 416	405	464	467	
Information Technology	Government Information System (GIS) Project And Support	POM000004_0003	Work Streams	Responsive, accountable, effective and efficient local government	Spacial Integration	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	481	553	545	528	513	
Information Technology	Government Information System (GIS) Project And Support	POM000004_0004	Work Streams	Responsive, accountable, effective and efficient local government	Spacial Integration	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	1 115	1 289	445	492	511	
Information Technology	Government Information System (GIS) Project And Support	POM000004_0005	Work Streams	Responsive, accountable, effective and efficient local government	Spacial Integration	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	661	915	475	500	553	
Information Technology	Government Information System (GIS) Project And Support	POM000004_0007	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	16	62	47	50	53	
Information Technology	O Time, Capacity Build Train & Dev, Workshops, Seminars & Subject Matter Train	POM000004_0001	Concession Maintenance	As efficient, effective and developed oriented public services	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	-	20	25	31	33	
Information Technology	Conquest Equipment	POM000004_0002	Concession Maintenance	As efficient, effective and developed oriented public services	Governance	MUNICIPAL STRATEGIC OBJECTIVE	RAMUHLA OR HEAD OFFICE	-	20	25	31	33	

1.18 LEGISLATION COMPLIANCE STATUS

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

In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the district's website.

Internship programme

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

Budget and Treasury Office

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

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan

The detail SDBIP document is at a Draft stage and will be Draftised after approval of the 2025/26 MTREF in May 2025 directly aligned and informed by the 2025/26 MTREF.

Annual Report

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

MFMA Training

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

Policies

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

1.19 OTHER SUPPORTING DOCUMENTS

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
REVENUE ITEMS:										
<u>Non-exchange revenue by source</u>										
<u>Exchange Revenue</u>										
Total Property Rates										
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)										
Net Property Rates	-	-	-	-	-	-	-	-	-	-
<u>Exchange revenue service charges</u>										
<u>Service charges - Electricity</u>										
Total Service charges - Electricity										
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)										
Less Cost of Free Basis Services (50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-	-
Net Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
<u>Service charges - Water</u>										
Total Service charges - Water	49 995	66 300	61 130	56 220	65 489	65 489	45 887	69 419	73 584	77 999
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)										
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)	642	1 775	1 828	(724)	(724)	(724)	1 702	(768)	(814)	(863)
Net Service charges - Water	49 353	64 525	59 302	56 944	66 213	66 213	44 185	70 186	74 397	78 861
<u>Service charges - Waste Water Management</u>										
Total Service charges - Waste Water Management	12 207	13 149	13 256	14 252	12 995	12 995	8 644	13 775	14 601	15 477
Less Revenue Foregone (in excess of free sanitation service to indigent households)										
Less Cost of Free Basis Services (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Water Management	12 207	13 149	13 256	14 252	12 995	12 995	8 644	13 775	14 601	15 477
<u>Service charges - Waste Management</u>										
Total refuse removal revenue										
Total landfill revenue										
Less Revenue Foregone (in excess of one removal a week to indigent households)										
Less Cost of Free Basis Services (removed once a week to indigent households)	-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
EXPENDITURE ITEMS:										
<u>Employee related costs</u>										
Basic Salaries and Wages	140 552	146 711	154 140	166 796	170 852	170 852	108 302	178 754	188 061	198 015
Pension and UIF Contributions	22 049	21 669	22 634	24 123	23 754	23 754	15 860	24 964	26 274	27 654
Medical Aid Contributions	10 123	10 478	10 953	11 463	10 911	10 911	7 459	11 469	12 071	12 705
Overtime	18 500	19 197	21 207	22 092	22 942	22 942	15 002	24 087	25 351	26 682
Performance Bonus	11 301	10 340	10 723	11 090	10 947	10 947	6 799	11 510	12 115	12 751
Motor Vehicle Allowance	21 515	21 223	20 996	24 819	21 974	21 974	7 185	23 106	24 319	25 595
Cellphone Allowance	1 059	1 237	1 196	1 435	1 249	1 249	832	1 283	1 351	1 422
Housing Allowances	737	847	1 045	1 121	1 044	1 044	768	1 068	1 155	1 216
Other benefits and allowances	6 242	6 249	6 303	8 015	6 428	6 428	3 900	6 748	7 102	7 475
Payments in lieu of leave	1 605	1 750	1 020	1 091	2 369	2 369	1 132	2 470	2 600	2 736
Long service awards	1 023	1 547	1 312	1 277	1 146	1 146	373	-	-	-
Post-retirement benefit obligations	3 386	4 244	4 175	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-
Security	-	-	-	-	-	-	-	-	-	-
Aging and post related allowance	242	216	335	285	483	483	166	390	409	432
In kind benefits	-	-	-	-	-	-	-	-	-	-
sub-total	238 375	245 707	256 039	273 607	274 098	274 098	167 777	285 879	300 808	316 683
<u>Less: Employees costs capitalised to PPE</u>										
Total Employee related costs	238 376	245 707	256 039	273 607	274 098	274 098	167 777	285 879	300 808	316 683
<u>Depreciation and amortisation</u>										
Depreciation of Property, Plant & Equipment	78 474	92 074	98 211	101 411	101 825	101 825	67 607	107 607	114 052	120 895
Lease amortisation	193	134	202	426	442	442	284	443	466	494
Capital asset impairment	2 838	856	138 517	-	-	-	-	-	-	-
Total Depreciation and amortisation	81 505	93 063	236 930	101 837	102 367	102 367	67 891	108 050	114 518	121 389
<u>Transfers and grants</u>										
Cash transfers and grants	15 100	15 290	-	6 700	6 300	6 300	-	5 500	5 330	5 649
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Total transfers and grants	15 100	15 290	-	6 700	6 300	6 300	-	5 500	5 330	5 649
<u>Contracted Services</u>										
Outsourced Services	81 270	67 651	66 551	75 992	77 220	77 220	48 740	84 599	88 338	94 699
Consultants and Professional Services	14 698	9 378	11 929	19 624	16 938	16 938	8 657	19 733	20 914	22 169
Contractors	77 017	57 234	44 214	56 481	80 014	80 014	51 128	79 855	90 250	95 313
Total contracted services	172 985	134 263	122 694	152 097	174 172	174 172	108 525	184 187	200 502	212 180
<u>Operational Costs</u>										
Collection costs	411	418	595	808	833	833	361	767	813	861
Contributions to 'other' provisions										
Audit fees	4 397	4 660	4 572	6 000	6 470	6 470	5 762	5 827	6 168	6 538
<u>Other Operational Costs</u>										
58 650	64 044	86 115	97 449	107 974	107 974	107 974	71 621	101 298	103 864	108 895
Total Operational Costs	63 458	69 121	91 283	104 257	115 278	115 278	77 745	107 892	110 844	116 295
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Inventory Consumed (Project Maintenance)	15 329	3 055	-	-	-	-	-	-	-	-
Contracted Services	29 960	49 412	43 781	48 009	71 753	71 753	44 886	50 137	57 419	60 864
Operational Costs										
Total Repairs and Maintenance Expenditure	45 289	52 468	43 781	48 009	71 753	71 753	44 886	50 137	57 419	60 864
Inventory Consumed										
Inventory Consumed - Water	-	-	-	27 027	27 027	27 027	(7)	29 416	31 181	33 052
Inventory Consumed - Other	-	-	-	9 516	11 284	11 284	-	9 156	9 704	10 286
Total Inventory Consumed & Other Material	-	-	-	36 543	38 311	38 311	(7)	38 571	40 885	43 338

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

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

Description	Vote 01 - Summary Council	Vote 02 - Summary Municipal Manager	Vote 03 - Summary Budget And Treasury Office	Vote 04 - Summary Corporate Services	Vote 05 - Summary Social Services & Development	Vote 06 - Summary Infrastructure Services	Vote 07 - Summary Water Services	Total
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity								-
Service charges - Water						1 433	68 753	70 186
Service charges - Waste Water Management						3 372	10 402	13 775
Service charges - Waste Management								-
Sale of Goods and Rendering of Services			791		-			791
Interest earned from Receivables			43				16 011	16 055
Interest earned from Current and Non Current Assets			24 581		1 464			26 046
Operational Revenue			278	410	18		-	706
Non-Exchange Revenue								
Property rates								-
Surcharges and Taxes								-
Fines, penalties and forfeits			1 643		-			1 643
Licences or permits								-
Transfer and subsidies - Operational			522 171	-	20 136	51 818	-	594 125
Interest							-	-
Total Revenue (excluding capital transfers and contributions)	-	-	549 507	410	21 618	56 623	95 167	723 325
Expenditure								
Employee related costs	-	16 740	40 586	28 516	44 254	28 162	128 825	287 083
Remuneration of councillors	8 059							8 059
Bulk purchases - electricity								-
Inventory consumed			9 156				29 416	38 571
Debt impairment				-	-	-	31 530	31 530
Depreciation and amortisation		-	66	14 459	2 857	89 101	1 566	108 050
Interest			-	14	84			98
Contracted services	4 804	11 154	12 552	36 324	12 708	45 580	61 085	184 187
Transfers and subsidies	-	-	-	-	5 500	-	-	5 500
Irrecoverable debts written off			-				42 327	42 327
Operational costs	4 550	2 968	12 525	30 097	29 679	1 584	26 488	107 892
Losses on disposal of Assets		-	-	-	-	-	-	-
Other Losses			-				-	-
Total Expenditure	17 414	30 862	74 884	109 411	95 083	164 408	321 237	813 297
Surplus/(Deficit)	(17 414)	(30 862)	474 623	(109 000)	(73 465)	(107 784)	(226 070)	(89 971)
Transfers and subsidies - capital (monetary allocations)					-	293 458	-	293 458
Transfers and subsidies - capital (in-kind)						-		-
Surplus/(Deficit) after capital transfers & contributions	(17 414)	(30 862)	474 623	(109 000)	(73 465)	185 674	(226 070)	203 487

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
ASSETS										
<u>Trade and other receivables from exchange transactions</u>										
Electricity										
Water	164 819	178 639	176 499	170 482	186 291	186 291	177 889	147 466	131 631	114 845
Waste	-	-	-	-	-	-	-	-	-	-
Waste Water	73 638	63 018	56 527	63 064	32 087	32 087	62 155	55 385	54 763	54 103
Other trade receivables from exchange transactions	1 221	1 103	1 143	1 103	1 143	1 143	1 154	1 143	1 143	1 143
Gross: Trade and other receivables from exchange transactions	239 678	242 761	234 169	234 649	219 521	219 521	241 177	203 995	187 537	170 091
Less: Impairment for debt	(212 010)	(210 625)	(222 133)	(205 045)	(198 841)	(198 841)	(221 941)	(180 276)	(165 793)	(150 441)
Impairment for Electricity										
Impairment for Water	(129 533)	(135 177)	(150 990)	(134 596)	(149 316)	(149 316)	(150 905)	(115 150)	(101 215)	(86 444)
Impairment for Waste	(19 572)	(19 388)	(20 059)	(19 388)	(20 099)	(20 099)	(20 099)	(20 099)	(20 099)	(20 099)
Impairment for Waste Water	(62 276)	(55 457)	(50 442)	(50 458)	(28 825)	(28 825)	(50 334)	(44 425)	(43 877)	(43 297)
Impairment for other trade receivables from exchange transactions	(629)	(602)	(602)	(602)	(602)	(602)	(602)	(602)	(602)	(602)
Total net Trade and other receivables from Exchange Transactions	27 668	32 136	12 036	29 605	20 680	20 680	19 237	23 719	21 744	19 650
<u>Receivables from non-exchange transactions</u>										
Property rates	4 441	4 424	4 418	4 417	4 418	4 418	4 418	4 418	4 418	4 418
Less: Impairment of Property rates	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)
Net Property rates	2 336	2 318	2 312	2 311	2 312	2 312	2 312	2 312	2 312	2 312
Other receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Impairment for other receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Net other receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Total net Receivables from non-exchange transactions	2 336	2 318	2 312	2 311	2 312	2 312	2 312	2 312	2 312	2 312
Inventory										
<u>Water</u>										
Opening Balance	408	513	716	858	858	858	858	858	858	858
System Input Volume	106	202	143	27 027	27 027	27 027	-	29 416	31 181	33 052
Water Treatment Works	106			-	-	-	-	-	-	-
Bulk Purchases		202	143	27 027	27 027	27 027	-	29 416	31 181	33 052
Natural Sources				-	-	-	-	-	-	-
Authorised Consumption	-	-	-	(27 027)	(27 027)	(27 027)	7	(29 416)	(31 181)	(33 052)
Billed Authorised Consumption	-	-	-	(27 027)	(27 027)	(27 027)	7	(29 416)	(31 181)	(33 052)
Billed Metered Consumption	-	-	-	(27 027)	(27 027)	(27 027)	7	(29 416)	(31 181)	(33 052)
Free Basic Water				-	-	-	-	-	-	-
Subsidised Water				-	-	-	-	-	-	-
Revenue Water				(27 027)	(27 027)	(27 027)	7	(29 416)	(31 181)	(33 052)
Billed Unmetered Consumption	-	-	-	-	-	-	-	-	-	-
Free Basic Water				-	-	-	-	-	-	-
Subsidised Water				-	-	-	-	-	-	-
Revenue Water				-	-	-	-	-	-	-
Non-revenue Water	-	-	-	-	-	-	-	-	-	-
Closing Balance Water	513	716	858	858	858	858	866	858	858	858
Consumables										
Standard Rated										
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions				1 716	1 006	1 006	-	1 065	1 128	1 195
Issues				(1 716)	(1 006)	(1 006)	-	(1 065)	(1 128)	(1 195)
Adjustments				-	-	-	-	-	-	-
Write-offs				-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
Zero Rated										
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions				7 800	10 278	10 278	-	8 091	8 576	9 091
Issues				(7 800)	(10 278)	(10 278)	-	(8 091)	(8 576)	(9 091)
Adjustments				-	-	-	-	-	-	-
Write-offs				-	-	-	-	-	-	-
Closing Balance - Land	-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables	513	716	858	858	858	858	866	858	858	858

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
ASSETS										
Standard Rated										
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions				1 716	1 006	1 006	-	1 065	1 128	1 195
Issues				(1 716)	(1 006)	(1 006)	-	(1 065)	(1 128)	(1 195)
Adjustments				-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
Zero Rated										
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions				7 800	10 278	10 278	-	8 091	8 576	9 091
Issues				(7 800)	(10 278)	(10 278)	-	(8 091)	(8 576)	(9 091)
Closing Balance - Land	-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables	513	716	858	858	858	858	866	858	858	858
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	3 456 912	3 706 233	3 873 529	4 444 826	4 234 172	4 234 172	4 069 791	4 457 232	4 771 942	5 101 789
Leases recognised as PPE										
Less: Accumulated depreciation	697 548	779 460	876 665	999 980	977 679	977 679	944 556	1 062 577	1 171 956	1 284 798
Total Property, plant and equipment (PPE)	2 759 364	2 926 773	2 996 864	3 444 846	3 256 494	3 256 494	3 115 235	3 394 655	3 599 985	3 816 991
LIABILITIES										
Current liabilities - Financial liabilities										
Short term loans (other than bank overdraft)	12 794	12 806	12 806	8 006	10 406	10 406	12 806	8 006	5 606	3 206
Current portion of long-term liabilities	-	-	-	-	-	-	-	-	-	-
Total Current liabilities - Financial liabilities	12 794	12 806	12 806	8 006	10 406	10 406	12 806	8 006	5 606	3 206
Trade and other payables from exchange transactions										
Trade and other payables from exchange transactions	77 578	91 868	86 935	86 542	83 968	83 968	73 300	86 356	88 356	89 656
Other trade payables from exchange transactions										
Trade payables from Non-exchange transactions: Unspent conditional grants	(0)	21 177	10 500	1 483	1 483	1 483	113 108	1 483	1 483	1 483
Trade payables from Non-exchange transactions: Other										
VAT	6 600	7 535	5 282	7 402	5 282	5 282	11 012	5 282	5 282	5 282
Total Trade and other payables from exchange transactions	84 178	120 580	102 717	95 427	90 734	90 734	197 421	93 121	95 121	96 421
Non current liabilities - Financial liabilities										
Borrowing	1 299	(0)	(0)	-	-	-	(0)	-	-	-
Other financial liabilities										
Total Non current liabilities - Financial liabilities	1 299	(0)	(0)	-	-	-	(0)	-	-	-
Provisions										
Retirement benefits	14 612	14 923	16 734	15 818	16 734	16 734	16 734	16 734	16 734	16 734
Refuse landfill site rehabilitation										
Other	12 634	12 812	13 802	13 581	13 802	13 802	13 802	13 802	13 802	13 802
Total Provisions	27 246	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
CHANGES IN NET ASSETS										
Accumulated surplus/(deficit)										
Accumulated surplus/(deficit) - opening balance	2 510 026	2 729 825	2 941 983	3 260 220	3 072 981	3 072 981	3 075 127	3 316 406	3 519 078	3 756 873
GRAP adjustments	-	-	-	-	-	-	-	-	-	-
Restated balance	2 510 026	2 729 825	2 941 983	3 260 220	3 072 981	3 072 981	3 075 127	3 316 406	3 519 078	3 756 873
Surplus/(Deficit)	264 369	246 631	168 343	241 428	220 192	220 192	177 275	204 692	230 845	234 867
Other adjustments	89	(1 052)	(1 602)	-	-	-	(17)	-	-	-
Accumulated Surplus/(Deficit)	2 774 486	2 975 404	3 108 725	3 501 649	3 293 172	3 293 172	3 252 384	3 521 097	3 749 923	3 991 740
TOTAL COMMUNITY WEALTH/EQUITY	2 774 486	2 975 404	3 108 725	3 501 649	3 293 172	3 293 172	3 252 384	3 521 097	3 749 923	3 991 740

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

DC43 Harry Gwala - Supporting Table SA9 Social, economic and demographic statistics and assumptions											
Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population	Stats SA Community survey	-	-	-	-	-	-	564	564	564	-
Females aged 5 - 14	Stats SA Community survey	-	-	-	-	-	-	195	195	195	-
Males aged 5 - 14	Stats SA Community survey	-	-	-	-	-	-	185	185	185	-
Females aged 15 - 34	Stats SA Community survey	-	-	-	-	-	-	105	105	105	-
Males aged 15 - 34	Stats SA Community survey	-	-	-	-	-	-	79	79	79	-
Unemployment		-	-	-	-	-	-	133	133	133	-
Monthly household income (no. of households)											
No income		-	-	-	-	-	-	-	-	-	-
R1 - R1 600	Stats SA Community survey	-	-	-	-	-	-	204 265	204 265	204 265	-
R1 601 - R3 200	Stats SA Community survey	-	-	-	-	-	-	100 000	100 000	100 000	-
R3 201 - R6 400	Stats SA Community survey	-	-	-	-	-	-	150 000	150 000	150 000	-
R6 401 - R12 800	Stats SA Community survey	-	-	-	-	-	-	50 000	50 000	50 000	-
R12 801 - R25 600	Stats SA Community survey	-	-	-	-	-	-	20 000	20 000	20 000	-
R25 601 - R51 200	Stats SA Community survey	-	-	-	-	-	-	15 000	15 000	15 000	-
R52 201 - R102 400	Stats SA Community survey	-	-	-	-	-	-	9 000	9 000	9 000	-
R102 401 - R204 800	Stats SA Community survey	-	-	-	-	-	-	7 000	7 000	7 000	-
R204 801 - R409 600	Stats SA Community survey	-	-	-	-	-	-	4 500	4 500	4 500	-
R409 601 - R819 200	Stats SA Community survey	-	-	-	-	-	-	3 900	3 900	3 900	-
> R819 200	Stats SA Community survey	-	-	-	-	-	-	228	228	228	-
Poverty profiles (no. of households)											
< R2 060 per household per month	Stats SA Community survey	-	-	-	0,00	0,00	0,00	2346,00	2346,00	2346,00	0,00
Insert description											
Household/demographics (000)											
Number of people in municipal area	Stats SA Community survey	-	-	-	-	-	-	564	564	564	-
Number of poor people in municipal area	Stats SA Community survey	-	-	-	-	-	-	2	2	2	-
Number of households in municipal area	Stats SA Community survey	-	-	-	-	-	-	115	115	115	-
Number of poor households in municipal area	Stats SA Community survey	-	-	-	-	-	-	2	2	2	-
Definition of poor household (R per month)											
Housing statistics											
Formal	Stats SA Community survey	-	-	-	-	-	-	76 128	76 128	76 128	-
Informal	Stats SA Community survey	-	-	-	-	-	-	34 973	34 973	34 973	-
Total number of households											
Dwellings provided by municipality		-	-	-	-	-	-	111 101	111 101	111 101	-
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings											
Economic											
Inflation/inflation outlook (CPI)					0,0%	0,0%	0,0%	4,5%	4,6%	4,6%	0,0%
Interest rate - borrowing											
Interest rate - investment					0,0%	0,0%	0,0%	9,0%	9,0%	9,0%	0,0%
Remuneration increases					0,0%	0,0%	0,0%	4,7%	4,7%	4,7%	0,0%
Consumption growth (electricity)					0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Consumption growth (water)											
Collection rates											
Property tax/service charges											
Rental of facilities & equipment											
Interest - external investments					0,0%	0,0%	0,0%	9,0%	9,0%	9,0%	0,0%
Interest - debtors					0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Revenue from agency services											

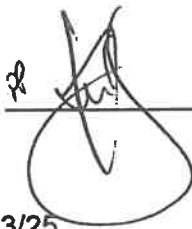
1.1 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

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

Print Name Gamakulu Ma'art Sineke

Municipal Manager of Harry Gwala District Municipality (DC43)

Signature



Date

2025/03/25