



## **REPORT TO THE COUNCIL ON 2023/2024 MEDIUM TERM REVENUE AND EXPENDITURE AND FRAMEWORK (MTREF)**

### **1. PURPOSE OF THE REPORT**

To request the Council to consider the 2023/24-2025/26 MTREF budget King Sabata Dalindyebo Local Municipality, in terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003) tables 2023 /24-2025/26 MTREF budget :

### **2. LEGAL REQUIREMENTS**

- Section 16 (2) of the Municipal Finance Management Act, (Act 56 of 2003)
- Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000)
- MFMA Budget Circular 98 and 99

### **3. DISCUSSION**

The application of sound financial management principles for the compilation of the municipality's 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.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. More resources were allocated to basic service delivery projects. The municipality is seriously experiencing cash flow challenges emanating from prior years litigations and slow recovery of debtors especially from domestic consumers as well as limited revenue base. However, there is revenue recovery plan that is being implemented, a turnaround strategy and a debt collector has been contracted to deal with difficult-to- collect debts.

For this purpose, attempts are being made to fund depreciation on cash to improve the current cash flow situations of the municipality.

National Treasury's MFMA Circulars No. 122 and 123 were used to guide the compilation of the 2023/2024 MTREF.

#### **Budget assumptions**

The draft budget of the 2023/2024 MTREF has been compiled based on the following budget principles and guidelines which can be summarized as follows:

- National Treasury has revised South Africa's economic growth estimate for 2024 to 5.3 per cent, from 4.7 per cent at the time of the Medium-Term Budget Policy statement.
- Focus on aging and vast network of roads and electricity infrastructure that require

maintenance.

- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality.
- Municipalities are required to restructure debt by negotiating within their major creditors in terms of repayment plans.
- There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.
- Municipalities to ensure that they render basic services, maintain their assets and clean environment.
- New leadership is advised to decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection, and address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.
- To maximize revenue generation, municipalities to reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate.
- The setting of cost reflective tariffs is a requirement in terms of Section 74(2) of the Municipal Systems Act 2000, to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget.

In view of the above, the following table is a consolidated overview of the proposed 2023/2024 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2023/2024 MTREF**

King Sabata Dalindyebo Municipality- Table A1 Budget Summary										
Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Total Revenue (excluding capital transfers and contributions)</b>	1,197,195	1,315,689	1,447,391	1,424,641	1,454,897	1,454,897	1,471,897	1,582,071	1,614,015	1,690,814
<b>Total Expenditure</b>	1,404,295	1,336,314	1,507,280	1,425,926	1,416,826	1,416,826	1,416,826	1,559,390	1,643,575	1,722,115
<b>Surplus/(Deficit)</b>	(207,100)	(20,625)	(59,890)	(1,285)	38,071	38,071	55,071	22,681	(29,560)	(31,301)
Transfers and subsidies - capital (monetary allocations)	158,414	109,493	112,858	229,801	302,046	302,046	302,046	196,106	162,517	171,510
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	(48,686)	88,868	52,968	228,516	340,117	340,117	357,117	218,786	132,957	140,209
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	(48,686)	88,868	52,968	228,516	340,117	340,117	357,117	218,786	132,957	140,209
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	177,857	124,483	158,585	238,918	340,638	340,638	340,638	217,686	116,887	116,643
Transfers recognised - capital	177,857	124,483	158,585	229,801	317,118	317,118	317,118	196,106	113,750	113,329
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	9,117	8,520	8,520	8,520	21,581	3,136	3,315
<b>Total sources of capital funds</b>	177,857	124,483	158,585	238,918	325,638	325,638	325,638	217,686	116,887	116,643

Total operating revenue increased by **SIX** per cent from the 2022/2023 adjusted budget increasing from R1.454 billion to R1.582 billion. For the two outer years, operational revenue will increase by 5.5 per cent per annum.

Total operating expenditure for the 2023/2024 financial year has been appropriated at R1.559 billion. It increased by 10 per cent from R1.416 billion to R1.559 billion resulting in surplus of R22,681 million to be utilized on the infrastructure. On-cash items such as depreciation. This continues to increase by 4 and 7 percent in the following years respectively.

Total Capital Expenditure is appropriated at R217,686 reduction by 36 per cent from the adjusted budget and funded grants to a tune R196,1 million and R22,5 million from internally generated funds.

#### **4. OPERATING REVENUE FRAMEWORK**

For King Sabata Dalindyebo 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 municipality is faced with developmental backlogs and high indigent rate. The expenditure required to address basic service delivery challenges will inevitably always exceed available funding; hence difficult choices must 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 municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases are still to be approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services. The biggest challenge is inability to recover costs associated with the refuse removal from places as far as Coffee Bay , Hole in The Wall and peri-urban Areas
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality has also been considered.



**Table 2 Summary of revenue classified by main revenue source**

R thousand	Description	2021/22				Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework						
		Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Original Budget	Adjusted Budget	Budget 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26					
	<b>Revenue</b>														
	<b>Exchange Revenue</b>														
	Service charges - Electricity	423,061	441,465	505,595	554,536	554,536	554,536	554,536	554,536	10%	588,132	640,160	670,248	9%	5%
	Service charges - Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service charges - Waste Management	54,623	56,563	58,882	50,824	50,824	50,824	50,824	50,824	-14%	66,241	59,187	61,968	-13%	5%
	Sale of Goods and Rendering of Services										19,958	20,982	21,970	5%	5%
	Agency services	10,282	14,130	12,789	12,116	12,116	12,116	12,116	12,116	-5%	15,599	16,364	17,133	5%	5%
	Interest									0%					
	Interest earned from Receivables	49,498	42,190	37,895	20,662	20,662	20,662	20,662	20,662	-45%	38,862	40,766	42,682	5%	5%
	Interest earned from Current and Non Current Assets	1,608	1,361	1,063	1,302	1,302	1,302	1,302	1,302	22%	1,380	1,447	1,515	5%	5%
	Dividends														
	Rent on Land														
	Rental from Fixed Assets	20,135	14,612	18,022	18,575	18,575	18,575	18,575	18,575	3%	20,469	21,472	22,482	5%	5%
	Licence and permits	1,355	1,002	5,068	7,778	7,778	7,778	7,778	7,778	53%	3,222	3,380	3,539	5%	5%
	Operational Revenue	63,037	22,064	49,658	32,754	32,754	32,754	32,754	32,754	-34%	21,252	22,293	23,341	5%	5%
	<b>Non-Exchange Revenue</b>														
	Property rates	217,279	244,824	276,613	298,662	298,662	298,662	298,662	298,662	8%	331,582	347,829	364,177	5%	5%
	Surcharges and Taxes														
	Fines, penalties and forfeits	2,974	8,420	987	1,272	1,272	1,272	1,272	1,272	29%	16,766	17,588	18,414	5%	5%
	Licences or permits														
	Transfer and subsidies - Operational	356,623	459,594	383,774	425,596	425,596	425,596	425,596	425,596	11%	456,607	468,672	481,637	3%	5%
	Interest														
	Fuel Levy														
	Operational Revenue														
	Gains on disposal of Assets														
	Other Gains		11,301	85,990	564	564	564	564	564	-99%	-	-	-	-	-
	Discontinued Operations														
	<b>Total Revenue (excluding capital transfers and</b>	<b>1,200,476</b>	<b>1,317,525</b>	<b>1,436,335</b>	<b>1,424,641</b>	<b>1,424,641</b>	<b>1,424,641</b>	<b>1,424,641</b>	<b>1,424,641</b>	<b>-1%</b>	<b>1,582,071</b>	<b>1,660,141</b>	<b>1,739,106</b>	<b>5%</b>	<b>5%</b>

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 rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charges (electricity and refuse) revenues comprise more than two thirds of the total revenue mix, at 63% per cent of R0,997 billion. Electricity income individually at 37 per cent, followed by property rates at 21 per cent and the balance is 5 per cent for other refuse removal charges

Operating grants are 29 per cent of the total operating income at R456.6 million with the balance from other various incomes at 9 per cent.

### TARRIF SETTING

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 municipality.

The percentage increases of both Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. NERSA has approved a 20.7% (18,7% tariff increase for Eskom and 2% tariff increase in relation to indigent subsidy provision) that commenced in from April 2023. NERSA is still to approve tariffs for the municipality after publication of the guidelines.

### Macroeconomic performance and projections, 2021 - 2026

<b>Table 1: Macro economic performance and projections 2021- 2026</b>					
<b>Fiscal year</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Forecast</b>	<b>2024/25 forecast</b>	<b>2025/26 forecast</b>
CPI inflation	4.90%	6.90%	5.30%	4.90%	4.70%

The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003) tables the draft annual budget to be implemented on 1 July 2023:

The municipality is required by the MFMA to prepare and table the Medium-Term Revenue and Expenditure Framework budget 90 days before the start of the budget year. The National Treasury published MFMA budget circular no 122 and 123 which highlighted amongst other things the current economic situation of the country.

Tariffs have been set at six percent except for refuse removal which has been set at seven percent in an attempt to recover costs associated with the rendering of the service.

## 5. OPERATING EXPENDITURE FRAMEWORK

The following table is a high-level summary of the 2023/2024 budget and MTREF (classified per main type of operating expenditure):

Table 3 Summary of operating expenditure by standard classification item

EC-157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

R thousand	Ref	Description	2021/22				Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year '11 2024/25	Budget Year '12 2025/26
	1	Expenditure	466,809	511,375	641,016	556,029	534,708	634,708	588,345	563,428	591,025	
	2	Employee related costs	27,393	28,252	28,513	34,079	34,079	34,079	38,149	38,149	41,030	
	2	Remuneration of councillors	315,911	322,020	387,729	452,820	452,820	452,820	479,988	620,113	544,958	
	8	Bulk purchases - electricity	16,513	10,130	30,406	20,509	27,808	27,808	28,261	28,011	27,234	
	3	Inventory consumed	117,036	17,948	19,888	15,000	15,000	15,000	15,810	16,569	17,348	
	3	Debt Impairment	213,126	164,838	160,799	158,272	158,272	158,272	157,347	181,307	189,828	
		Depreciation and amortisation	36,295	35,296	18,912	6,553	6,553	6,553	16,000	7,190	7,528	
		Interest	68,074	79,563	76,213	44,801	52,135	52,135	106,882	100,140	104,869	
		Contracted services	1,393	826	37,698	500	380	380	500	1,572	1,649	
		Transfers and subsidies										
		irrecoverable debts written off										
		Operational costs	142,845	165,067	186,544	125,003	135,070	135,070	151,107	188,131	197,045	
		Losses on disposal of Assets			19,462							
		Other Losses										
		Total Expenditure	1,404,295	1,336,314	1,587,288	1,425,826	1,416,826	1,416,826	1,559,299	1,643,575	1,722,115	
		Surplus/(Deficit)	(207,100)	(20,625)	(59,890)	(1,285)	38,071	55,071	22,651	(28,568)	(31,301)	
	6	Transfers and subsidies - capital (monetary)	158,414	109,493	112,858	229,801	302,046	302,046	196,106	162,517	171,510	
	6	Transfers and subsidies - capital (in-kind)										
		Surplus/(Deficit) after capital transfers & contributions	(48,686)	88,868	52,968	228,516	340,117	357,117	218,786	132,957	140,289	
		Income Tax										
		Surplus/(Deficit) after income tax	(48,686)	88,868	52,968	228,516	340,117	357,117	218,786	132,957	140,289	
		Share of Surplus/Deficit attributable to Joint Venture										
		Share of Surplus/Deficit attributable to Minorities										
		Surplus/(Deficit) attributable to municipality	(48,686)	88,868	52,968	228,516	340,117	357,117	218,786	132,957	140,289	
		Share of Surplus/Deficit attributable to Associate										
		Intercompany/Parent subsidiary transactions										
	1	Surplus/(Deficit) for the year	(48,686)	88,868	52,968	228,516	340,117	357,117	218,786	132,957	140,289	

### **5.1. Salaries**

The budgeted allocation for employee related costs for the 2023/2024 financial year totals R568,4 million, which equals 36 per cent of the total operating expenditure. An annual increase of 4.9 and 4,7 per cent has been included in the two outer years of the MTREF respectively.

### **5.2. Remuneration of Councilors**

The increase on the budget for the remuneration of councilors has not been increased in the current year. Remuneration of Councilors is set at 2 per cent of the total operating budget. Salaries and remuneration of councilors are 39 per cent of the total expenditure slightly below the norm.

### **5.3. Provision for doubtful debts**

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the 2023/24 financial year this amount equates to R15.8 million for the current and R16.5 million and R17.3 million on the two outer years. Budgeted for in the previous year due to debt collector appointed to assist on debt management and credit control.

### **5.4. Provision for impairment and depreciation**

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 R157,3 million for the 2023/2024 financial year and equates to 10 per cent of the total operating expenditure and increases to R165.2 million and R172,8 million for the two outer years respectively.

### **5.5. Finance costs**

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 per cent of operating expenditure (at R16 million) for 2023/2024 and increases to R16.7 million and R17.5 million for the two outer years respectively.

### **5.6. Bulk purchases**

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases are still to be approved by NERSA and for the time being the increase is set at 6 per cent and this translates to R479,9 million in the 2023/2024 budget and increases to R503,5 million and R473.1 million in the two outer years respectively. The current budget represents 31% of the total operating budget. This will have to be reviewed after the finalization of the application of ESKOM by NERSA.

### **5.7. Contracted Services**

As part of the compilation of the 2023/2024 MTREF the budget for this category of expenditure amounts to R 106,8 million representing 7 per cent of the operating expenditure budget. This increases to R100,1 million and R 104,8 million in the two outer years



respectively. This includes all outsourced services such as repairs and maintenance catering, and other expenditure contracted to Service Providers and employee related costs.

## **5.8. Other expenditure**

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budgets relating to non-core functions of the municipality has been reduced to ensure that the municipality complies to circulars on cost cutting measures. This is done to cut non-core expenditure and to focus on service delivery and other core functions of the municipality. The budget is set at R151,1 million for general expenditure with an increase to R 188,1million. This represents 9 per cent of the total operating budget.

Included in the other expenditure are the following line items:

### ➤ **General expenses other**

General expenditure is budgeted for at R33,5 million and R33,2 million and R34,6 million in the two outer years respectively.

### ➤ **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 Municipality's Indigent Policy.

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.

The budget for the current year is R27,3 million to cater for free basic electricity, alternative R28,9 million and R30,4 million in the two outer years respectively.

### ➤ **Repairs and maintenance**

The budget for the 2023/24 MTREF financial year is R85,9 million, R90,1 million and R94,4 million in the outer two years. The above excludes operating expenditure including salaries in relation to sections that are doing repairs for the municipality amounting to R81,9 million.

Combined the budget is R167,8 million representing 11 per cents.

## 6. CAPITAL EXPENDITURE

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

**TABLE 4 2023/2024 MEDIUM-TERM CAPITAL BUDGET PER VOTE**

King Sabata Dalindyebo Municipality - Table A4 Budgeted Financial Performance (revenue by source)											
Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre Audit	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital Expenditure - Functional</b>											
<i>Governance and administration</i>		-	-	-	2,597	3,801	3,801	3,801	8,771	1,838	1,956
Executive and council		-	-	-	-	-	-	-	1,200	367	384
Finance and administration		-	-	-	2,597	3,801	3,801	3,801	7,541	1,471	1,572
Internal audit		-	-	-	-	-	-	-	30	-	-
<i>Community and public safety</i>		58,172	58,220	74,445	116,904	176,858	176,858	176,858	70,310	1,111	1,183
Community and social services		-	-	1,896	150	361	361	361	100	-	-
Sport and recreation		-	-	-	-	769	769	769	1,000	-	-
Public safety		-	-	-	3,000	-	-	-	1,210	1,111	1,163
Housing		50,172	58,220	72,549	113,754	174,926	174,926	174,926	68,000	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		75,523	36,822	57,192	114,471	137,463	137,463	137,463	129,886	113,750	113,329
Planning and development		-	-	-	45,826	19,741	19,741	19,741	11,598	19,269	20,290
Road transport		75,523	36,822	57,192	68,645	117,722	117,722	117,722	118,008	94,481	93,038
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		52,162	29,441	26,949	4,945	23,318	23,318	23,318	9,000	187	196
Energy sources		52,162	29,441	26,949	3,195	21,568	21,568	21,568	5,000	187	196
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	1,750	1,750	1,750	1,750	4,000	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>177,857</b>	<b>124,463</b>	<b>158,585</b>	<b>238,918</b>	<b>340,638</b>	<b>340,638</b>	<b>340,638</b>	<b>217,686</b>	<b>116,887</b>	<b>116,643</b>
<b>Funded by:</b>											
National Government		94,747	42,471	47,411	97,046	97,046	97,046	97,046	98,106	113,750	113,329
Provincial Government		72,554	82,012	100,843	132,754	204,999	204,999	204,999	98,000	-	-
District Municipality		10,555	-	10,330	-	3,373	3,373	3,373	-	-	-
REF!		-	-	-	-	11,700	11,700	11,700	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>177,857</b>	<b>124,463</b>	<b>158,585</b>	<b>229,801</b>	<b>317,118</b>	<b>317,118</b>	<b>317,118</b>	<b>196,186</b>	<b>113,750</b>	<b>113,329</b>
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	9,117	8,520	8,520	8,520	21,581	3,136	3,315
<b>Total Capital Funding</b>	<b>7</b>	<b>177,857</b>	<b>124,463</b>	<b>158,585</b>	<b>238,918</b>	<b>325,638</b>	<b>325,638</b>	<b>325,638</b>	<b>217,686</b>	<b>116,887</b>	<b>116,643</b>

The capital expenditure for 2023/2024 an amount of R217,6 million and increases to R116,8 million and R116,6 million in the two outer years respectively.

- Human Settlement budget for housing is R68,1 million in 2023/24
- Public Safety R2,590 million
- Community Services R5,1 million
- Finance and administration R0,750 million, R0,255 million and R0,298 million respectively.
- Executive and Council R1,4 million
- Corporate services R5,3 million
- Infrastructure excluding capital grants R6,3 million, R5,2 million and R5,5 million
- MIG R98,1 million, R102,8million and R107,9 million for the MTREF
- INEP grant in 2023/2024 amounts to R0, R22.8 million, R25 million for the two outer years respectively.
- Small Town Revitalization grants amounts to R30 million for the 2023/2024

## **7. STAFF IMPLICATIONS**

### **Own staff**

## **8. FINANCIAL IMPLICATIONS**

- Total operating revenue increased by **SIX** per cent from the 2022/2023 adjusted budget increasing from R1.454 billion to R1.582 billion. For the two outer years, operational revenue will increase by 5.5 per cent per annum.
- Total operating expenditure for the 2023/2024 financial year has been appropriated at R1.559 billion. It increased by 10 per cent from R1.416 billion to R1.559 billion resulting in surplus of R22,681 million to be utilized on the infrastructure. On-cash items such as depreciation. This continues to increase by 4 and 7 percent in the following years respectively.
- Total Capital Expenditure is appropriated at R217,686 reduction by 36 per cent from the adjusted budget and funded grants to a tune R196,1 million and R21,5 million from internally generated funds

## **ANNEXURES**

1. Draft MTREF Budget 2023/24 with draft tariffs for 2023/24
2. Draft Budget Related Policies 2023/24

## **9. RECOMMENDATION**

It is recommended that the Council considers the report and approves the following resolutions with its annexures: -

1. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003) tables the draft annual budget to be implemented on 1 July 2023:
  - 1.1. The draft annual budget of the municipality for the financial year 2023/2024 and capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification)
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote)
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type)
    - 1.1.4. Capital appropriations by municipal vote and standard classification and associated funding by source
  - 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 15 on page 25;
    - 1.2.2. Budgeted Cash Flows as contained in Table 16 on page 26;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 17 on page 26;
    - 1.2.4. Asset management as contained in Table 18 on page 27; and
    - 1.2.5. Basic service delivery measurement as contained in Table 19 on page 29.

2. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables the draft tariffs to be implemented on the 1 July 2023 for public consultation:
  - 2.1. the tariffs for property rates – as set out in Annexure A,
  - 2.2. the tariffs for electricity – as set out in Annexure B
  - 2.3. the tariffs for solid waste services – as set out in Annexure C
  
3. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables the draft tariffs to be implemented on 1 July 2023 the tariffs for other services, as set out in Annexures G1 to G21 respectively for public consultation.
  
4. To give proper effect to the municipality's annual budget, the Council of King Sabata Dalindyebo Local Municipality approves:
  - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans 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.
  - 4.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.



**Clr GN Nelani**  
**Executive Mayor**



## **KING SABATA DALINDYEBO ANNUAL BUDGET**

### **2023/24 to 2025/26 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

**Copies of this document can be viewed:**

- **In the foyers of all municipal buildings**
- **All public libraries within the municipality**
- **At [www.ksd.gov.za](http://www.ksd.gov.za)**

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**Part 1 – Annual Budget**

**1.1 Mayor’s Report**

## 1.2 Council Resolutions

On 30 March 2023 the Council of King Sabata Dalindyebo Local Municipality met in the Council Chambers of King Sabata Dalindyebo Municipality to consider the annual budget of the municipality for the financial year 2023/2024. The Council adopted the following resolutions:

1. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003) tables the draft annual budget to be implemented on 1 July 2023:
  - 1.1. The draft annual budget of the municipality for the financial year 2023/2024 and single-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 11 on page 21;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 12 on page 22;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 13 on page 23; and
    - 1.1.4. Single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 14 on page 24.
  - 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 15 on page 25;
    - 1.2.2. Budgeted Cash Flows as contained in Table 16 on page 26;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 17 on page 26;
    - 1.2.4. Asset management as contained in Table 18 on page 27; and
    - 1.2.5. Basic service delivery measurement as contained in Table 19 on page 29.
2. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables the draft tariffs to be implemented on the 1 July 2023 for public consultation:
  - 2.1. the tariffs for property rates – as set out in Annexure A,
  - 2.2. the tariffs for electricity – as set out in Annexure B
  - 2.3. the tariffs for solid waste services – as set out in Annexure C
3. The Council of King Sabata Dalindyebo Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables the draft tariffs to be implemented on 1 July 2023 the tariffs for other services, as set out in Annexures G1 to G21 respectively for public consultation.
4. To give proper effect to the municipality's annual budget, the Council of King Sabata Dalindyebo Local Municipality approves:



- 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans 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.
- 4.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

### 1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipality's 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.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. More resources were allocated to basic service delivery projects. The municipality is seriously experiencing cash flow challenges emanating from prior years litigations and slow recovery of debtors especially from domestic consumers as well as limited revenue base. However, there is revenue recovery plan that is being implemented, a turnaround strategy and a debt collector has been contracted to deal with difficult-to- collect debts.

For this purpose, attempts are being made to fund depreciation on cash to improve the current cash flow situations of the municipality.

National Treasury's MFMA Circulars No. 122 and 123 were used to guide the compilation of the 2023/2024 MTREF.

#### **Budget assumptions**

The draft budget of the 2023/2024 MTREF has been compiled based on the following budget principles and guidelines which can be summarized as follows:

- National Treasury has revised South Africa's economic growth estimate for 2024 to 5.3 per cent, from 4.7 per cent at the time of the Medium-Term Budget Policy statement.
- Focus on aging and vast network of roads and electricity infrastructure that require maintenance.
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality.
- Municipalities are required to restructure debt by negotiating within their major creditors in terms of repayment plans.
- There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.
- Municipalities to ensure that they render basic services, maintain their assets and clean environment.
- New leadership is advised to decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection, and address

service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

- To maximize revenue generation, municipalities to reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate.
- The setting of cost reflective tariffs is a requirement in terms of Section 74(2) of the Municipal Systems Act 2000, to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget.

In view of the above, the following table is a consolidated overview of the proposed 2023/2024 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2023/2024 MTREF**

King Sabata Dalindyebo Municipality- Table A1 Budget Summary										
Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousands</b>										
Total Revenue (excluding capital transfers and contributions)	1,197,195	1,315,689	1,447,391	1,424,641	1,454,897	1,454,897	1,471,897	1,582,071	1,614,015	1,690,814
Total Expenditure	1,404,295	1,336,314	1,507,280	1,425,926	1,416,826	1,416,826	1,416,826	1,559,390	1,643,575	1,722,115
Surplus/(Deficit)	(207,100)	(20,625)	(59,890)	(1,285)	38,071	38,071	55,071	22,681	(29,560)	(31,301)
Transfers and subsidies - capital (monetary allocations)	158,414	109,493	112,858	229,801	302,046	302,046	302,046	196,106	162,517	171,510
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(48,686)	88,868	52,968	228,516	340,117	340,117	357,117	218,786	132,957	140,209
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(48,686)	88,868	52,968	228,516	340,117	340,117	357,117	218,786	132,957	140,209
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	177,857	124,483	158,585	238,918	340,638	340,638	340,638	217,686	116,887	116,643
Transfers recognised - capital	177,857	124,483	158,585	229,801	317,118	317,118	317,118	196,106	113,750	113,329
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	9,117	8,520	8,520	8,520	21,581	3,136	3,315
Total sources of capital funds	177,857	124,483	158,585	238,918	325,638	325,638	325,638	217,686	116,887	116,643

Total operating revenue increased by **SIX** per cent from the 2022/2023 adjusted budget increasing from R1.454 billion to R1.582 billion. For the two outer years, operational revenue will increase by 5.5 per cent per annum.

Total operating expenditure for the 2023/2024 financial year has been appropriated at R1.559 billion. It increased by 10 per cent from R1.416 billion to R1.559 billion resulting in surplus of R22,681 million to be utilized on the infrastructure. On-cash items such as depreciation. This continues to increase by 4 and 7 percent in the following years respectively.

Total Capital Expenditure is appropriated at R217,686 reduction by 36 per cent from the adjusted budget and funded grants to a tune R196,1 million and R22,5 million from internally generated funds.

#### 1.4 OPERATING REVENUE FRAMEWORK

For King Sabata Dalindyebo 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 municipality is faced with developmental backlogs and high indigent rate. The expenditure required to address basic service delivery challenges will inevitably always exceed available funding; hence difficult choices must 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 municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases are still to be approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services. The biggest challenge is inability to recover costs associated with the refuse removal from places as far as Coffee Bay , Hole in The Wall and peri-urban Areas
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality has also been considered.

Table 2 Summary of revenue classified by main revenue source

R thousand	Description	Ref	EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)					Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework				
			2019/20	2020/21	2021/22	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26				
	<b>Revenue</b>															
	<b>Exchange Revenue</b>															
2	Service charges - Electricity		423,061	441,465	505,595	554,536	554,796	554,796	562,796	588,132	638,934	668,964				
2	Service charges - Water		-	-	-	-	-	-	-	-	-	-				
2	Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-				
2	Service charges - Waste Management		54,623	56,563	58,882	50,824	54,296	54,296	63,296	68,241	59,187	61,968				
	Sale of Goods and Rendering of Services															
	Agency services		10,282	14,130	12,789	12,116	14,716	14,716	14,716	15,559	18,659	19,536				
	Interest		1,608	1,361	1,063	1,302	1,302	1,302	1,302	1,380	1,500	-				
	Interest earned from Receivables		49,498	42,056	37,895	20,662	36,662	36,662	36,662	38,862	23,805	22,477				
	Interest earned from Current and Non Current As		-	-	-	-	-	-	-	-	-	1,570				
	Dividends		-	-	-	-	-	-	-	-	-	-				
	Rent on Land															
	Rental from Fixed Assets		20,135	12,920	18,022	18,575	19,174	19,174	19,174	20,469	20,867	21,847				
	Licence and permits		1,355	1,002	987	1,272	2,002	2,002	2,002	3,222	3,468	3,633				
	Operational Revenue		63,037	22,064	49,658	32,754	35,977	35,977	35,977	41,210	20,267	4,750				
	<b>Non-Exchange Revenue</b>															
2	Property rates		217,279	244,824	276,613	298,662	298,662	298,662	298,662	331,582	346,718	363,014				
	Surcharges and Taxes															
	Fines, penalties and forfeits		2,974	8,420	5,068	7,778	8,439	8,439	8,439	16,766	11,940	12,502				
	Licences or permits															
	Transfer and subsidies - Operational		356,623	459,594	383,774	425,596	427,743	427,743	427,743	456,607	468,672	491,637				
	Interest															
	Fuel Levy															
	Operational Revenue															
	Gains on disposal of Assets		(3 281)	11,290	97,045	564	1,127	1,127	1,127							
	Other Gains															
	Discontinued Operations															
	<b>Total Revenue (excluding capital transfers and</b>		<b>1,197,195</b>	<b>1,315,689</b>	<b>1,447,391</b>	<b>1,424,641</b>	<b>1,454,897</b>	<b>1,454,897</b>	<b>1,471,897</b>	<b>1,562,071</b>	<b>1,614,015</b>	<b>1,690,814</b>				

Table 3 Percentage growth in revenue by main revenue source

R thousand	Description	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework			Budget Year +2 2025/26				
		2019/20	2020/21	2021/22	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome		Budget Year 2023/24	Budget Year +1 2024/25		
	<b>Revenue</b>												
	<b>Exchange Revenue</b>												
	Service charges - Electricity	423 061	441 465	505 595	554 536	554 796	554 796	562 796	588 132	638 934	668 964	9%	5%
	Service charges - Waste Management	54 623	56 563	58 882	50 824	54 296	54 296	63 296	68 241	59 187	61 968	-13%	5%
	Sale of Goods and Rendering of Services											0%	0%
	Agency services	10 282	14 130	12 789	12 116	14 716	14 716	14 716	15 599	18 659	19 536	20%	5%
	Interest	1 608	1 361	1 063	1 302	1 302	1 302	1 302	1 380	1 500	-	9%	-100%
	Interest earned from Receivables	49 498	42 056	37 895	20 662	36 662	36 662	36 662	38 862	23 805	22 477	-39%	-6%
	Interest earned from Current and Non C	-	-	-	-	-	-	-	-	-	1 570	0%	0%
	Rental from Fixed Assets	20 135	12 920	18 022	18 575	19 174	19 174	19 174	20 469	20 867	21 847	2%	5%
	Licence and permits	1 355	1 002	987	1 272	2 002	2 002	2 002	3 222	3 468	3 633	8%	5%
	Operational Revenue	63 037	22 064	49 658	32 754	35 977	35 977	35 977	41 210	20 267	4 750	-51%	-77%
	<b>Non-Exchange Revenue</b>												
	Property rates	217 279	244 824	276 613	298 662	298 662	298 662	298 662	331 582	346 718	363 014	5%	5%
	Surcharges and Taxes											0%	0%
	Fines, penalties and forfeits	2 974	8 420	5 068	7 778	8 439	8 439	8 439	16 766	11 940	12 502	-29%	5%
	Licences or permits											0%	0%
	Transfer and subsidies - Operational	356 623	459 594	383 774	425 596	427 743	427 743	427 743	456 607	468 672	491 637	3%	5%
	Interest											0%	0%
	Gains on disposal of Assets	(3 281)	11 290	97 045	564	1 127	1 127	1 127	-	-	2 447	0%	0%
	Discontinued Operations											0%	0%
	<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 197 195</b>	<b>1 315 689</b>	<b>1 447 391</b>	<b>1 424 641</b>	<b>1 454 897</b>	<b>1 454 897</b>	<b>1 471 897</b>	<b>1 582 071</b>	<b>1 614 015</b>	<b>1 690 814</b>	<b>2%</b>	<b>5%</b>

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 rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charges (electricity and refuse) revenues comprise more than two thirds of the total revenue mix, at 63% per cent of R0,997 billion. Electricity income individually at 37 per cent, followed by property rates at 21 per cent and the balance is 5 per cent for other refuse removal charges

Operating grants are 29 per cent of the total operating income at R456.6 million with the balance from other various incomes at 9 per cent.

## TARRIF SETTING

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 municipality.

The percentage increases of both Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. NERSA has approved a 20.7% (18,7% tariff increase for Eskom and 2% tariff increase in relation to indigent subsidy provision) that commenced in from April 2023. NERSA is still to approve tariffs for the municipality after publication of the guidelines.

### Macroeconomic performance and projections, 2021 - 2026

<b>Fiscal year</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Forecast</b>	<b>2024/25 forecast</b>	<b>2025/26 forecast</b>
CPI inflation	4.90%	6.90%	5.30%	4.90%	4.70%

#### 1.4.1 Property Rates

Rate-able property" means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17. Property rates are calculated on the market value of a property by multiplying it by a cent amount in the rand, which is determined from the annual budget.

The following stipulations in the Property Rates Policy are highlighted:

- **The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).**
- **The municipality grants R45 000 secondary rebate to residential properties.**

100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy. In this regard the following stipulations are relevant:

- Owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year.

The following conditions should be met: -

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income.
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension.

- The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
- The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.
- 20 per cent rebate will be granted to pensioners.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2023/2024 financial year based on a 6 per cent increase from 1 July 2023 is contained below:

**Table 3 Comparison of proposed rates to levied for the 2023/2024 financial year**

**ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS AS FROM 01 JULY 2023**

	2022/23		2023/24	
<b>PROPERTY PRATES AND LEVIES</b>				
<b>Proposed increment 2023/2024 5.3 %</b>				
<b>General Rate</b>				
Residential Properties (cents in a Rand)	0,84669	Cents in a Rand	0,84923	Cents in a Rand
Business and Commercial Properties (cents in a Rand)	1,69339	Cents in a Rand	1,78313	Cents in a Rand
Properties owned by organ of state & used For PSP	2,32841	Cents in a Rand	2,45181	Cents in a Rand
Agricultural Properties (cents in a Rand)	0,21317	Cents in a Rand	0,22446	Cents in a Rand
PSI (cents in a Rand)	0,21317	Cents in a Rand	0,22446	Cents in a Rand
Public Benefit Organisation	0,21317	Cents in a Rand	0,22446	Cents in a Rand
Parking Development Rate (cents in a Rand)	0,26166	Cents in a Rand	0,27553	Cents in a Rand
			0,00000	
			0,00000	
<b>Fire Levy</b>				
Domestic - Per annum	428,26		450,96190	
Business/ Commercial Per Annum	770,90		811,75955	



**1.4.2 Sale of Electricity and Impact of Tariff Increases**

A 6% per cent increase in the electricity tariffs is proposed, this is dependent on approval of Tariffs by NERSA . This is however dependent on the finalization of Eskom bulk electricity tariff to municipalities will be effective from 1 July 2023

**Table 4 Comparison between current electricity charges and increases (Domestic)**

ITEM NO	TARIFF DESCRIPTION	2022/2023	2023/2024
	<b>ELECTRICITY TARIFFS</b>		
<b>1</b>	<b>Domestic Prepayment</b>		
1,1	Tariff 1	222,83	224,17
1,2	Tariff 2 (Indigent)	181,75	182,84
<b>2</b>	<b>COMMERCIAL TARIFFS</b>		
<b>2,1</b>	<b>Commercial Conventional</b>		
	Energy Charge	248,94	250,43
	Basic Charge	559,26	562,62
<b>2,2</b>	<b>Commercial Conventional 3 Phase (40A-60A)</b>		
	Energy Charge	283,45	285,15
	Basic Charge	559,26	562,62
<b>2,3</b>	<b>Commercial Prepayment</b>		
	Tariff 3 (small) energy charge	301,09	302,90
	Tariff 4 (big) energy charge	301,09	302,90
			-
<b>3</b>	<b>INDUSTRIAL TARIFFS</b>		-
<b>3,1</b>	<b>Industrial low: ≤ 100KVA</b>		-
	Energy charge	135,72	136,53
	Basic charge	1 939,20	1950,84
	Demand charge/ KVA	396,19	398,57
<b>3,2</b>	<b>Industrial high: ≥ 100KVA</b>		0,00
	Energy charge	97,00	97,58
	Basic charge	1 699,21	1709,41
	Demand charge	412,43	414,90
			-
	Notified Maximum Demand multiplied by KVA tariff rate	29,44	29,62

Tariffs will have to be reviewed to ensure that they are cost reflective.

<b>CONSUMER DEPOSITS</b>		
	<b>2022/2023</b>	<b>2023/2024</b>
<b>CHARGES FOR SERVICES RENDERED</b>		
Call out during working hours	573,74	0,00
Call out after hours	824,10	0,00
Disconnect at request of consumer	562,79	0,00
Disconnect for improper use of service or illegal connection	1025,25	0,00
Disconnect for nonpayment of account	840,10	0,00

	<b>2022/2023</b>	<b>2023/2024</b>
<b>Testing of meters:</b>		
By Council	75,48	0,00
By independent party	Cost plus 20%	Cost plus 20%
Special reading of meter at customer's request	567,49	0,00
<b><u>Damage of meters and/ seals, or bypassing of prepayment meters</u></b>		
<b>Meters</b>		
Prepayment/ conventional - Domestic	3870,39	0,00
Commercial prepayment/ Conventional	5621,30	0,00
Inspection/test of installation after failure of first inspection		0,00
Damage to municipal electrical supply equipment and/cables	5516,03	0,00
Hire Crane Truck 28T/M	1484,80	0,00

Medium Crane Truck 5T/M	732,73	0,00
Earth leakage test	1518,67	0,00
HV fault location	1966,03	0,00
LV fault location	1888,65	0,00
Oil filtering	1293,75	0,00
Oil test	1293,75	0,00
Sales		
Meters		
CATEGORY		
Conventional - Single Phase	1414,65	0,00
Conventional - Three Phase	8387,99	0,00
Prepaid - Single Phase	1414,65	0,00
Prepaid -Three Phase	3807,13	0,00
Terminal Block	509,17	0,00
Terminal Cover	509,17	0,00
Keypad	509,17	0,00
<b>NEW INSTALLATIONS</b>		
Cable connection	469,59	0,00
Upgrade	Charge difference + cost	Charge difference + cost
Connection Fee	234,70	0,00

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality.

### 1.4.3. Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality in attempt to breakeven has increased the tariff by 7 per cent.

A 7 per cent increase in the waste removal tariff is proposed from 1 July 2023. Any increase higher than 6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2023:

**Table 5 Comparison between current waste removal fees and increases**

#### ESTIMATES OF INCOME AND EXPENDITURE- TARIFFS AS FROM 01 JULY 2023

4.11.1	Small vehicle up to 1 tonne load capacity	66,44	69,96	
4.11.2	3 - 4 tonne vehicle	265,76	279,85	
4.11.3	5 - 8 tonne vehicle	369,11	388,68	
			-	
	Special disposal		-	
4.11.4	Pit disposal		217,39	New
4.11.5	Small Carcass (dogs, sheep and any other related size)		95,65	New
	Any size greater than above Horse,Cows etc.		173,91	New
		-	0,00	
4,12	Garden Waste	-	0,00	
4.12.1	Clean Greens per tonne	29,53	31,09	
4.12.2	Any other green material including tree trunks per tonne	48,72	51,31	
		-	0,00	
4,13	Permits	-	0,00	
		-	0,00	
4.13.1	Domestic Solid Waste Handling Permit per vehicle per annum	738,22	777,35	
4.13.2	Illegal dumping fine		4347,83	New
4.13.3				
3,0	<b>SOLID WASTE: Proposed increment 5.3 %</b>	<b>2022/2023</b>	<b>2023/2024</b>	
	Refuse Removal: Full Level of Service			
	Annual Charges			
3.1.1	Domestic (2 bags or bins once per week)	3 052,99	3 214,80	

3.1.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	6 140,85	6 466,32	
	Commercial/Industrial/Institutional (more than 2 plastic bags per week)		11 652,64	New
3.1.3	Per additional bag or bin	3 052,99	3 214,80	
3.1.4	Per additional service removal per week	6 140,85	6 466,32	
3.1.5	240 L Bin rental per annum	-	-	
3.1.6	Emptying charge of 240L bin per annum	-	-	
3.1.7	Student accomodation and BnB's (per annum)		11 652,64	New
	Any household operating as business without any rezoning certificate (per annum)		11 652,64	New
4,2	Refuse Removal : Full Level of Service	-	0	
	Monthly Charges	257,55	271,20	
4.2.1	Domestic (2 bags or bins once per week)	6,34	6,68	
4.2.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	257,55	271,20	
4.2.3	Per additional bag or bin	517,98	545,43	
4.2.4	Per additional service removal per week	-	-	
4.2.5	240L Bin rental per month	17,72	18,66	
4.2.6	240L Bin Clearance / per bin	36,91	38,87	
4.2.7	Emptying charge of 240L bin : Household per month	147,32	155,13	
4.2.8	Student accomodation and BnB's per month		971,05	New
4.2.9	Any household operating as business without any rezoning certificate per month		971,05	New
4.2.10	Commercial/Industrial/Institutional (more than 2 plastic bags per week)		971,05	New
4.2.11	Hawkers & Vendors per month		4.35	New
4.3	Refuse Removal : Basic Level of Service	-	-	
	Annual Charges	-	-	
4.3.1	Domestic	1 744,56	1 837,02	
4.3.2	Business/Industry	4 082,26	4 298,62	
4.3.3	Government Institutions	4 082,26	4 298,62	
4.3.4	Coffee Bay & Hole-in-the-Wall	4 082,26	4 298,62	
4.4	Refuse Removal : Basic Level of Service	-	-	
	Monthly Charges	-	-	
4.4.1	Domestic	147,32	155,13	
4.4.2	Business/Industry	343,69	361,90	
4.4.3	Government Institutions	343,69	361,90	
		-	-	
4,5	Sales	-	-	
4.5.1	240L Refuse bins (each)	856,34	901,73	

4.5.2	Plastic Refuse Bags (per pack)	-	-	
		-	-	
4,6	Skips	-	-	
4.6.1	Rental per skip per month	1 151,24	1 212,25	
4.6.2	Rental per skip per year	13 655,34	14 379,07	
4.6.3	Charge per clearance of skip	810,27	853,22	
		-	-	
4,7	Excess Refuse	-	-	
4.7.1	Garden Refuse (per 2.5lt load)	485,47	511,20	
4.7.2	Removal of scrap vehicles (per vehicle load)	679,74	715,77	
4.7.3	Hire of skip container per day : Garden Refuse / Excess	369,04	388,60	
4,8	Penalty for Illegal Dumping : Proposed increment at 4.6%	-	-	
4.8.1	Garden and/ or domestic refuse	537,90	566,41	
4,9	Trolley Bins	-	-	
4.9.1	Rental (per bin per month)	537,90	566,41	
4.9.2	Charge per clearance	537,90	566,41	
			-	
4,1	Disposal Charges to Mthatha & Mqanduli Landfill Site: Weigh Bridge		-	
4.10.1	Domestic & Trade Waste per tonne	73,82	77,74	
4.10.2	Rubble or concrete per tonne	36,91	38,87	
4.10.3	Material suitable to be used for cover	free		
4,11	Disposal Charges to Mthatha & Mqanduli Site: Not Weighed		-	

**Table 6 Operating and Capital Transfers and Grant Receipts**

Total operating grants amounts R 456,6 million of which R434,8 million is not a conditional grant and the balance is made up of conditional grants.

Total capital grants amount to R 217,6 million made up of the following grants:

- MIG R118 million
- Human Settlements Grant R68,1 million
- Small Town Revitalization Grant R30 million
- FMG grant R0,150 million

### 1.5. OPERATING EXPENDITURE FRAMEWORK

The following table is a high-level summary of the 2023/2024 budget and MTREF (classified per main type of operating expenditure):

**Table 7 Summary of operating expenditure by expenditure type**

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Expenditure</b>											
Employee related costs	2	466 809	511 375	541 016	556 029	534 708	534 708	534 708	568 345	563 428	591 025
Remuneration of councillors		27 353	28 252	28 613	34 079	34 079	34 079	34 079	35 149	39 114	41 030
Bulk purchases - electricity	2	315 811	322 020	387 729	452 820	452 820	452 820	452 820	479 989	520 113	544 558
Inventory consumed	8	15 513	10 130	30 406	20 509	27 808	27 808	27 808	28 261	26 011	27 234
Debt impairment	3	117 036	17 948	19 688	15 000	15 000	15 000	15 000	15 810	16 569	17 349
Depreciation and amortisation		213 126	164 836	160 799	158 272	158 272	158 272	158 272	157 347	181 307	189 828
Interest		36 296	36 296	18 912	18 912	6 553	6 553	6 553	16 000	7 190	7 528
Contracted services		68 074	79 563	76 213	44 801	52 135	52 135	52 135	106 882	100 140	104 869
Transfers and subsidies		1 393	826	37 698	500	380	380	380	500	1 572	1 649
Irrecoverable debts written off											
Operational costs		142 845	165 067	186 544	125 003	135 070	135 070	135 070	151 107	188 131	197 045
Losses on disposal of Assets				15 452							
Other Losses											
<b>Total Expenditure</b>		<b>1 404 295</b>	<b>1 336 314</b>	<b>1 507 280</b>	<b>1 425 925</b>	<b>1 416 826</b>	<b>1 416 826</b>	<b>1 416 826</b>	<b>1 559 390</b>	<b>1 643 575</b>	<b>1 722 115</b>

#### 1.5.1. Salaries

The budgeted allocation for employee related costs for the 2023/2024 financial year totals R568,3 million, which equals 36 per cent of the total operating expenditure. An annual increase of 4.9 and 4,7 per cent has been included in the two outer years of the MTREF respectively.

#### **1.5.2. Remuneration of Councilors**

The increase on the budget for the remuneration of councilors has not been increased in the current year. Remuneration of Councilors is set at 2 per cent of the total operating budget. Salaries and remuneration of councilors are 39 per cent of the total expenditure slightly below the norm.

#### **1.5.3. Provision for doubtful debts**

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the 2023/24 financial year this amount equates to R15.8 million for the current and R16.5 million and R17.3 million on the two outer years. Budgeted for in the previous year due to debt collector appointed to assist on debt management and credit control.

#### **1.5.4. Provision for impairment and depreciation**

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 R157,3 million for the 2023/2024 financial year and equates to 10 per cent of the total operating expenditure and increases to R165.2 million and R172,8 million for the two outer years respectively.

#### **1.5.5. Finance costs**

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 per cent of operating expenditure (at R16 million) for 2023/2024 and increases to R16.7 million and R17.5 million for the two outer years respectively.

#### **1.5.6. Bulk purchases**

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases are still to be approved by NERSA and for the time being the increase is set at 6 per cent and this translates to R479,9 million in the 2023/2024 budget and increases to R503,5 million and R473.1 million in the two outer years respectively. The current budget represents 31% of the total operating budget. This will have to be reviewed after the finalization of the application of ESKOM by NERSA.

#### **1.5.7. Contracted Services**

As part of the compilation of the 2023/2024 MTREF the budget for this category of expenditure amounts to R 106,8 million representing 7 per cent of the operating expenditure budget. This increases to R100,1 million and R 104,8 million in the two outer years respectively. This includes all outsourced services such



as repairs and maintenance catering, and other expenditure contracted to Service Providers and employee related costs.

#### 1.5.8. Other expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budgets relating to non-core functions of the municipality has been reduced to ensure that the municipality complies to circulars on cost cutting measures. This is done to cut non-core expenditure and to focus on service delivery and other core functions of the municipality. The budget is set at R151,1 million for general expenditure with an increase to R 188,1million. This represents 9 per cent of the total operating budget.

Included in the other expenditure are the following line items:

➤ **General expenses other**

General expenditure is budgeted for at R33,5 million and R33,2 million and R34,6 million in the two outer years respectively.

➤ **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 Municipality's Indigent Policy.

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.

The budget for the current year is R27,3 million to cater for free basic electricity, alternative R28,9 million and R30,4 million in the two outer years respectively.

➤ **Repairs and maintenance**

The budget for the 2023/24 MTREF financial year is R85,9 million, R90,1 million and R94,4 million in the outer two years. The above excludes operating expenditure including salaries in relation to sections that are doing repairs for the municipality amounting to R81,9 million.

Combined the budget is R167,8 million representing 11 per cents.

## 1.6. CAPITAL EXPENDITURE

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

**TABLE 8 2023/2024 MEDIUM-TERM CAPITAL BUDGET BY VOTE**

EC157 King Sabata Dalindyebo - Table A5 Capital Expenditure per Vote and Funding Sources										
Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<i>Single-year expenditure to be appropriated</i>										
Vote 9 - (31: CS)	-	-	-	1 630	2 110	2 110	2 110	5 280	-	-
Vote 10 - Executive AND Council (32: CS)	-	-	-	-	-	-	-	1 410	387	384
Vote 11 - Fin AND Asset Management (33: CS)	-	-	-	787	1 506	1 506	1 506	750	255	298
Vote 12 - Planning, Social AND Development (34: CS)	-	-	12 960	19 000	30 223	30 223	30 223	30 000	-	-
Vote 13 - Human Settlement (35: CS)	-	-	-	-	410	410	410	111	116	122
Vote 14 - Community Services (36: CS)	-	-	-	2 000	2 769	2 769	2 769	5 140	-	-
Vote 15 - Public Safety (37: CS)	-	-	-	4 700	1 790	1 790	1 790	2 590	2 211	2 315
Vote 16 - Infrastructure (38: CS)	177 857	124 483	145 625	210 801	302 414	302 414	302 414	172 406	113 938	113 525
Capital single-year expenditure sub-total	177 857	124 483	158 585	238 918	341 222	341 222	341 222	217 686	116 887	116 643
Total Capital Expenditure - Vote	177 857	124 483	158 585	238 918	341 222	341 222	341 222	217 686	116 887	231 246
<i>Funded by:</i>										
National Government	94 747	42 471	47 411	97 046	97 046	97 046	97 046	98 106	113 750	113 329
Provincial Government	72 564	82 012	100 843	132 754	204 999	204 999	204 999	98 000	-	-
District Municipality	10 565	-	10 330	-	3 373	3 373	3 373	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	11 700	11 700	11 700	-	-	-
Transfers recognised - capital	177 857	124 483	158 585	229 801	317 118	317 118	317 118	196 106	113 750	113 329
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	9 117	8 520	8 520	8 520	21 581	3 136	3 315
Total Capital Funding	177 857	124 483	158 585	238 918	325 638	325 638	325 638	217 686	116 887	116 643

The capital expenditure amounts to R217,6 million for 2023/24 and R116,8 million and R116,6 million in the two outer years respectively.

- Human Settlement budget for housing is R68,1 million in 2023/24
- Public Safety R2,590 million

- Community Services R5,1 million
- Finance and administration R0,750 million, R0.255 million and R0,298 million for the two outer years, respectively.
- Executive and Council R1,4 million
- Corporate services R5,3 million
- Infrastructure excluding grant funded expenditure amounts to R6,3 million for the 2023/24 financial year, and R5,2 million, R5,5 million for the two outer years.
- MIG R98,1 million, R102,8million and R107,9 million for the MTREF
- INEP grant in 2023/2024 amounts to R0, R22.8 million, R25 million for the two outer years respectively.
- Small Town Revitalization grant amounts to R30 million for the 2023/2024 financial year.

### **Annual Budget Tables**

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 2023/2024 budget and MTREF as approved by the Council.

Table 9 MBRR Table A1 - Budget Summary

EC157 King Sabata Dalindyebo - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Financial Performance</b>										
Property rates	217,279	244,824	276,613	298,662	298,662	298,662	298,662	331,582	346,718	363,014
Service charges	477,684	498,028	564,477	605,361	609,093	609,093	626,093	656,373	698,120	730,932
Investment revenue	-	-	-	-	-	-	-	-	-	1,570
Transfer and subsidies - Operational	356,623	459,594	383,774	425,596	427,743	427,743	427,743	456,607	468,672	491,637
Other own revenue	145,609	113,244	222,527	95,023	119,399	119,399	119,399	137,509	100,505	103,662
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,197,195</b>	<b>1,315,689</b>	<b>1,447,391</b>	<b>1,424,841</b>	<b>1,454,897</b>	<b>1,454,897</b>	<b>1,471,897</b>	<b>1,582,071</b>	<b>1,614,015</b>	<b>1,690,814</b>
Employee costs	466,809	511,375	541,016	558,029	534,708	534,708	534,708	568,345	563,428	591,025
Remuneration of councillors	27,393	28,252	28,613	34,079	34,079	34,079	34,079	35,149	39,114	41,030
Depreciation and amortisation	213,126	164,836	160,799	158,272	158,272	158,272	158,272	157,347	181,307	189,828
Finance charges	36,296	36,296	18,912	18,912	6,553	6,553	6,553	16,000	7,190	7,528
Inventory consumed and bulk purchases	331,324	332,150	418,135	473,329	480,628	480,628	480,628	508,250	546,124	571,792
Transfers and subsidies	1,393	826	37,698	500	380	380	380	500	1,572	1,649
Other expenditure	327,954	262,579	302,107	184,804	202,205	202,205	202,205	273,798	304,840	319,262
<b>Total Expenditure</b>	<b>1,404,295</b>	<b>1,336,314</b>	<b>1,507,280</b>	<b>1,425,926</b>	<b>1,416,826</b>	<b>1,416,826</b>	<b>1,416,826</b>	<b>1,559,390</b>	<b>1,643,575</b>	<b>1,722,115</b>
<b>Surplus/(Deficit)</b>	<b>(207,100)</b>	<b>(20,625)</b>	<b>(59,890)</b>	<b>(1,285)</b>	<b>38,071</b>	<b>38,071</b>	<b>55,071</b>	<b>22,681</b>	<b>(29,560)</b>	<b>(31,301)</b>
Transfers and subsidies - capital (monetary allocations)	158,414	109,493	112,858	229,801	302,046	302,046	302,046	196,106	162,517	171,510
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(48,686)</b>	<b>88,868</b>	<b>52,968</b>	<b>228,516</b>	<b>340,117</b>	<b>340,117</b>	<b>357,117</b>	<b>218,786</b>	<b>132,957</b>	<b>140,209</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(48,686)</b>	<b>88,868</b>	<b>52,968</b>	<b>228,516</b>	<b>340,117</b>	<b>340,117</b>	<b>357,117</b>	<b>218,786</b>	<b>132,957</b>	<b>140,209</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>177,857</b>	<b>124,483</b>	<b>158,585</b>	<b>238,918</b>	<b>340,638</b>	<b>340,638</b>	<b>340,638</b>	<b>217,686</b>	<b>116,887</b>	<b>116,643</b>
Transfers recognised - capital	177,857	124,483	158,585	229,801	317,118	317,118	317,118	196,106	113,750	113,329
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	9,117	8,520	8,520	8,520	21,581	3,136	3,315
<b>Total sources of capital funds</b>	<b>177,857</b>	<b>124,483</b>	<b>158,585</b>	<b>238,918</b>	<b>325,638</b>	<b>325,638</b>	<b>325,638</b>	<b>217,686</b>	<b>116,887</b>	<b>116,643</b>
<b>Financial position</b>										
Total current assets	548,743	212,315	(57,126)	507,821	499,962	499,962	499,962	510,432	703,072	911,505
Total non current assets	2,389,193	3,838,536	2,625,371	2,463,792	2,565,911	2,565,911	2,565,911	2,595,941	2,536,258	2,468,033
Total current liabilities	767,818	401,164	444,672	854,139	854,139	854,139	854,139	492,897	492,897	492,897
Total non current liabilities	99,923	78,750	88,967	92,704	92,704	92,704	92,704	68,967	68,967	68,967
Community wealth/Equity	1,502,220	3,001,121	2,419,452	2,376,835	2,561,132	2,561,132	2,578,132	2,548,390	2,681,347	2,950,631
<b>Cash flows</b>										
Net cash from (used) operating	1,066,757	231,422	(652,501)	356,654	452,595	429,526	429,526	341,506	295,582	310,476
Net cash from (used) investing	(1,033)	(39)	(105,334)	(239,038)	(0)	(311,910)	(311,910)	(217,686)	(121,624)	(121,603)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>471,060</b>	<b>556,656</b>	<b>729,621</b>	<b>54,019</b>	<b>1,460,869</b>	<b>54,019</b>	<b>54,019</b>	<b>140,569</b>	<b>314,527</b>	<b>503,401</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	2,254,306	3,603,107	2,053,327	2,200,554	2,294,749	2,294,749	2,294,749	2,479,071	2,602,211	2,732,141
Application of cash and investments	386,657	299,356	325,305	242,305	139,939	242,976	243,816	158,789	156,449	154,900
<b>Balance - surplus (shortfall)</b>	<b>1,867,648</b>	<b>3,303,752</b>	<b>1,728,022</b>	<b>1,958,249</b>	<b>2,154,810</b>	<b>2,051,773</b>	<b>2,050,933</b>	<b>2,320,282</b>	<b>2,445,762</b>	<b>2,577,241</b>
<b>Asset management</b>										
Asset register summary (WDV)	2,266,018	3,766,003	2,498,347	2,146,164	2,290,232	2,290,232	2,466,796	2,311,310	2,142,637	-
Depreciation	213,126	164,836	160,799	158,272	158,272	158,272	157,347	181,307	189,828	-
Renewal and Upgrading of Existing Assets	115,099	42,300	61,776	58,082	96,779	96,779	92,757	100,422	89,294	-
Repairs and Maintenance	65,002	52,523	78,403	53,370	49,713	49,713	87,856	70,164	73,471	-
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	17,000	17,000	17,000	17,918	19,049	-	-
Revenue cost of free services provided	-	-	7,381	9,000	9,000	9,000	9,540	10,438	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

**Explanatory notes to MBRR Table A1 - Budget Summary**

Table A1 is a budget summary and provides a concise overview of the 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.

Financial management reforms 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:

- a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
- b. -Capital expenditure is balanced by capital funding sources, of which
  - i. Transfers recognised is reflected on the Financial Performance Budget;
  - ii. Internally generated funds is financed from a combination of the current operating surplus. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.
- c. 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.
- d. 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 2020/2021 when a small surplus is reflected.

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..

**Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)****EC157 King Sabata Dalindyebo - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		650,823	768,597	838,693	757,921	774,221	774,221	839,935	858,725	900,012
Executive and council		5,665	13	-	-	-	-	-	-	-
Finance and administration		644,863	768,583	838,693	757,921	774,221	774,221	839,935	858,725	900,012
Internal audit		294	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		40,776	21,617	26,408	133,360	193,427	193,427	93,729	25,525	26,725
Community and social services		6,580	2,222	2,402	772	2,426	2,426	764	296	310
Sport and recreation		1,268	42	68	-	233	233	347	210	219
Public safety		18,805	11,304	9,609	18,834	15,842	15,842	24,618	25,019	26,195
Housing		14,124	8,049	14,329	113,754	174,926	174,926	68,000	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		115,758	106,910	122,723	152,111	179,040	179,040	174,925	168,288	176,491
Planning and development		91,598	84,154	84,522	104,671	117,979	117,979	111,972	117,980	123,755
Road transport		23,813	22,756	38,201	47,439	61,062	61,062	62,953	50,309	52,736
Environmental protection		347	-	-	-	-	-	-	-	-
<i>Trading services</i>		547,051	527,240	572,047	609,731	620,623	620,623	668,177	722,468	757,499
Energy sources		485,344	466,924	511,377	557,725	564,511	564,511	598,011	661,927	694,112
Water management		-	-	-	-	-	-	-	-	-
Waste water management		253	-	-	-	-	-	-	-	-
Waste management		61,455	60,316	60,670	52,006	56,112	56,112	70,166	60,541	63,386
Other	4	1,200	818	378	1,319	1,331	1,331	1,411	1,525	1,597
<b>Total Revenue - Functional</b>	2	1,355,609	1,425,182	1,560,249	1,654,442	1,768,642	1,768,642	1,778,177	1,776,532	1,862,323
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		556,154	472,944	497,479	449,911	454,414	454,414	497,208	534,565	560,323
Executive and council		73,569	72,721	73,436	88,450	85,508	85,508	88,409	92,801	97,321
Finance and administration		477,438	395,414	418,898	353,433	361,680	361,680	402,092	434,330	455,206
Internal audit		5,147	4,809	5,145	8,028	7,226	7,226	6,708	7,435	7,796
<i>Community and public safety</i>		159,411	170,550	188,028	151,438	152,798	152,798	176,160	175,487	184,043
Community and social services		21,031	23,219	22,376	13,211	17,188	17,188	39,301	13,085	13,725
Sport and recreation		14,384	16,133	19,292	19,803	19,792	19,792	4,882	17,707	18,574
Public safety		122,086	128,370	143,174	112,505	111,009	111,009	127,388	138,797	145,559
Housing		1,910	2,828	3,186	5,919	4,808	4,808	4,589	5,898	6,184
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		213,510	157,528	247,892	207,462	199,226	199,226	218,642	228,125	239,016
Planning and development		21,252	24,890	26,793	43,513	40,828	40,828	34,945	43,402	45,493
Road transport		187,796	127,697	216,116	160,375	152,373	152,373	177,244	178,147	186,624
Environmental protection		4,462	4,941	4,983	3,575	6,026	6,026	6,452	6,576	6,898
<i>Trading services</i>		475,219	528,138	573,881	604,755	611,172	611,172	667,381	705,397	738,733
Energy sources		378,371	388,271	472,638	506,923	510,000	510,000	574,790	581,294	608,655
Water management		-	-	-	-	-	-	-	-	-
Waste water management		4,378	44,663	3,663	12,852	13,261	13,261	13,305	14,595	15,292
Waste management		92,470	95,204	97,580	84,981	87,910	87,910	79,286	109,508	114,786
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	1,404,295	1,329,160	1,507,280	1,413,567	1,417,609	1,417,609	1,559,390	1,643,575	1,722,115
<b>Surplus/(Deficit) for the year</b>		(48,686)	96,022	52,968	240,875	351,033	351,033	218,786	132,957	140,209

**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.

**Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

EC157 King Sabata Dalindyebo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1	Budget Year +2 2025/26
<b>Revenue by Vote</b>	1									
Vote 1 - Executive AND Council (11: IE)		1,378	1,745	1,879	1,911	2,211	2,211	2,344	377	395
Vote 2 - Corporate Services (12: IE)		1,448	91	1,021	691	800	800	472	203	397
Vote 3 - Finance AND Asset Management (13: IE)		-	-	-	-	-	-	830,973	853,975	1,790,059
Vote 4 - Planning, Social AND Ec Dev (14: IE)		5,558	2,621	2,201	1,466	15,000	15,000	2,924	3,068	-
Vote 5 - Human Settlement (15: IE)		15,318	10,179	16,792	113,956	177,167	177,167	70,103	2,632	-
Vote 6 - Community Services (16: IE)		66,091	64,000	61,983	57,909	62,116	62,116	76,420	64,826	2,602
Vote 7 - Public Safety (17: IE)		22,799	23,948	20,910	30,120	29,678	29,678	39,137	43,888	62,893
Vote 8 - Infrastructure (18: IE)		577,449	554,884	616,612	684,881	711,783	711,783	750,640	784,506	13,167
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>684,259</b>	<b>661,958</b>	<b>725,442</b>	<b>906,053</b>	<b>1,003,684</b>	<b>1,003,684</b>	<b>1,778,177</b>	<b>1,753,681</b>	<b>1,869,513</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive AND Council (11: IE)		92,260	97,168	81,929	102,867	95,248	95,248	133,100	144,199	2,120,885
Vote 2 - Corporate Services (12: IE)		-	8,860	10,442	5,196	5,196	5,196	81,234	13,968	3,136
Vote 3 - Finance AND Asset Management (13: IE)		7,097	10,348	1	-	-	-	218,423	200,946	352,503
Vote 4 - Planning, Social AND Ec Dev (14: IE)		26,184	28,498	45,484	53,369	50,961	50,961	18,729	45,881	172,532
Vote 5 - Human Settlement (15: IE)		27,633	28,237	33,919	47,023	46,213	46,213	27,818	51,222	78,496
Vote 6 - Community Services (16: IE)		114,634	113,250	117,230	111,644	115,586	115,586	138,423	192,671	(1,034,724)
Vote 7 - Public Safety (17: IE)		152,082	159,919	172,229	147,424	143,090	143,090	154,244	166,570	2,318
Vote 8 - Infrastructure (18: IE)		583,442	574,858	710,224	688,411	692,863	692,863	781,418	799,512	25,950
Vote 9 - (31: CS)		4,249	4,473	4,728	5,775	5,775	5,775	6,002	5,753	8,208
Vote 10 - Executive AND Council (32: CS)										
Vote 11 - Fin AND Asset Management (33: CS)										
Vote 12 - Planning, Social AND Development (34: CS)										
Vote 13 - Human Settlement (35: CS)										
Vote 14 - Community Services (36: CS)										
Vote 15 - Public Safety (37: CS)										
<b>Total Expenditure by Vote</b>	2	<b>1,007,583</b>	<b>1,025,410</b>	<b>1,176,188</b>	<b>1,161,708</b>	<b>1,154,932</b>	<b>1,154,932</b>	<b>1,559,390</b>	<b>1,620,724</b>	<b>1,729,304</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(313,324)</b>	<b>(363,452)</b>	<b>(450,743)</b>	<b>(255,654)</b>	<b>(151,238)</b>	<b>(151,238)</b>	<b>218,786</b>	<b>132,957</b>	<b>140,209</b>

**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 the 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 the electricity and water trading services.



**Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

EC157 King Sabata Dalindyebo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Current Year 2022/23						2023/24 Medium Term Revenue & Expenditure Framework			
		2019/20	2020/21	2021/22	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	423,061	441,465	605,595	554,536	554,796	554,796	562,796	588,132	638,934	668,964
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	54,623	56,563	58,882	50,824	54,296	54,296	63,296	68,241	59,187	61,968
Sale of Goods and Rendering of Services											16,470
Agency services		10,282	14,130	12,789	12,116	14,716	14,716	14,716	15,589	18,659	19,536
Interest		1,808	1,361	1,063	1,302	1,302	1,302	1,302	1,380	1,500	-
Interest earned from Receivables		49,499	42,056	37,895	20,662	36,662	36,662	36,662	38,662	23,805	22,477
Interest earned from Current and Non Current As		-	-	-	-	-	-	-	-	-	1,570
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		20,135	12,920	18,022	18,575	19,174	19,174	19,174	20,469	20,867	21,847
Licence and permits		1,355	1,002	987	1,272	2,002	2,002	2,002	3,222	3,468	3,633
Operational Revenue		63,037	22,064	49,658	32,754	35,977	35,977	35,977	-41,210	20,267	4,750
<b>Non-Exchange Revenue</b>											
Property rates	2	217,279	244,824	276,613	298,662	298,662	298,662	298,662	331,582	346,718	363,014
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,974	2,420	5,068	7,773	6,438	6,438	6,438	16,766	11,940	12,502
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		356,623	469,584	363,774	425,596	427,743	427,743	427,743	456,607	468,672	491,637
Interest		-	-	-	-	-	-	-	-	-	2,447
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(3,281)	11,290	97,045	564	1,127	1,127	1,127	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and</b>		<b>1,197,195</b>	<b>1,315,688</b>	<b>1,447,391</b>	<b>1,424,641</b>	<b>1,454,897</b>	<b>1,454,897</b>	<b>1,471,897</b>	<b>1,582,071</b>	<b>1,614,015</b>	<b>1,690,814</b>
<b>Expenditure</b>											
Employee related costs	2	466,809	511,375	541,016	556,029	534,708	534,708	534,708	568,345	563,428	591,025
Remuneration of councillors		27,393	28,252	28,613	34,079	34,079	34,079	34,079	35,149	38,114	41,030
Bulk purchases - electricity	2	315,811	322,020	387,729	452,820	452,820	452,820	452,820	479,989	520,113	544,558
Inventory consumed	8	15,513	10,130	30,406	20,509	27,808	27,808	27,808	28,261	26,011	27,234
Debt impairment	3	117,036	17,848	19,898	15,000	15,000	15,000	15,000	15,810	16,568	17,348
Depreciation and amortisation		213,126	164,836	160,799	158,272	158,272	158,272	158,272	157,347	181,307	189,828
Interest		36,296	35,298	18,912	18,912	6,553	6,553	6,553	8,553	7,190	7,528
Contracted services		68,074	79,563	76,213	44,801	52,135	52,135	52,135	106,882	100,140	104,869
Transfers and subsidies		1,393	826	37,698	500	380	380	380	500	1,572	1,649
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		142,845	165,067	186,544	125,003	135,070	135,070	135,070	151,107	188,131	197,045
Losses on disposal of Assets		-	-	18,462	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1,404,295</b>	<b>1,336,314</b>	<b>1,507,280</b>	<b>1,425,926</b>	<b>1,416,826</b>	<b>1,416,826</b>	<b>1,416,826</b>	<b>1,559,390</b>	<b>1,643,575</b>	<b>1,722,115</b>
<b>Surplus/(Deficit)</b>		<b>(207,100)</b>	<b>(20,625)</b>	<b>(59,890)</b>	<b>(1,285)</b>	<b>38,071</b>	<b>38,071</b>	<b>55,071</b>	<b>22,681</b>	<b>(29,560)</b>	<b>(31,301)</b>
Transfers and subsidies - capital (monetary)	6	158,414	109,493	112,858	229,801	302,046	302,046	302,046	196,106	162,517	171,510
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(48,686)</b>	<b>88,868</b>	<b>52,968</b>	<b>228,516</b>	<b>340,117</b>	<b>340,117</b>	<b>357,117</b>	<b>218,786</b>	<b>132,957</b>	<b>140,209</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>(48,686)</b>	<b>88,868</b>	<b>52,968</b>	<b>228,516</b>	<b>340,117</b>	<b>340,117</b>	<b>357,117</b>	<b>218,786</b>	<b>132,957</b>	<b>140,209</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(48,686)</b>	<b>88,868</b>	<b>52,968</b>	<b>228,516</b>	<b>340,117</b>	<b>340,117</b>	<b>357,117</b>	<b>218,786</b>	<b>132,957</b>	<b>140,209</b>
Share of Surplus/Deficit attributable to Associates		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>(48,686)</b>	<b>88,868</b>	<b>52,968</b>	<b>228,516</b>	<b>340,117</b>	<b>340,117</b>	<b>357,117</b>	<b>218,786</b>	<b>132,957</b>	<b>140,209</b>



**Table 13 MBRR Table A5 - Budgeted Capital Expenditure Standard Classification, and Funding Source**

EC157 King Sabata Dalindyebo - Table A5 Capital Expenditure by Standard Classification and Funding Sources										
Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>	-	-	-	2 597	3 801	3 801	3 801	8 771	1 838	1 956
Executive and council	-	-	-	-	-	-	-	1 200	367	384
Finance and administration	-	-	-	2 597	3 801	3 801	3 801	7 541	1 471	1 572
Internal audit	-	-	-	-	-	-	-	30	-	-
<b>Community and public safety</b>	50 172	58 220	74 445	116 904	176 056	176 056	176 056	70 310	1 111	1 163
Community and social services	-	-	1 896	150	361	361	361	100	-	-
Sport and recreation	-	-	-	-	769	769	769	1 000	-	-
Public safety	-	-	-	3 000	-	-	-	1 210	1 111	1 163
Housing	50 172	58 220	72 549	113 754	174 926	174 926	174 926	68 030	-	-
Health	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	75 523	36 822	57 192	114 471	137 463	137 463	137 463	129 606	113 750	113 329
Planning and development	-	-	-	45 826	19 741	19 741	19 741	11 598	19 269	20 290
Road transport	75 523	36 822	57 192	68 645	117 722	117 722	117 722	118 008	94 481	93 038
Environmental protection	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	52 162	29 441	26 949	4 945	23 318	23 318	23 318	9 000	187	196
Energy sources	52 162	29 441	26 949	3 195	21 568	21 568	21 568	5 000	187	196
Water management	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	1 750	1 750	1 750	1 750	4 000	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>177 857</b>	<b>124 483</b>	<b>158 585</b>	<b>238 918</b>	<b>340 638</b>	<b>340 638</b>	<b>340 638</b>	<b>217 686</b>	<b>116 887</b>	<b>116 643</b>
<b>Funded by:</b>										
National Government	94 747	42 471	47 411	97 046	97 046	97 046	97 046	98 106	113 750	113 329
Provincial Government	72 554	82 012	100 843	132 754	204 999	204 999	204 999	98 000	-	-
District Municipality	10 555	-	10 330	-	3 373	3 373	3 373	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	11 700	11 700	11 700	-	-	-
<b>Transfers recognised - capital</b>	<b>177 857</b>	<b>124 483</b>	<b>158 585</b>	<b>229 801</b>	<b>317 118</b>	<b>317 118</b>	<b>317 118</b>	<b>196 106</b>	<b>113 750</b>	<b>113 329</b>
<b>Borrowing</b>	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	-	-	-	9 117	8 520	8 520	8 520	21 581	3 136	3 315
<b>Total Capital Funding</b>	<b>177 857</b>	<b>124 483</b>	<b>158 585</b>	<b>238 918</b>	<b>325 638</b>	<b>325 638</b>	<b>325 638</b>	<b>217 686</b>	<b>116 887</b>	<b>116 643</b>

**Table 14 MBRR Table A6 - Budgeted Financial Position**

EC157 King Sabata Dalindyebo - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		26,309	49,543	16,230	188,071	162,264	162,264	162,264	115,219	262,549	423,542
Trade and other receivables from exchange transactions	1	43,981	53,325	(247,691)	(231,179)	(213,296)	(213,296)	(213,296)	106,495	143,988	181,149
Receivables from non-exchange transactions	1	-	-	-	-	-	-	-	65,983	75,801	86,079
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	137,112	140,581	195,948	137,935	138,000	138,000	138,000	195,948	195,948	195,948
VAT		330,784	(31,402)	(21,488)	407,714	407,714	407,714	407,714	24,912	24,912	24,912
Other current assets		10,556	269	(125)	5,281	5,281	5,281	5,281	(125)	(125)	(125)
<b>Total current assets</b>		<b>548,743</b>	<b>212,315</b>	<b>(57,126)</b>	<b>507,821</b>	<b>499,962</b>	<b>499,962</b>	<b>499,962</b>	<b>510,432</b>	<b>703,072</b>	<b>911,535</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		202,453	333,329	336,204,880.00	215,163	215,163	215,163	215,163	336,205	336,205	336,205
Property, plant and equipment	3	2,184,015	3,500,240	2,284,788	2,243,662	2,345,781	2,345,781	2,345,781	2,255,358	2,195,675	2,127,450
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201
Intangible assets		(476)	1,766	1,177	1,766	1,766	1,766	1,766	1,177	1,177	1,177
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>2,389,193</b>	<b>3,838,536</b>	<b>2,625,371</b>	<b>2,463,792</b>	<b>2,565,911</b>	<b>2,565,911</b>	<b>2,565,911</b>	<b>2,595,941</b>	<b>2,536,258</b>	<b>2,468,033</b>
<b>TOTAL ASSETS</b>		<b>2,937,936</b>	<b>4,050,851</b>	<b>2,568,245</b>	<b>2,971,613</b>	<b>3,065,873</b>	<b>3,065,873</b>	<b>3,065,873</b>	<b>3,106,373</b>	<b>3,239,330</b>	<b>3,379,538</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		24,561	26,419	29,531	26,419	26,419	26,419	26,419	29,531	29,531	29,531
Consumer deposits		21,337	24,324	25,786	24,324	24,324	24,324	24,324	25,786	25,786	25,786
Trade and other payables from exchange transactions	4	386,667	353,685	380,796	371,369	371,369	371,369	371,369	380,875	380,875	380,875
Trade and other payables from non-exchange transactions	5	12,705	22,095	15,707	17,686	17,686	17,686	17,686	17,452	17,452	17,452
Provision	3	3	3	3	3	3	3	3	3	3	3
VAT		322,555	(25,361)	(7,150)	414,349	414,349	414,349	414,349	39,250	39,250	39,250
Other current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>767,818</b>	<b>401,164</b>	<b>444,672</b>	<b>854,139</b>	<b>854,139</b>	<b>854,139</b>	<b>854,139</b>	<b>492,897</b>	<b>492,897</b>	<b>492,897</b>
<b>Non current liabilities</b>											
Financial liabilities	6	49,348	27,049	12,908	41,004	41,004	41,004	41,004	12,908	12,908	12,908
Provision	7	50,575	51,700	56,060	51,700	51,700	51,700	51,700	56,060	56,060	56,060
Long term portion of trade payables		(0)	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>99,923</b>	<b>78,750</b>	<b>68,967</b>	<b>92,704</b>	<b>92,704</b>	<b>92,704</b>	<b>92,704</b>	<b>68,967</b>	<b>68,967</b>	<b>68,967</b>
<b>TOTAL LIABILITIES</b>		<b>867,741</b>	<b>479,914</b>	<b>513,640</b>	<b>946,843</b>	<b>946,843</b>	<b>946,843</b>	<b>946,843</b>	<b>561,864</b>	<b>561,864</b>	<b>561,864</b>
<b>NET ASSETS</b>		<b>2,070,195</b>	<b>3,570,937</b>	<b>2,054,605</b>	<b>2,024,770</b>	<b>2,119,029</b>	<b>2,119,029</b>	<b>2,119,029</b>	<b>2,544,508</b>	<b>2,677,465</b>	<b>2,817,674</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	1,232,597	2,613,298	1,868,309	2,107,179	2,291,476	2,291,476	2,308,476	2,017,247	2,150,204	2,286,531
Reserves and funds	9	269,623	387,822	531,143	269,656	269,656	269,656	269,656	531,143	531,143	664,101
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>1,502,220</b>	<b>3,001,121</b>	<b>2,419,452</b>	<b>2,376,835</b>	<b>2,561,132</b>	<b>2,561,132</b>	<b>2,578,132</b>	<b>2,548,390</b>	<b>2,681,347</b>	<b>2,950,631</b>

Table 15 MBRR Table A7 - Budgeted Cash Flow Statement

## EC157 King Sabata Dalindyebo - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		355,117	14,448	844	283,783	-	283,783	283,783	324,123	339,361	355,311
Service charges		392,392	192,400	195,738	583,543	-	583,543	583,543	651,112	692,076	724,603
Other revenue		35,586	34,944	51,124	71,094	1,691,579	71,094	71,094	95,911	73,773	77,243
Transfers and Subsidies - Operational	1	201,146	436,318	374,558	428,969	-	428,969	428,969	456,607	468,672	491,637
Transfers and Subsidies - Capital	1	82,517	60,048	1,983	226,606	-	299,478	299,478	196,106	162,517	171,510
Interest		-	-	-	-	-	-	-	1,380	1,500	1,570
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		-	(504,736)	(935,327)	(1,230,788)	(1,232,430)	(1,230,788)	(1,230,788)	(1,367,733)	(1,435,126)	(1,503,869)
Finance charges		-	(2,000)	(341,421)	(6,553)	(6,553)	(6,553)	(6,553)	(16,000)	(7,190)	(7,528)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1,066,757</b>	<b>231,422</b>	<b>(652,501)</b>	<b>356,654</b>	<b>452,595</b>	<b>429,526</b>	<b>429,526</b>	<b>341,506</b>	<b>295,582</b>	<b>310,476</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	-	-	-	-	-	-	(217,686)	(121,624)	(121,603)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(1,033)</b>	<b>(39)</b>	<b>(105,334)</b>	<b>(239,038)</b>	<b>(0)</b>	<b>(311,910)</b>	<b>(311,910)</b>	<b>(217,686)</b>	<b>(121,624)</b>	<b>(121,603)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1,065,724</b>	<b>231,383</b>	<b>(757,836)</b>	<b>117,616</b>	<b>452,595</b>	<b>117,616</b>	<b>117,616</b>	<b>123,819</b>	<b>173,958</b>	<b>188,873</b>
Cash/cash equivalents at the year begin:	2	23,562	81,624	106,649	58,428	58,428	58,428	58,428	16,750	140,569	314,527
Cash/cash equivalents at the year end:	2	471,060	556,656	729,621	54,019	1,460,869	54,019	54,019	140,569	314,527	503,401

**Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

EC157 King Sabata Dalindyebo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	471,060	556,656	729,621	54,019	1,460,869	54,019	54,019	140,569	314,527	503,401
Other current investments > 90 days		(400,769)	(453,789)	(961,081)	(97,127)	(1,511,902)	(105,052)	(105,052)	83,144	92,009	101,291
Investments - Property, plant and equipment	1	2,184,015	3,500,240	2,284,788	2,243,662	2,345,781	2,345,781	2,345,781	2,255,358	2,195,675	2,127,450
<b>Cash and investments available:</b>		<b>2,254,306</b>	<b>3,603,107</b>	<b>2,053,327</b>	<b>2,200,554</b>	<b>2,294,749</b>	<b>2,294,749</b>	<b>2,294,749</b>	<b>2,479,071</b>	<b>2,602,211</b>	<b>2,732,141</b>
<b>Application of cash and investments</b>											
Trade payables from Non-ex change transactions:	0	(0)	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	386,657	299,356	325,305	242,305	139,939	242,976	243,816	158,789	156,449	154,900
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>386,657</b>	<b>299,356</b>	<b>325,305</b>	<b>242,305</b>	<b>139,939</b>	<b>242,976</b>	<b>243,816</b>	<b>158,789</b>	<b>156,449</b>	<b>154,900</b>
<b>Surplus(shortfall)</b>		<b>1,867,648</b>	<b>3,303,752</b>	<b>1,728,022</b>	<b>1,958,249</b>	<b>2,154,810</b>	<b>2,051,773</b>	<b>2,050,933</b>	<b>2,320,282</b>	<b>2,445,762</b>	<b>2,577,241</b>

It should be noted the municipality has been experiencing several challenges including but not limited to:

- Limited revenue base and high expenditure on legal costs.

The municipality has developed and approved a turnaround plan and financial recovery plan which is expected to turnaround the situation.



Table 17 MBRR Table A9 - Asset Management

King Sabata Dalindyebo - Table A9 Asset Management										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	62,758	82,183	96,809	180,838	244,378	244,378	124,930	16,464	17,349
Roads Infrastructure		128	-	12,960	39,420	37,704	37,704	36,949	13,328	14,035
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		11,720	21,237	9,404	5,878	20,211	20,211	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	1,000	1,000	1,000	3,750	-	-
Infrastructure		11,848	21,237	22,364	46,298	58,916	58,916	40,699	13,328	14,035
Community Facilities		739	2,726	1,896	3,750	4,468	4,468	2,500	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		739	2,726	1,896	3,750	4,468	4,468	2,500	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		50,172	58,220	72,549	113,754	174,926	174,926	68,000	-	-
Other Assets		50,172	58,220	72,549	113,754	174,926	174,926	68,000	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	580	1,949	1,949	1,880	255	298
Furniture and Office Equipment		-	-	-	4,280	1,201	1,201	2,655	1,368	1,432
Machinery and Equipment		-	-	-	9,173	2,869	2,869	9,196	1,514	1,585
Transport Assets		-	-	-	3,000	50	50	-	-	-
<b>Total Renewal of Existing Assets</b>	2	115,099	42,300	59,565	56,362	93,702	93,702	92,457	100,422	99,294
Roads Infrastructure		73,491	34,096	44,231	56,362	82,002	82,002	91,157	100,422	99,294
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		41,607	8,204	15,334	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		115,099	42,300	59,565	56,362	82,002	82,002	91,157	100,422	99,294
Community Facilities		-	-	-	-	11,700	11,700	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	11,700	11,700	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	1,300	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	-	-	2,211	1,720	3,076	3,076	300	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	2,211	-	1,356	1,356	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	2,211	-	1,356	1,356	-	-	-
Community Facilities		-	-	-	1,720	1,720	1,720	300	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	1,720	1,720	1,720	300	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	177,857	124,483	158,585	238,918	341,157	341,157	217,686	116,887	116,643
Roads Infrastructure		73,620	34,096	57,192	95,782	119,707	119,707	128,106	113,750	113,329
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		53,327	29,441	26,949	5,878	21,588	21,588	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	1,000	1,000	1,000	3,750	-	-
Community Facilities		739	2,726	1,896	5,470	17,888	17,888	2,800	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		739	2,726	1,896	5,470	17,888	17,888	2,800	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		50,172	58,220	72,549	113,754	174,926	174,926	68,000	-	-
Other Assets		50,172	58,220	72,549	113,754	174,926	174,926	68,000	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		2,415,986	3,936,556	2,584,902	2,592,531	2,623,140	2,623,140	2,703,046	2,648,699	-
Furniture and Office Equipment		-	-	(87,370)	(6,843)	(6,843)	(6,843)	(7,213)	(15,052)	-
Machinery and Equipment		595,917	583,283	640,946	528,592	531,964	531,964	587,725	560,817	-
Living Resources		243	16,461	16,817	13,319	13,299	13,299	15,023	9,813	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		177,857	124,483	158,585	238,918	341,157	341,157	217,686	116,887	116,643

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	2,266,018	3,766,003	2,498,347	2,146,164	2,290,232	2,290,232	2,466,796	2,311,310	2,142,637
<i>Roads Infrastructure</i>		2,415,986	3,936,556	2,584,902	2,592,531	2,623,140	2,623,140	2,703,046	2,648,699	2,585,888
<i>Storm water Infrastructure</i>		-	-	(87,370)	(6,843)	(6,843)	(6,843)	(7,213)	(15,052)	(23,260)
<i>Electrical Infrastructure</i>		595,017	583,283	640,946	528,592	531,964	531,964	587,725	560,817	532,644
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		243	16,461	16,817	13,319	13,299	13,299	15,023	9,813	4,358
<b>Infrastructure</b>		<b>3,011,246</b>	<b>4,536,300</b>	<b>3,155,295</b>	<b>3,127,598</b>	<b>3,161,559</b>	<b>3,161,559</b>	<b>3,298,581</b>	<b>3,204,277</b>	<b>3,099,630</b>
		(476)	1,766	1,177	1,766	1,766	1,766	1,177	1,177	-
<b>Community Assets</b>		388,669	388,973	392,799	389,073	389,073	389,073	392,899	395,519	398,262
<b>Heritage Assets</b>		3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201	3,201
		25,122	30,793	33,574	40,722	33,810	33,810	46,811	49,414	-
		(70,066)	(101,450)	(89,769)	(97,764)	(99,494)	(99,494)	(117,560)	(117,560)	-
<b>Investment properties</b>		<b>202,453</b>	<b>333,329</b>	<b>336,205</b>	<b>215,163</b>	<b>215,163</b>	<b>215,163</b>	<b>336,205</b>	<b>336,205</b>	<b>336,205</b>
		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>(1,790,300)</b>	<b>(1,923,903)</b>	<b>(1,863,423)</b>	<b>(2,031,568)</b>	<b>(1,928,228)</b>	<b>(1,928,228)</b>	<b>(1,965,092)</b>	<b>(2,032,889)</b>	<b>(2,103,873)</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
		(476)	1,766	1,177	1,766	1,766	1,766	1,177	1,177	1,177
<b>Intangible Assets</b>		<b>6,965</b>	<b>7,751</b>	<b>6,853</b>	<b>7,810</b>	<b>23,220</b>	<b>23,220</b>	<b>7,314</b>	<b>7,868</b>	<b>8,448</b>
<b>Computer Equipment</b>		<b>152,489</b>	<b>154,757</b>	<b>152,315</b>	<b>155,679</b>	<b>155,677</b>	<b>155,677</b>	<b>180,217</b>	<b>181,055</b>	<b>181,933</b>
<b>Furniture and Office Equipment</b>		<b>25,122</b>	<b>30,793</b>	<b>33,574</b>	<b>40,722</b>	<b>33,810</b>	<b>33,810</b>	<b>46,811</b>	<b>49,414</b>	<b>52,171</b>
<b>Machinery and Equipment</b>		<b>(70,066)</b>	<b>(101,450)</b>	<b>(89,769)</b>	<b>(97,764)</b>	<b>(99,494)</b>	<b>(99,494)</b>	<b>(117,560)</b>	<b>(117,560)</b>	<b>(117,560)</b>
<b>Transport Assets</b>		<b>336,715</b>	<b>334,485</b>	<b>370,119</b>	<b>334,485</b>	<b>334,485</b>	<b>334,485</b>	<b>283,043</b>	<b>283,043</b>	<b>283,043</b>
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>2,266,018</b>	<b>3,766,003</b>	<b>2,498,347</b>	<b>2,146,164</b>	<b>2,290,232</b>	<b>2,290,232</b>	<b>2,466,796</b>	<b>2,311,310</b>	<b>2,142,637</b>

**Table 18 MBRR Table A10 - Basic Service Delivery Measurement**

EC157 King Sabata Dalindyebo - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
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>		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	8,000	8,000	8,000	8,432	9,164	-
Refuse (removed once a week for indigent households)		-	-	-	9,000	9,000	9,000	9,486	9,885	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>	8	-	-	-	17,000	17,000	17,000	17,918	19,049	-

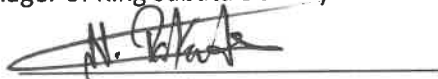
#### 2.4. Municipal manager's quality certificate

I NGAMELA PAKADE, Municipal Manager of King Sabata Dalindyebo, hereby certify that the draft 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 draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Ngamela Pakade

Municipal Manager of King Sabata Dalindyebo Municipality (EC 157)

Signature:



Date:

31/03/2023



**ESTIMATES OF INCOME AND  
EXPENDITURE- TARIFFS  
AS FROM 01 JULY 2023**

**2022/2023**

**2023/2024**

<b>PROPERTY PRATES AND LEVIES</b>				
<b>Proposed increment 2023/2024 5.3 %</b>				
<b>General Rate</b>				
Residential Properties (cents in a Rand)	0,84669	Cents in a Rand	0,84923	Cents in a Rand
Business and Commercial Properties (cents in a Rand)	1,69339	Cents in a Rand	1,78313	Cents in a Rand
Properties owned by organ of state & used For PSP	2,32841	Cents in a Rand	2,45181	Cents in a Rand
Agricultural Properties (cents in a Rand)	0,21317	Cents in a Rand	0,22446	Cents in a Rand
PSI (cents in a Rand)	0,21317	Cents in a Rand	0,22446	Cents in a Rand
Public Benefit Organisation	0,21317	Cents in a Rand	0,22446	Cents in a Rand
Parking Development Rate (cents in a Rand)	0,26166	Cents in a Rand	0,27553	Cents in a Rand
			0,00000	
<b>Fire Levy</b>			0,00000	
Domestic - Per annum	428,26		450,96190	
Business/ Commercial Per Annum	770,90		811,75955	

Tariffs for residential property rates has been increased by 3% due to the fact that, the R45 000 secondary rebate will be removed,

to avoid drastic increase in property rates billing.

Currently total number of residential properties in Mthatha  $13\,298 \times 45\,000 = R598\,410\,000.00$

total number of residential properties in Mqanduli  $540 \times 45\,000 = R24\,300\,000.00$   
 $= R622\,710\,000.00$

Property rates amount using new tariff  $(0,84923 \times R622\,710\,000.00 = R5\,288\,240.00$

Impact on each property  $45\,000 \times 0,84923 \text{ cents} = R382,15$

Property rates will increase by R5 288 240.00 before applying tariff increase on residential properties.

**ELECTRICITY TARIFF 2023/2024**

**Proposed  
increment at  
6 %**

ITEM NO	TARIFF DESCRIPTION	2022/2023	2023/2024
	<b>ELECTRICITY TARIFFS</b>		
<b>1</b>	<b>Domestic Prepayment</b>		
1,1	Tariff 1	222,83	224,17
1,2	Tariff 2 (Indigent)	181,75	182,84
<b>2</b>	<b>COMMERCIAL TARIFFS</b>		
<b>2,1</b>	<b>Commercial Conventional</b>		
	Energy Charge	248,94	250,43
	Basic Charge	559,26	562,62
<b>2,2</b>	<b>Commercial Conventional 3 Phase (40A-60A)</b>		
	Energy Charge	283,45	285,15
	Basic Charge	559,26	562,62
<b>2,3</b>	<b>Commercial Prepayment</b>		
	Tariff 3 (small) energy charge	301,09	302,90
	Tariff 4 (big) energy charge	301,09	302,90
			-
<b>3</b>	<b>INDUSTRIAL TARIFFS</b>		-
<b>3,1</b>	<b>Industrial low: ≤ 100KVA</b>		-
	Energy charge	135,72	136,53
	Basic charge	939,20	1950,84
	Demand charge/ KVA	396,19	398,57
<b>3,2</b>	<b>Industrial high: ≥ 100KVA</b>		0,00

	Energy charge	97,00	97,58
	Basic charge	699,21 <sup>1</sup>	1709,41
	Demand charge	412,43	414,90
			-
	Notified Maximum Demand multiplied by KVA tariff rate	29,44	29,62

Proposed tarrif 6%

<b>CONSUMER DEPOSITS</b>		
<b>CHARGES FOR SERVICES RENDERED</b>	<b>2022/2023</b>	<b>2023/2024</b>
Call out during working hours	573,74	0,00
Call out after hours	824,10	0,00
Disconnect at request of consumer	562,79	0,00
Disconnect for improper use of service or illegal connection	1025,25	0,00
Disconnect for nonpayment of account	840,10	0,00
	<b>2022/2023</b>	<b>2023/2024</b>
Testing of meters:		
By Council	75,48	0,00
By independent party	Cost plus 20%	Cost plus 20%
Special reading of meter at customer's request	567,49	0,00
<b><u>Damage of meters and/ seals, or bypassing of prepayment meters</u></b>		
<b>Meters</b>		
Prepayment/ conventional - Domestic	3870,39	0,00
Commercial prepayment/ Conventional	5621,30	0,00

Inspection/test of installation after failure of first inspection		0,00
Damage to municipal electrical supply equipment and/cables	5516,03	0,00
Hire Crane Truck 28T/M	1484,80	0,00
Medium Crane Truck 5T/M	732,73	0,00
Earth leakage test	1518,67	0,00
HV fault location	1966,03	0,00
LV fault location	1888,65	0,00
Oil filtering	1293,75	0,00
Oil test	1293,75	0,00
Sales Meters		
CATEGORY		
Conventional - Single Phase	1414,65	0,00
Conventional - Three Phase	8387,99	0,00
Prepaid - Single Phase	1414,65	0,00
Prepaid -Three Phase	3807,13	0,00
Terminal Block	509,17	0,00
Terminal Cover	509,17	0,00
Keypad	509,17	0,00
<b>NEW INSTALLATIONS</b>		
Cable connection	469,59	0,00
Upgrade	Charge difference + cost	Charge difference + cost
Connection Fee	234,70	0,00

3,0	<b>SOLID WASTE : Proposed increment 5.3 %</b>	<b>2022/2023</b>	<b>2023/2024</b>	
	Refuse Removal : Full Level of Service			
	Annual Charges			
3.1.1	Domestic (2 bags or bins once per week)	3 052,99	214,80 <sup>3</sup>	
3.1.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	6 140,85	466,32 <sup>6</sup>	
	Commercial/Industrial/Institutional (more than 2 plastic bags per week)		11 652,64	New
3.1.3	Per additional bag or bin	3 052,99	214,80 <sup>3</sup>	
3.1.4	Per additional service removal per week	6 140,85	466,32 <sup>6</sup>	
3.1.5	240 L Bin rental per annum	-	-	
3.1.6	Emptying charge of 240L bin per annum	-	-	
3.1.7	Student accomodation and BnB's (per annum)		11 652,64	New
	Any household operating as business without any rezoning certificate (per annum)		11 652,64	New
4,2	Refuse Removal : Full Level of Service	-	0	
	Monthly Charges	257,55	271,20	
4.2.1	Domestic (2 bags or bins once per week)	6,34	6,68	
4.2.2	Commercial/Industrial/Institutional (2 bins or bags once per week)	257,55	271,20	
4.2.3	Per additional bag or bin	517,98	545,43	
4.2.4	Per additional service removal per week	-	-	
4.2.5	240L Bin rental per month	17,72	18,66	
4.2.6	240L Bin Clearance / per bin	36,91	38,87	
4.2.7	Emptying charge of 240L bin : Household per month	147,32	155,13	
4.2.8	Student accomodation and BnB's per month		971,05	New
4.2.9	Any household operating as business without any rezoning certificate per month		971,05	New
4.2.10	Commercial/Industrial/Institutional (more than 2 plastic bags per week)		971,05	New
4.2.11	Hawkers & Vendors per month		4,35	New
4,3	Refuse Removal : Basic Level of Service	-	-	
	Annual Charges	-	-	
4.3.1	Domestic	1 744,56	837,02 <sup>1</sup>	
4.3.2	Business/Industry	4 082,26	298,62 <sup>4</sup>	
4.3.3	Government Institutions	4 082,26	298,62 <sup>4</sup>	
4.3.4	Coffee Bay & Hole-in-the-Wall	4 082,26	298,62 <sup>4</sup>	

4,4	Refuse Removal : Basic Level of Service	-	-	
	Monthly Charges	-	-	
4.4.1	Domestic	147,32	155,13	
4.4.2	Business/Industry	343,69	361,90	
4.4.3	Government Institutions	343,69	361,90	
		-	-	
4,5	Sales	-	-	
4.5.1	240L Refuse bins (each)	856,34	901,73	
4.5.2	Plastic Refuse Bags (per pack)	-	-	
		-	-	
4,6	Skips	-	-	
4.6.1	Rental per skip per month	1 151,24	212,25 <sup>1</sup>	
4.6.2	Rental per skip per year	13 655,34	14 379,07	
4.6.3	Charge per clearance of skip	810,27	853,22	
		-	-	
4,7	Excess Refuse	-	-	
4.7.1	Garden Refuse (per 2.5lt load)	485,47	511,20	
4.7.2	Removal of scrap vehicles (per vehicle load)	679,74	715,77	
4.7.3	Hire of skip container per day : Garden Refuse / Excess	369,04	388,60	
4,8	Penalty for Illegal Dumping : Proposed increment at 4.6%	-	-	
4.8.1	Garden and/ or domestic refuse	537,90	566,41	
4,9	Trolley Bins	-	-	
4.9.1	Rental (per bin per month)	537,90	566,41	
4.9.2	Charge per clearance	537,90	566,41	
			-	
4,1	Disposal Charges to Mthatha & Mqanduli Landfill Site: Weigh Bridge			-
4.10.1	Domestic & Trade Waste per tonne	73,82	77,74	
4.10.2	Rubble or concrete per tonne	36,91	38,87	
4.10.3	Material suitable to be used for cover	free		
			-	
4,11	Disposal Charges to Mthatha & Mqanduli Site: Not Weighed			-

4.11.1	Small vehicle up to 1 tonne load capacity	66,44	69,96	
4.11.2	3 - 4 tonne vehicle	265,76	279,85	
4.11.3	5 - 8 tonne vehicle	369,11	388,68	
			-	
	Special disposal		-	
4.11.4	Pit disposal		217,39	New
4.11.5	Small Carcass (dogs, sheep and any other related size)		95,65	New
	Any size greater than above Horse,Cows etc.		173,91	New
		-	0,00	
4.12	Garden Waste	-	0,00	
4.12.1	Clean Greens per tonne	29,53	31,09	
4.12.2	Any other green material including tree trunks per tonne	48,72	51,31	
		-	0,00	
4.13	Permits	-	0,00	
		-	0,00	
4.13.1	Domestic Solid Waste Handling Permit per vehicle per annum	738,22	777,35	
4.13.2	Illegal dumping fine		4347,83	New
4.13.3				

5.0	<b>PARKS AND RECREATION Proposed increment at 5,3%</b>	<b>2022/2023</b>	<b>2023/2024</b>	
5.1	<b>Recreation Grounds</b>			
5.1.1	<b>Deposits</b>			
5.1.1	2010 Wcup Stadium - With Gate Collection	8 484,52	9 757,20	
5.1.2	Rotary With Gate Collection	2 061,09	2 370,26	
5.1.2	Rotary Without Gate Collection	1 718,98	1 976,83	
5.1.2.1	<b>Rental (per day)</b>	-	-	
5.1.2.2	Premier Division	10 682,44	12 284,81	
5.1.2.3	Hire per day (1st Division/Festival	7 590,84	8 729,46	
5.1.2.4	(2nd Division)	6 389,92	7 348,41	
5.1.2.5	(3rd Division)	4 021,63	4 624,87	
	Vodacom	859,49	988,41	
	Castle	733,11	843,08	
5.1.2.7	Overtime per hour (All Sports facilities and boardrooms)		238,26	N

5.1.2.8	Use of upper foyer downstairs foyer and VIP area ( per day)		2 173,91	New
5.1.2.9	Use of conference room B52, B60 and open space (per day)		1 739,13	New
5.1.2.10	Use of Queens park per day		1 739,13	New
5.1.2.11	Utilisation of Mqanduli park per day		695,65	New
5.1.2.12	Overtime per hour for use of Mqanduli and Queens park		238,26	New
5.1.2.13	Floodlights per hour (Minimum of 3hours)		434,78	New
	<b>Mqanduli Stadium</b>	733,11	771,97	
<b>5,2</b>	Without gate collection - deposit/ hire	1 718,98	1 810,09	
5.2.1	<b>Cemeteries : Proposed increment at 3.9%</b>		-	
5.2.1.1	<b>Graves</b>		-	
5.2.1.2	Per Adult burial (Umtata)	1 362,40	1 434,61	
5.2.1.3	Per Child burial (Umtata)	765,04	805,59	
5.2.2	Per Adult or Child (Mqanduli -site only)	68,71	72,35	
	<b>Sale of Caskets (each)</b>	1 938,80	2 041,56	
			-	
<b>5,3</b>			-	
5.3.1	<b>Swimming Pools</b>		-	
5.3.1.1	<b>Sutherland Street</b>		-	
5.3.1.2	Adults per session	31,44	33,11	
5.3.1.3	Children per session	13,62	14,35	
	Group session (outside pool hours-per hour)		-	
			-	
5.3.2			-	
5.3.2.1	<b>Ngangelizwe</b>		-	
5.3.2.2	Adults (per session)	13,56	14,28	
5.3.2.3	Children (per session)	7,55	7,95	
<b>5,4</b>		-	-	
5.4.1	<b>Horticulture (Hire of Plants)</b>	-	-	
5.4.2	10-20 plants	381,26	401,47	
5.4.3	21-30 plants	413,33	435,24	
5.4.4	31-40 plants	446,85	470,53	
5.4.5	41-50 plants	524,00	551,77	
5.4.6	51-75 plants	576,40	606,95	
5.4.7		-	-	



5.4.8	<b>Penalty for Illegal Dumping : Proposed increment at 7%</b>	-	-	
5.4.9	Garden and/ or domestic refuse	523,87	551,64	
5.4.10	<b>Trolley Bins</b>	-	-	
5.4.11	Rental (per bin per month)	523,87	551,64	
5.4.7	Charge per clearance	520,91	548,51	
			-	
			-	
<b>5,5</b>	<b>COMMONAGE</b>		-	
	Grazing fees: per beast per month	3,29	3,47	
	Lantyi	26,33	27,72	
	Wood sales: head load	0,98	1,03	
	Wood sale: Van load	49,36	51,98	
	Wood sale: sledge	32,91	34,65	
	Tractor or Truck load	82,27	86,63	
	Wood sales: Whole tree	206,39	217,33	
	Poles/ ipali	22,52	23,71	
	One bundle- Grass	7,22	7,60	
	Sabunga: Truck load	108,25	113,98	
	<b>Pound fees: Mqanduli</b>	-	-	
	Goat and sheep each	14,43	15,20	
	Livestock each	28,87	30,40	
	Animal pound fees horse , donkie,cows,bull,heifers basic charge		191,30	New
	Sheep and goat basic charge		118,26	New
	Storage fee for big animals per day		85,22	New
	Storage fee for sheep and goat per day		41,74	New
	<b>OVERGROWN ERVEN</b>			
	Mowing of grass with a tractor and brush cutter per square meter		0,50	New
	Mowing of grass with a weedeater per square meter		0,70	New
	Cutting and bushing of weeds and clearing of woody brushes per square meter		120,00	New

<b>Proposed increment at 5.3 %</b>			
<b>8</b>	<b>ROADS AND WORKS</b>	<b>2022/2023</b>	<b>2023/2024</b>

<b>8,1</b>	<b>Vehicle Crossing (Kerb &amp; Channel only)</b>			
8.1.1	Standard dish type per square meter	4 023,90	4 237,17	
8.1.2	Bridge Crossing	3 887,05	4 093,06	
8.1.3	Bollards	422,9	445,31	
<b>8,2</b>	<b>Premix Pavement Construction</b>		-	
8.2.1	Premix Pavement Construction (25mm thick)	425,85	448,42	
8.2.2	Re-instatement of trenches	12 546,39	13 211,35	
8.2.3	Sale of Premix	13 177,60	13 876,01	
8.2.4	Sale of Sabunga	60,93	64,16	
<b>8,3</b>	<b>Cartage Charges (construction)</b>		-	
8.3.1	Removal of Builder's Rubble/Spoil (per 5m load or part thereof)	2 092,58	2 203,49	
<b>9</b>	<b>CIVIL PROTECTION</b>		0,00	
<b>9,1</b>	<b>PERMIT FOR FLAMMABLE SUBSTANCE</b>		0,00	
	Category: A - Up to 2275/25	377,59	397,60	
	" B - 2276 - 4500	452,71	476,70	
	26 kg - 45 kg		0,00	
			0,00	
	" C - 4510-22500	754,84	794,85	
	46 kg - 225 kg		0,00	
	" D - Over 22500	1 140,71	1 201,17	
<b>9,2</b>	<b>INSPECTION FEES</b>	-		
	Flammable Substances	380,48	400,65	
	L.P.G	452,71	476,70	
	Re-Inspection	452,71	476,70	
	Maximum (4 Insp.per year	3 774,55	3 974,60	
	Conveyance permit		0,00	
	Application- Approval of fire plan		0,00	
	Fire Inspection Fees		0,00	
	Issuing of compliance certificate		0,00	
			0,00	
<b>9,3</b>	<b>FIRE BRIGADE CHARGES</b>		0,00	
	Turning Charges (per call)		0,00	

	Within Municipal Area	1 132,10	1 192,10	
	Outside Municipal Area	3 775,84	3 975,96	
	Subsidiary Vehicle	757,82	797,98	
	Special Duty	1 894,55	1 994,96	
			0,00	
	<b>b) Fire fighting vehicles</b>		0,00	
	Motor pump : major	3 020,68	3 180,78	
	Motor Pump: medium	2 641,80	2 781,82	
	Motor Pump :small	2 265,52	2 385,59	
	Portable Pump	3 020,68	3 180,78	

	Turntable ladder	3 020,68	3 180,78	
	Snorkel	1 131,46	1 191,43	
	Rescue Vehicle	1 131,46	1 191,43	
	Emergency Vehicle	1 131,46	1 191,43	
			0,00	
	<b>c) Occupance or properties including Airport, charges per hour</b>		0,00	
	Low risk incidents	188,09	198,06	
	Medium risk incidents	378,53	398,59	
	High risk incidents	567,8	597,89	
	Residential -dwellings	2 115,03	2 227,13	
	Flats	2 115,03	2 227,13	
	Hotels	3 527,44	3 714,39	
	Boarding houses	2 115,03	2 227,13	
	Shacks	1 057,52	1 113,57	
	Institutional Hospitals	2 822,43	2 972,02	
	Nursing homes	2 822,43	2 972,02	
	Public assembly-churches	2 822,43	2 972,02	
	Halls	2 115,03	2 227,13	
	Cinemas	2 822,43	2 972,02	
	Theatres	2 822,43	2 972,02	
	Night clubs	2 822,43	2 972,02	
	High risk building	5 642,47	5 941,52	
	Malls	5 642,47	5 941,52	
	Stadium	5 642,47	5 941,52	
	Fun Fairs	5 642,47	5 941,52	
	Schools	2 822,43	2 972,02	
	University	5 642,47	5 941,52	

Tax Ranks	5 642,47	5 941,52	
Basement Parking	5 185,81	5 460,66	
Commercial Restaurants	2 822,43	2 972,02	
Cafes	2 822,43	2 972,02	
Offices	2 115,03	2 227,13	
Shops	2 115,03	2 227,13	
Department Stores	2 115,03	2 227,13	
Garages	5 642,47	5 941,52	
Workshops	2 822,43	2 972,02	
Outside storage	5 642,47	5 941,52	
Industry Furniture	2 822,43	2 972,02	
Industry-Plastic Rubber	5 642,47	5 941,52	
-Textile	2 822,43	2 972,02	
-Printing	2 822,43	2 972,02	
-Milling	2 822,43	2 972,02	
-Petroleum	5 642,47	5 941,52	
-Food and Drinks	2 115,03	2 227,13	
-Paper and Packaging	2 115,03	2 227,13	
-Chemicals	5 642,47	5 941,52	
-Alcaline metals	5 642,47	5 941,52	
-Metals	2 115,03	2 227,13	
-Electronics	2 115,03	2 227,13	
-LP Gas	2 822,43	2 972,02	
Transport Cars	-	2 115,03	2 227,13
Motorcycles	-	2 115,03	2 227,13
			0,00
<b>Heavy goods</b>			0,00
Vehicles	-	5 642,47	5 941,52
Hazmat vehicles	-	5 642,47	5 941,52
<b>Explosive Carrying</b>			0,00
Vehicles		5 642,47	5 941,52
Buses		5 642,47	5 941,52
Ships		2 115,03	2 227,13
Trains		2 822,43	2 972,02
Aircraft: small		5 642,47	5 941,52
Aircraft: medium		2 115,03	2 227,13

Military Aircraft	5 642,47	5 941,52	
Other-Rubbish	2 822,43	2 972,02	
Grass & Bush	2 115,03	2 227,13	
Plantations	1 057,52	1 113,57	
Crops	2 822,43	2 972,02	
Rescues-vehicle extrication	1 057,52	1 113,57	
Water rescues	2 115,03	2 227,13	
Lift rescues	2 822,43	2 972,02	
Manhole rescues	4 225,35	4 449,29	
Trapped rescues	175,06	184,34	
Fire extinguisher	352,51	371,19	
Fire hoses	423,48	445,92	
First aid for sport & recreation	423,48	445,92	
Breathing apparatus	423,48	445,92	
Refilling of pools (per water cost)	423,48	445,92	
Deep Lifting	423,48	445,92	
Flushing of stormpipes	423,48	445,92	
Spoil of oil removes (plus type of vehicle)	423,48	445,92	
Foam concentrate (plus water cost)	212,92	224,20	
<b>d) Charge per km</b>		0,00	
<b>TYPE</b>		0,00	
Motor Pump Large	80,21	84,46	
Motor Pump medium	64,11	67,51	
Motor Pump small	56,9	59,92	
Sub Vehicle	48,01	50,55	
<b>e) Standby Charges</b>		0,00	
<b>TYPE</b>		0,00	
Motor Pump	176,17	185,51	
Sub-Vehicle	69,14	72,80	
Other	176,17	185,51	
<b>f) Training fee per person</b>		0,00	
Basic fire fighting course	355,2	374,03	
Intermediate fire fighting course	419,57	441,81	
Advanced fire fighting course	534	562,30	

Basic Vehicle rescue course	534	562,30	
Fire marshal course	534	562,30	
Advanced fire safety course	534	562,30	
<b>g) Stationery supply at Fire Department</b>		0,00	
Pens	11,32	11,92	
Pencils	5,72	6,02	
Rubbers	8	8,42	
Tippex	16,22	17,08	
Rulers	8,1	8,53	
Clipboards	2,38	2,51	
Photostats per sheet	3,47	3,65	
Flimsies	347,1	365,50	
Video Film copies	145,42	153,13	
		0,00	
Old Exams questions and answers	48,38	50,94	

<b>(per copy older than one year)</b>		0,00	
a) State patients		0,00	
b) Municipal workers	342,45	360,60	
c) Natural disaster casualties		0,00	
d) Disabled patients		0,00	
e) Patients with an income of the following amount per month		0,00	
		0,00	
R 100- R 300 p.m	195,48	205,84	
R 301- R 600pm	214,54	225,91	
R 601- R900 p.m	233,62	246,00	
R901-R1200 p.m	259,62	273,38	
R1201-R1500p.m	286,06	301,22	
R1501-R1800 p.m	314,68	331,36	
R1801-R2100 p.m	343,29	361,48	
R2111-R2400 p.m	81,05	85,35	
R2401-R2700 p.m	414,81	436,79	
R2701-R3000 p.m	452,95	476,96	
R3001-R3300 p.m	500,62	527,15	
R3301-R3600 p.m	548,3	577,36	

	R3601-and up	710,4	748,05	
	f) Ammounts outside area Amount in 9,4 Plus R5,00 per km		0,00	
<b>9,4</b>	<b>CITY POLICE</b>		0,00	
9.4.1	Tow-away fees		750	
	Use or contractor		900	
			-	
9.4.2	LMV		-	
		1 036,30	1 091,22	
	With dolly wheels	635,89	669,59	
			0,00	
9.4.3	HMV	1 676,62	1 765,48	
	Low Bed	1 676,62	1 765,48	
			0,00	
9.4.4	Impounded Vehicles	280	294,84	
	Storage fees per day or Part thereof	121,1	127,52	
	Stray animal	200	210,60	
9.4.5	Damage to speed trap cable	2 765,34	2 911,90	
	Business Loading Zone	50	52,65	
9.4.6	Office accident report forms	132,00	139,00	
	Search fees on any query or Part thereof	269,79	284,09	
9.4.7	Natis search fees			
	Any query or part thereof			
	Parking metre		10 per hour	New
9.4.8	Funeral Escorts per Occasion		90	New
9.4.9	Abnormal Loads per hour or part thereof			
9.4.10	Special Parking Bays (on public roads) per		50	New
	registrated taxis at allocated areas per year			
9.4.11	Circus Triangle Bus Rank			
	Permits per bus per year			
<b>BUSINESS LICENSING TARIFFS</b>		<b>2022/2023</b>	<b>2023/2024</b>	
<b>10.5.</b>				
<b>3</b>	<b>MARKET TABLES</b>			
	1. Small Tables	47,39	49,90	

	2. Medium Tables	60,93	64,16	
	3. Big Tables	67,70	71,28	
	4. Bigger Tables	74,47	78,41	
<b>10.5.4</b>	<b>TOWN HALL STALLS</b>	-	-	
	1. Small Stalls	47,03	49,52	
	2. Medium Stalls	73,90	77,82	
	3. Big Stalls	268,73	282,97	
<b>10.5.5</b>	<b>P.P STALLS BELOW ECDC AT ELLIOT</b>	<b>2022/2023</b>	<b>2023/2024</b>	
	1. Stalls	36,08	37,99	
	1. Bona fide Farm stalls	38,97	41,03	
	2. Fruit & Vegetables	10,10	10,64	
	3. Clothes	17,32	18,24	
	4. Fruit & Vegetables (BULK)	173,19	182,37	
	5. Sprigg Street Stalls	84,28	88,75	
<b>10.5.6</b>	<b>BUSINESS FEES</b>	1 708,44	1 798,99	
	Established Businesses	2 847,40	2 998,31	annual fees
	Tailors/Dressmakers/Shoe Repairs/ Caterers/Saloons	544,44	573,29	annual fees
<b>10.5.7</b>	<b>FILIMING AND VIDEO SHOOTING</b>	<b>2022/2023</b>	<b>2023/2024</b>	
	Video Shooting per day	1048,00	1 103,54	
	Filming per day (small companies)	2096,00	2 207,09	
	Filming per hour (large companies)	419,20	441,42	

**Proposed increment at  
5.3 %**



ITEM	SERVICE	2022/2023 TOTAL R/Cents	2023/2024 TOTAL R/Cents	COMMENTS
1	<b>DEVELOPMENT PLANNING</b>			
1,1	<b>Application for consent</b>			
1.1.1	Application fee (excluding advertising)	R 2 922,81	R 3 077,72	
			R 0,00	
1,2	<b>Application for Rezoning</b>		R 0,00	
	(excluding advertising)		R 0,00	
1.2.1	Erven 0- 2500m <sup>2</sup>	R 3 115,08	R 3 280,18	
1.2.2	Erven 2501 -5 000m <sup>2</sup>	R 5 839,25	R 6 148,73	
1.2.3	Erven 5 001 -10 000m <sup>2</sup>	R 9 667,36	R 10 179,73	
1.2.4	Erven 1ha - 5ha m <sup>2</sup>	R 15 244,20	R 16 052,14	
1.2.5	Erven over 5ha m <sup>2</sup>	R 19 054,69	R 20 064,58	
			R 0,00	
1,3	<b>Application for departure</b>		R 0,00	
1.3.1	Erven smaller than 500 m <sup>2</sup>	R 939,13	R 988,91	
1.3.2	Erven 500 -750 m <sup>2</sup>	R 619,30	R 652,12	
1.3.3.	Erven larger than 750m <sup>2</sup>	R 1 242,41	R 1 308,26	
			R 0,00	
1,4	<b>Subdivision -application fees</b>		R 0,00	
1.4.1	Basic fee	R 2 127,87	R 2 240,65	
1.4.2	Charge per subdivision	R 194,11	R 204,40	
1.4.3	<b>(Remainder considered as a subdivision)</b>		<b>R 200</b>	<b>New</b>
			R 0,00	
1,5	<b>Application fee for Removal of Restriction</b>	R 1 708,44	R 1 798,99	
			R 0,00	
1,6	<b>Consolidation fee</b>	R 2 277,92	R 2 398,65	
			R 0,00	
1,7	<b>Limited Special Consent fee</b>	R 1 480,65	R 1 559,12	
			R 0,00	
1,8	<b>Application for Appeal</b>	R 3 986,36	R 4 197,64	
			R 0,00	

1,9	<b>Second Dwelling fee</b>	R 44,42	R 46,77	per square meter
			R 0,00	
	<b>Illegal Land Use Penalty Fee</b>		<b>R 5000</b>	<b>New</b>
	<b>Formalisation of existing Land Use Penalty Fee</b>		<b>R 3000</b>	<b>New</b>
1,10	<b>Application for exemptions</b>		<b>R2000</b>	<b>New</b>
			R 0,00	
1,11	<b>Zoning Certificate</b>	R 88,50	R 93,19	
1,12	<b>Spatial Development Framework Documents- CD</b>			
1.12.1	Land Use Management Scheme- Document	R 1 141,30	R 1 201,79	
1.12.2	Land Use Management Scheme- CD	R 227,95	R 240,03	
	<b>GIS SERVICES</b>			
	<b>Map products</b>			
	Surveyor General- Diagrams		<b>R15.00</b>	<b>New</b>
	Maps with Aerial Photograph			
	A0		<b>R240.00</b>	<b>New</b>
	A1		<b>R180.00</b>	<b>New</b>
	A2		<b>R95.00</b>	<b>New</b>
	A3		<b>R69.00</b>	<b>New</b>
	A4		<b>R45.00</b>	<b>New</b>
	<b>Vector maps</b>			
	A0		<b>R160.00</b>	<b>New</b>
	A1		<b>R110.00</b>	<b>New</b>
	A2		<b>R69.00</b>	<b>New</b>
	A3		<b>R30.00</b>	<b>New</b>
	A4		<b>R15.00</b>	<b>New</b>

	<b>Data Products</b>			
	<b>GIS Vector and Rasta data</b>			
	<b>On CD</b>		<b>R130.00</b>	<b>New</b>
6	<b>Building Control</b>			
6,1	Building plan application fee per m <sup>2</sup>	R 0,75	R 0,79	Unchanged
6.1.1	Minimum application charge	R 772,31	R 813,24	
6,2	<b>Estimation of building value (R/m2)</b>	R 0,00	R 0,00	
6.2.1	Dwelling house	R 4 666,59	R 4 913,92	
6.2.2	Outside building	R 3 839,24	R 4 042,71	
6.2.3	Flats, townhouses, Hotels	R 5 196,39	R 5 471,80	
6.2.4	Carport, Covered Parking	R 1 908,73	R 2 009,89	
6.2.5	Patios & pergolas	R 1 778,10	R 1 872,33	
	<b>Entertainment, Pargolas and Braai Area</b>		<b>R 2 400,00</b>	<b>New</b>
6.2.6	Factories, warehouses, Cimemas	R 4 267,43	R 4 493,60	
6.2.7	shops, offices, hotels, churches, schools	R 5 087,53	R 5 357,17	
6.2.8	Basement Parking	R 1 908,73	R 2 009,89	
6.2.9	Swimming Pools (set fee)	R 827,09	R 870,92	
6.2.10	<b>Boundary walls (linear meter), walls from 1,8 m and above</b>	<b>R 152,87</b>	<b>R 158,83</b>	<b>New</b>
6.2.11	Tents for max. 2 days (set fee)	R 827,09	R 870,92	
	<b>Cellphone Mast (Set fee)</b>		<b>R 12 000,00</b>	<b>New</b>
6.2.12	As Built (Fine)	R 10 888,72	R 11 465,82	Fine plus rate per square meter
6.2.13	<b>Internal Alterations</b>		<b>R 3 225,00</b>	<b>New</b>
	<b>Roof alterations</b>		<b>R 1 998,44</b>	<b>New</b>
6.2.14	Airports	R 5 240,00	R 5 517,72	
6.2.15	Institutions ( Universities and Colleges)	R 4 925,60	R 5 186,66	
6.2.16	Health Facilities (Hospital & Clinics)	R 4 925,60	R 5 186,66	

6.2.17	Halls, Place of Worshipships	R 4 401,60	R 4 634,88	
6.2.18	Demolitions (Permit)	R 1 572,00	R 1 655,32	
			R 0,00	
6,3	<b>Other Charges</b>		R 0,00	
6.3.1	Drainage inspection	R 274,23	R 288,76	
6.3.2	Preliminary Plans for comment	R 0,00	R 0,00	unchanged
6.3.3	Resubmission of lapsed Plans without any alterations	R 772,31	R 813,24	
	Re inspection fee for completed structure for Re - issue of Occupation certificate		R 500,00	New
6.3.4	Resubmission of Queried/amended plans			unchanged
6.3.6	Subscription to KSDM Building Stats Submission			
	a) Monthly			Unchanged
	b) Annually			Unchanged
	<b>FINES</b>			
	Building without an approved plan (penalty fee) - Dwelling		R 15 000,00	New
	Building without an approved plan (penalty fee) - for commercial other buildings		R 25 000,00	New
	Illegal erection of hoardings		R 3 500,00	New
	Building without commencement application		R 3 500,00	New
	Illegal erecting of boundary wall without submission of plans		R4 500,00	New
	Commencement fees		R3 500,00	New
6,4	<b>Building Operation Charges</b>			

6.4.1	Temporary hoarding application fee (per linear metre)	R 160,21	R 168,70	
6.4.2	Footway deposit (refundable less damage per square metre)	R 57,73	R 60,79	
		R 0,00	R 0,00	
6.4.3	Use of footway during building operations (per Linear Metre)	R 238,15	R 250,77	
6.4.4	(non-refundable-per linear metre of hoarded area)	R 0,00	R 0,00	
6.4.5	Illegal dumping of builder's rubble	R 2 990,50	R 3 149,00	
6,5	<b><u>Contractors Camps : Deposits</u></b>			
	Camp Size			
	1000m <sup>2</sup> or less	R 6 984,08	R 7 354,24	
	10001m <sup>2</sup> - 4000m <sup>2</sup>	R 13 968,17	R 14 708,49	
	40001m <sup>2</sup> - 6000m <sup>2</sup>	R 16 752,28	R 17 640,15	
	6000 m <sup>2</sup>	R 16 752,28	R 17 640,15	
	<b><u>Contractors Camps Fee (Per Month/ Paid Upfront)</u></b>		R 0,00	
	1000m <sup>2</sup> or less	R 1 958,54	R 2 062,35	
	10001m <sup>2</sup> - 4000m <sup>2</sup>	R 3 909,88	R 4 117,10	
	40001m <sup>2</sup> - 6000m <sup>2</sup>	R 5 491,72	R 5 782,79	
6,5	<b><u>Plan Refund/Replacements</u></b>			
6.5.1	Recalled/withdrawn plans (In circulation)			Municipality retains 30% (adming fee)
				of application fee, on all withdrawn plans
6.5.2	Withdrawn/Recalled plans (approved)			<b>No Refund for approved plans</b>
8	<b>RENT: Proposed increment at 4.7%</b>	2022/2023	2023/2024	COMMENTS
		TOTAL	TOTAL	

8,1	<b>GENERAL</b>			
	<i>Park Homes</i>	1822,08	R 1 918,65	
	<i>New Brighton Houses</i>	725,64	R 764,10	
	<i>Hillcrest 4 rooms/ verandah</i>	1120,46	R 1 179,84	
	<i>Hillcrest 4 rooms</i>	1021,75	R 1 075,90	
	<i>Hillcrest 3 rooms</i>	845,68	R 890,50	
	<i>Ngangelizwe 1 room</i>	394,83	R 415,76	
	<i>Ngangelizwe 2 rooms</i>	482,86	R 508,46	
	<i>Ngangelizwe 3 rooms</i>	602,47	R 634,40	
	<i>Ngangelizwe 4 rooms</i>	1205,84	R 1 269,75	
	<i>Ngangelizwe sites with sewer</i>	786,99	R 828,70	
	<i>Ngangelizwe sites with nightsoil</i>	901,72	R 949,51	
	<i>Church sites</i>	514,88	R 542,17	
	<i>Trading sites</i>	2112,88	R 2 224,87	
	<i>Staff cottage/ Flats</i>	1552,65	R 1 634,94	
	<i>Staff houses</i>	3121,29	R 3 286,72	
8,2	<b>STAFF HOUSES</b>		R 0,00	
	<i>Cottages/ Flats</i>	1299	R 1 367,56	
	<i>Houses</i>	2611	R 2 749,22	
<b>9</b>				
<b>9,1</b>	<b>Banners</b>			
9.1.1	Nelson Mandela Drive, R61 Road and Central Business District (max. 2 Banners/ 14 days)		R 250,00	New
<b>9,2</b>	<b>Posters</b>			
9.2.1	Non-refundable fee, per/poster (max 14 days)	R 19,01	R 20,02	
9.2.2	Refundable dep. Fee (Charity Events max. 500 posters)	R 413,16	R 435,05	85% of Refundable deposit returned to
9.2.3	Refundable dep. Fee (Other Events max. 500 posters)	R 1 514,90	R 1 595,19	15% retained by Municipality as admin. charge

<b>9.2.4</b>	Refundable dep. Fee (political Events max. 1500 posters)	R 6 197,33	R 6 525,79	Political parties only pay 85% refundable fee
				for max. 1500 and do not pay fee per poster
				Refundable only when all posters removed
				by such political party
<b>11,3</b>	<b>Application Fees</b>			
<b>11.3.1</b>	<b>For Advertising Signs</b>			
	a) Per application (general)	R 818,34	R 861,72	monthly
	b) Per Billboard < 40m2 on Private Property	R 3 997,92	R 4 209,81	monthly
	c) Per Super Billboard >40m2 on Private Property	R 4 797,49	R 5 051,76	monthly
<b>11.3.2</b>	<b>For Advertising Signs</b>			
	a) Signage attached to Boundary walls, Shop catilever (general)		R 400,00	monthly
	b) Signage attached to Shop cantilever / veranda		R 600,00	monthly
<b>11.3.3</b>	<b>Application fee for Newspaper Headline Posters</b>			
	a) Annual deposit	R 12 426,74	R 13 085,36	Once off refundable deposit
	b) Annual administration fee	R 6 206,15	R 6 535,07	<b>annual</b>
<b>11.3.4</b>	<b>Application fee for Estate Agent Boards</b>			

	a) Annual deposit	R 12 426,74	R 13 085,36	Once off refundable deposit
	b) Annual administration fee	R 6 206,15	R 6 535,07	annually
<b>11.3.5</b>	<b>Application fee for temp. wrapping sign on construction site</b>			
	a) Per application	R 2 395,86	R 2 522,84	
<b>11.3.5</b>	<b>Application fee Portable advertising signs and movable trailers etc.</b>			
	a) Portable Outdoor Advertising Signs per application		R 1 500,00	annually
	b) Outdoor Advertising movable trailer per application		R 2 500,00	annually
	<b>FINES</b>			
<b>11.4.1</b>	<b>Removal charges for posters</b>			
	a) per poster- unpasted	R 209,27	R 220,36	
	pasted	R 519,58	R 547,12	
<b>11.4.2</b>	<b>Removal charges for sign boards</b>			
	a) actual cost - (minimum)	R 324,74	R 341,95	
	plus penalty (per sign)	R 594,80	R 626,32	
<b>11.4.3</b>	<b>Removal charges for loose portable signs (estate, "For Sale" etc)</b>			
	a) First offense per sign	R 627,83	R 661,10	
	b) Second offense per sign	R 1 190,71	R 1 253,82	
	c) Third offense per sign	R 1 731,95	R 1 823,74	



11.4.4	Removal charges for Outdoor Advertising Signage and Billboards			
	a) Removal of Outdoor and Signage fines per sign		R 4 500,00	New

**Proposed increment at 5.3 %**

HIRE OF CITY HALLS	2022/2023			2023/2024		
	Norwood	Other	City	Norwood	Other	City
Professional, concerts Magician shows & the like by visiting companies 7pm to midnight	1393	1460	1530	1 466,74	1 537,14	1 610,92
Amateur concerts, cabaret shows, Give-It-A-Show Film show, etc. 7pm to midnight Dances, Balls, Discos etc. 7pm to midnight	437	458	480	459,98	482,06	505,20

	2022/2023			2023/2024		
	Norwood	Other	City	Norwood	Other	City
				-	-	-

Private receptions, meetings, weddings, socials per hour to midnight	196,26	205,68	215,55	206,66	216,58	226,98
Exhibitions, flower Shows per show and the like						
Weekdays 8am to 5pm	143,21	150,08	157,28	150,80	158,03	165,62
Weekdays 5pm to 11pm and Saturdays	198,36	207,88	217,86	208,87	218,90	229,41
Sunday and public holidays per hour	194,57	203,91	213,70	204,88	214,71	225,02
Bazaar 5pm to 11pm	520,20	545,17	571,34	547,77	574,06	601,62
Political meetings 5pm to midnight	830,80	870,68	912,47	874,84	916,83	960,83
Religious service per hour to midnight	131,23	137,53	144,13	138,18	144,82	151,77
<b>DEPOSIT</b>						
	<b>Norwood</b>	<b>Other</b>	<b>City</b>	<b>Norwood</b>	<b>Other</b>	<b>City</b>
<b>Town Hall</b>		3369	3531		3 547,79	3 718,08
<b>Civic Centre</b>		1350	1415		1 422,05	1 490,31
<b>OTHER HALLS</b>						
<b>Rotary Hall</b>	378			399		
<b>Banqueting</b>	544			573		
<b>Mqanduli Hall</b>	357			376		

<b>Multi purpose Centre - Mqanduli</b>	357	376
<b>Multi purpose Centre - Ikwezi</b>	357	376

	<b>2022/2023</b>			<b>2023/2024</b>		
<b>EXTRAS</b>						
Use of kitchen cutlery and crockery per function	334	361	411	351	380	433
Use of halls for rehearsals, preparations, decorations, etc.						
5pm to 11pm only weekdays	119	122	129	125	128	136
Use of piano : per function Steinway piano(City Hall only)			282			297
Broadway Piano			131			137
<b>OVERTIME</b>						
Weekday & Saturdays	161	172	182	169	181	192
Sundays & Public holidays	223	239	253	235	252	267

	<b>2022/2023</b>			<b>2023/2024</b>		
Public address system :per function (City Hall)						
Auction Sale	2190		3023	2306		3184
<b>HIRE OF CIVIC HALL FURNISHINGS</b>						

<b>FOR USE WITHIN THE MUNICIPAL AREA</b>					
Deposit For any period up to 24 hours per chair	1618			1704	
Chairs: per chair	8			9	
Tables: per table For period over 24 hours : per 24 hours	30			32	
Chairs: per chair					
Tables: per table					

