

# OVERBERG DISTRICT MUNICIPALITY



## Medium Term Revenue and Expenditure Framework (MTREF)

### DRAFT MTREF BUDGET: 2023/2024 - 2025/2026

OVERBERG DISTRICT MUNICIPALITY  
26 LONG STREET / PRIVATE BAG X22  
BREDASDORP 7280



27 MAR 2023

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## Glossary

**Adjustments Budgets** – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

**Allocations** – Money received from Provincial and National Treasury.

**Budget** – The financial plan of a municipality.

**Budget related policy** – Policy of a municipality affecting or affected by the budget.

**Capital Expenditure** – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short-term investments. Cash receipts and payments do not always coincide with budgeted revenue and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. The annual piece of legislation that indicate the allocations from National Government to Local Government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

**GDFI** - Gross Domestic Fixed Investment

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.



**ICT** – Information Communication Technology

**IDP** – Integrated Development Plan. The main strategic planning document of a municipality.

**KPI** – Key Performance Indicators. Measures of service output and/or outcome.

**MBBR** - Municipal Budget Reporting Regulations

**MFMA** - Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level.

**ODM** – Overberg District Municipality

**Operating Expenditure** – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

**Rates** – Local Government tax based on assessed valuation of a property.

**TMA** – Total Municipal Account

**SDBIP** – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic Objectives** – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

**Vote** – One of the main segments into which a budget is divided, usually at department level.

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# PART 1 – ANNUAL BUDGET

## 1. Mayors Report

It is with great concern that I present the 2023/2024 Medium Term Expenditure Framework to the Council for consideration.

In terms of Section 16(1) of the Municipal Financial Management Act (MFMA) a municipality must approve an Annual Budget before the start of the Financial Year. In terms of Sec 16(2) of the MFMA the Mayor of a municipality must table the budget at least 90 days before the start of the budget year to comply with Section 16(1) of the said Act.

Unfortunately, I must report that the municipality is moving into a dire financial position and unless drastic measures, including assistance from authorities are being taken, the municipality's sustainability is in serious doubt.

As depicted from the budget presented to Council, the municipality will realise a deficit budget of R3.532 million for the current financial year, while this shortfall will grow in the medium term to R7.749 (24/25) and R4.065 (25/26) also illustrated in the budget document. The current situation will have to be turned around soon, since the municipality which budget for shortfalls can fund these from their accumulative surpluses, however looking at the cash reserves in schedule A7, it is evident that the funds accumulated, will not last with the trend of funding required.

Although no municipality is allowed to approve a budget which is not cashed back, I think the time has come for the municipality to realise the seriousness of the situation. Provincial and National Treasury is already informed regarding the shortage allocated to ODM, and that the services we render depend upon funding allocated. With no intervention from these stakeholders, we are heading in the wrong direction. ODM is currently not generating sufficient funds to meet its operating requirements as will be illustrated in the document below. This situation is not a new one, hence has been with the municipality for several years, various initiative throughout the period assisted the municipality to continue however non was sufficient to ensure the long-term continuation of the municipality.

The Capital programme of the municipality is funded through cash surpluses accumulated in a CRR (Capital Replacement Reserve). Funding for these assets have been collects by means of selling properties not used for service delivery in the municipality. Capital projects will also be declining in future if the surpluses of the municipality need to be utilised for the operating deficit instead of allocations towards capital projects.

The municipality is currently in a peculiar position due to its financial constraints. Capital is required for expansion and rendering of services on **OVERBERG DISTRICT MUNICIPALITY** funding sources are identified to acquire capital, service **26 LONG STREET, PRIVATE BAG 122** the longer term, services may not be delivered. **BREGASOORP 7280**



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Since a large portion of revenue is derived from Government Grants and Subsidies and limited revenue sources are available to explore in the municipalities mandated functions, drastic curbing on spending or alternative resources will be required, alternatively grant dependency will have to increase and will be inevitable.

The municipality's employee costs amount to the largest operational expense, and one of the main concerns going forward. However, the staff compliment already has a large amount of unfunded vacancies, the cost and continuous increases in the employee cost can ruin the municipality going forward or the ability of paying salaries might occur.

Overall, the picture for the future is not favourable, however the administration and Council is continuously identifying and investigating alternative initiatives and exploring new ideas to assist in alleviating the current situation and would not stop doing so until success is achieved. Various sessions and the compilation of a revenue revival strategy is already activated and continuous work on these is executed continuously.


Executive Mayor  
Alderman AE Franken

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## 2. Resolutions

### MTREF BUDGET 2023/2024

The resolution tabled at Council for consideration upon approval of the budget is:

#### RECOMMENDATION:

That Council approves the following:

1. That the **consolidated Draft budget of R273 229 238** consisting of an **Operating budget of R276 761 029** (resulting in a **deficit of R3 532 193** after tariff increases) and a **Capital budget of R 5 771 000** and budgeted cash flows, as set out in the Municipal Budget be adopted and approved by Council and that it constitutes the Budget of the Council for 2023/2024 financial year as well as the medium term (indicative) budgets for the 2024/2025 and 2025/2026 financial years.
2. That the Integrated Development Plan and related documents and any amendments thereto, be approved when tabled in alignment with the final budget.
3. That the Spatial Development Framework and any amendments thereto when tabled for the new financial year, be noted.
4. That the tariffs as per tariff list be approved.
5. That all other matters prescribed in sections 17(1) (a-e); 17(2) and 17(3) (a-m) of the Municipal Finance Management Act are included in or accompany the budget document be approved.
6. That the measurable performance objectives for 2023/2024 for operating revenue by source and by vote be approved.
7. That the following budget related policies be reviewed and submitted for approval together with the final budget submission:
  - 4.1 Asset Management Policy;



- 4.2 Borrowing Policy;
- 4.3 Budget Policy;
- 4.4 Cash management and investment Policy;
- 4.5 Cost containment Policy
- 4.6 Credit control and debt collection Policy;
- 4.7 Customer Care Policy;
- 4.8 Demand Management Policy;
- 4.9 Funding and reserves Policy;
- 4.10 Infrastructure Investments and Capital Projects Policy;
- 4.11 Infrastructure Procurement and Delivery Policy;
- 4.12 Liquidity Policy;
- 4.13 Long Term Financial Planning Policy;
- 4.14 Management and Administration of Immovable Policy;
- 4.15 Payroll Management & Administration Policy;
- 4.16 Preferential procurement Framework Policy;
- 4.17 Supply Chain Management Policy;
- 4.18 Tariff policy;
- 4.19 Travel and Subsistence Policy; and
- 4.20 Virement Policy.

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### 3. Executive Summary

The Municipality's 2023/2024 Draft Consolidated budget amounts to R 273 229 238 consisting of an **Operating budget of R276 761 431** (resulting in a **deficit of R3 532 193** after proposed tariff increases) and a **Capital budget of R5 771 000**.

The MTREF Budget position projection will be as follows for next three years resulting in a **deficit for all three years:**

#### MTREF Budget Position

DEPARTMENT	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26
Committee, Records & Councillor Support	(3 479 418)	(3 683 361)	(3 875 192)
Community Services Support	(752 639)	(789 284)	(830 607)
Corporate Support	(4 406 648)	(4 249 097)	(4 477 925)
Council Expenditure	6 932 808	6 643 575	6 637 691
Emergency Services	(34 320 878)	(33 844 104)	(35 746 873)
Environmental Management	(3 276 974)	(3 468 286)	(3 679 566)
Executive (Community Services)	(1 416 856)	(1 487 166)	(1 580 250)
Executive (Corporate Services)	(1 325 013)	(1 367 477)	(1 445 908)
Executive (Finance)	(1 305 041)	(1 368 685)	(1 453 680)
Executive (Municipal Manager)	(1 440 731)	(1 724 241)	(1 827 662)
Executive Support	(772 199)	(820 484)	(869 629)
Expenditure	(3 065 418)	(3 191 425)	(3 321 229)
Financial Services	71 895 261	76 141 409	77 399 419
Financial Support	(421 383)	(449 776)	(477 680)
Human Resources	(4 548 717)	(4 380 775)	(4 617 780)
Idp & Communication	(1 618 057)	(1 711 157)	(1 815 825)
Information Services	(2 773 200)	(2 652 720)	(2 754 240)
Internal Audit	(1 982 954)	(2 080 654)	(2 191 926)
Led, Tourism, Resorts & Epwp	2 979 439	(3 435 111)	4 354 876
Municipal Health	(17 489 313)	(18 580 983)	(19 740 136)
Performance & Risk Management	(1 488 229)	(1 571 586)	(1 667 490)
Revenue	10 000	13 000	13 000
Solid Waste	4 156 538	4 149 063	3 984 474
Supply Chain Management	(3 622 571)	(3 839 894)	(4 080 429)
<b>SURPLUS/(DEFICIT)</b>	<b>(3 532 193)</b>	<b>(7 749 221)</b>	<b>(4 064 566)</b>

#### Proposed Tariff Increases

MFMA NT Budget Circular 123 issued on 3 March 2023 provided guidelines as follows in section 5:

- ▶ 5.1 **Maximising the revenue generation** of the municipal
- ▶ 5.4 Setting **cost-reflective tariffs**
- ▶ 5.9 **Credibility** of Revenue

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**Inflation and cost reflective Increases** are proposed on all ODM tariffs except for the following:

- KWK Landfill site which tariffs are determined according to a cost tariff module to which the LM's agreed
- Fire service contributions from Theewaterskloof LM, Cape Agulhas LM and Swellendam LM escalating according to agreements.
- Roads Agency fee determined according to Memorandum of Agreement

A synopsis on the **proposed tariff increases** include:

1. Firefighting = Majority 7% cost adjustment with exceptions towards fuel related expenditure
2. Additional = 6% inflation related
3. Environmental = cost reflective
4. Municipal Health = cost reflective and new categories implemented
5. Roads = 7%
6. Waste at KWK = Cost as per agreement
8. Uitenkransmond resort = 7% and cost reflective regarding administrative costs
9. Die Dam resort = 7%

Additional revenue streams have been investigated/identified and will form part of the new tariff structures. See draft tariff structures attached to the draft budget document.

Areas for additional income identified Includes:

- Municipal Health Services
- Emergency Services
- Finance interest on arrears

\*Some identified revenue avenues will be investigated regarding the feasibility thereof

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## Operational Expenditure

The MTREF Operational Expenditure over the next three years are projected as follows using the CPI Inflation indicators provided by National Treasury, expect where specific contract agreements exist with escalation clauses – Current 6.9% Estimate – 2022/23


### ▶ CPI Inflation forecast

- ▶ 2023/24 5.3%/
- ▶ 2024/25 4.9%
- ▶ 2025/26 4.7%

### OPERATIONAL EXPENDITURE

DEPARTMENT	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26
Committee, Records & Councillor Support	3 479 418	3 683 361	3 875 192
Community Services Support	752 639	789 284	830 607
Comprehensive Health	181 927	193 570	205 572
Corporate Support	4 431 848	4 274 297	4 503 125
Council Expenditure	7 836 757	8 285 501	8 748 023
Emergency Services	39 628 924	39 471 232	41 706 330
Environmental Management	3 400 974	3 597 286	3 813 566
Executive (Community Services)	1 416 856	1 487 166	1 580 250
Executive (Corporate Services)	1 325 013	1 367 477	1 445 908
Executive (Finance)	1 305 041	1 368 685	1 453 680
Executive (Municipal Manager)	1 940 731	1 724 241	1 827 662
Executive Support	772 199	820 484	869 629
Expenditure	3 065 418	3 191 425	3 321 229
Financial Services	22 570 739	21 293 591	22 410 581
Financial Support	421 383	449 776	477 680
Human Resources	4 548 717	4 380 775	4 617 780
Idp & Communication	1 618 057	1 711 157	1 815 825
Information Services	2 773 200	2 652 720	2 754 240
Internal Audit	1 982 954	2 080 654	2 191 926
Led, Tourism, Resorts & Epwp	17 150 061	16 086 861	16 711 924
Municipal Health	18 509 313	19 600 983	20 760 136
Performance & Risk Management	1 488 229	1 571 586	1 667 490
Revenue	20 000	20 000	22 000
Roads Function	122 375 000	128 695 313	133 071 429
Solid Waste	10 143 462	10 870 937	11 655 526
Supply Chain Management	3 622 571	3 839 894	4 080 429
<b>TOTAL OPERATIONAL EXPENDITURE</b>	<b>276 761 431</b>	<b>283 508 259</b>	<b>296 417 737</b>

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The MTREF Operational Revenue projection, including proposed tariff increases are projected as follows:

**OPERATIONAL REVENUE**

DEPARTMENT	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26
Comprehensive Health	181 927	193 570	205 572
Corporate Support	25 200	25 200	25 200
Council Expenditure	14 769 565	14 929 076	15 385 714
Emergency Services	5 308 046	5 627 129	5 959 456
Environmental Management	124 000	129 000	134 000
Executive (Municipal Manager)	500 000	-	-
Financial Services	94 466 000	97 435 000	99 810 000
Led, Tourism, Resorts & Epwp	20 129 500	12 651 750	21 066 800
Municipal Health	1 020 000	1 020 000	1 020 000
Revenue	30 000	33 000	35 000
Roads Function	122 375 000	128 695 313	133 071 429
Solid Waste	14 300 000	15 020 000	15 640 000
<b>TOTAL OPERATIONAL REVENUE</b>	<b>273 229 238</b>	<b>275 759 038</b>	<b>292 353 171</b>

**Equitable Share**

The equitable share allocation will increase as follows over the medium term

Financial Year	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Equitable Share	R23 056 000	R25 855 000	R27 176 000	R28 671 000	R27 141 000
<b>% Increase</b>		<b>12.14%</b>	<b>5.11%</b>	<b>5.50%</b>	<b>-5.34%</b>
RSC Levies Replacement	R54 319 000	R55 631 000	R57 261 000	R59 830 000	R63 410 000
<b>% Increase</b>		<b>2.42%</b>	<b>2.93%</b>	<b>4.49%</b>	<b>5.98%</b>
<b>Total ES Allocation</b>	<b>R77 375 000</b>	<b>R81 486 000</b>	<b>R84 437 000</b>	<b>R88 501 000</b>	<b>R90 551 000</b>
<b>% Increase</b>		<b>5.31%</b>	<b>3.62%</b>	<b>4.81%</b>	<b>2.32%</b>
<b>Additional in R value</b>	<b>0</b>	<b>R4 111 000</b>	<b>R2 951 000</b>	<b>R4 064 000</b>	<b>R2 050 000</b>

**MTREF Revenue**

Total operating revenue **impact**, breakdown as follows:

DEPARTMENT	Draft Budget 2023/24	Adjustment Budget 2022/23	% Change
Comprehensive Health	181 927	181 800	0.07%
Corporate Support	25 200	25 200	0.00%
Council Expenditure	14 769 565	11 597 174	27.35%
Emergency Services	5 308 046	4 849 717	9.45%
Environmental Management	124 000	121 000	2.48%
Executive (Municipal Manager)	500 000	500 000	0.00%
Financial Services	94 466 000	96 494 861	-2.10%
Led, Tourism, Resorts & Epwp	20 129 500	18 777 500	7.20%
Municipal Health	1 020 000	2 450 000	-58.37%
Revenue	30 000	31 500	-4.76%
Roads Function	122 375 000	113 498 250	7.82%
Solid Waste	14 300 000	12 600 000	13.49%
<b>TOTAL OPERATIONAL REVENUE</b>	<b>273 229 238</b>	<b>261 127 002</b>	<b>4.63%</b>

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Primary Operating Budget revenue- and expenditure categories reflect the following year-on-year budget value increases (estimated 2023/24 vs. adjusted 2022/2023 budget):

### Budget position

#### Function:

DEPARTMENT	Draft Budget 2023/24	Adjustment Budget 2022/23	% Change
Committee, Records & Councillor Support	(3 479 418)	(3 383 047)	2.85%
Community Services Support	(752 639)	(593 567)	26.80%
Comprehensive Health	-	1 299	-100.00%
Corporate Support	(4 406 648)	(2 275 645)	93.64%
Council Expenditure	6 932 808	3 644 190	90.24%
Emergency Services	(34 320 878)	(33 379 764)	2.82%
Environmental Management	(3 276 974)	(3 388 682)	-3.30%
Executive (Community Services)	(1 416 856)	(1 459 763)	-2.94%
Executive (Corporate Services)	(1 325 013)	(1 302 769)	1.71%
Executive (Finance)	(1 305 041)	(1 319 724)	-1.11%
Executive (Municipal Manager)	(1 440 731)	(1 423 149)	1.24%
Executive Support	(772 199)	(727 969)	6.08%
Expenditure	(3 065 418)	(3 217 544)	-4.73%
Financial Services	71 895 261	73 645 235	-2.38%
Financial Support	(421 383)	(399 107)	5.58%
Human Resources	(4 548 717)	(4 087 761)	11.28%
Idp & Communication	(1 618 057)	(1 556 756)	3.94%
Information Services	(2 773 200)	(3 398 499)	-18.40%
Internal Audit	(1 982 954)	(1 879 997)	5.48%
Led, Tourism, Resorts & Epwp	2 979 439	797 923	273.40%
Municipal Health	(17 489 313)	(15 620 019)	11.97%
Performance & Risk Management	(1 488 229)	(1 541 946)	-3.48%
Revenue	10 000	(27 200)	-136.76%
Roads Function	-	60 984	-100.00%
Solid Waste	4 156 538	2 655 365	56.53%
Supply Chain Management	(3 622 571)	(3 305 312)	9.60%
<b>SURPLUS/(DEFICIT)</b>	<b>(3 532 193)</b>	<b>(3 483 224)</b>	<b>1.41%</b>

#### Operating per department (Revenue)

DEPARTMENT	Draft Budget 2023/24	Adjustment Budget 2022/23	% Change
Administrative and Corporate Support	25 200	25 200	0.00%
Biodiversity and Landscape	124 000	121 000	2.48%
Finance	94 496 000	96 526 361	-2.10%
Fire Fighting and Protection	5 308 046	4 849 717	9.45%
Health Services	1 201 927	2 631 800	-54.33%
Mayor and Council	14 769 565	11 597 174	27.35%
Municipal Manager, Town Secretary and Chief Executive	500 000	500 000	0.00%
Recreational Facilities	20 129 500	18 777 500	7.20%
Roads	122 375 000	113 498 250	7.82%
Site Disposal (Landfill Sites)	14 300 000	12 600 000	13.49%
<b>TOTAL OPERATIONAL REVENUE</b>	<b>273 229 238</b>	<b>261 127 002</b>	<b>4.63%</b>

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## Operating per department (Expenditure)

### OPERATIONAL EXPENDITURE

DEPARTMENT	Draft Budget 2023/24	Adjustment Budget 2022/23	% Change
Administrative and Corporate Support	14 620 427	12 300 768	18.86%
Biodiversity and Landscape	3 400 974	3 509 682	-3.10%
Corporate Wide Strategic Planning (IDPs, LEDs)	1 618 057	1 556 756	3.94%
Finance	25 656 157	26 125 870	-1.80%
Fire Fighting and Protection	39 628 924	38 229 481	3.66%
Governance Function	1 982 954	1 879 997	5.48%
Health Services	18 691 240	18 250 520	2.41%
Human Resources	4 548 717	4 087 761	11.28%
Information Technology	2 773 200	3 398 499	-18.40%
Mayor and Council	7 836 757	7 952 984	-1.46%
Municipal Manager, Town Secretary and Chief Executive	2 712 930	2 651 118	2.33%
Recreational Facilities	17 150 061	17 979 577	-4.61%
Roads	122 375 000	113 437 266	7.88%
Solid Waste Disposal (Landfill Sites)	10 143 462	9 944 635	2.00%
Supply Chain Management	3 622 571	3 305 312	9.60%
<b>TOTAL OPERATIONAL EXPENDITURE</b>	<b>276 761 431</b>	<b>264 610 226</b>	<b>4.59%</b>

## Operating Revenue by Item (Excluding Roads)

Revenue by Source	Adjustment Budget 2022/23	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26
Service charges - Electricity	R 200 000.00	R 200 000.00	R 210 000.00	R 220 000.00
Service charges - Waste Water Management	R 600 000.00	R 600 000.00	R 630 000.00	R 660 000.00
Service charges - Waste Management	R 13 272 000.00	R 15 000 000.00	R 15 750 000.00	R 16 400 000.00
Agency services	R 11 597 174.00	R 12 769 565.00	R 13 429 076.00	R 13 885 714.00
Interest earned from Receivables	R -	R 50 000.00	R 55 000.00	R 60 000.00
Interest earned from Current and Non Current Assets	R 2 750 000.00	R 3 250 000.00	R 3 250 000.00	R 3 250 000.00
Rental from Fixed Assets	R 12 925 000.00	R 13 825 000.00	R 14 755 000.00	R 15 185 000.00
Licence and permits	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00
Operational Revenue	R 10 345 917.00	R 10 145 746.00	R 2 137 078.76	R 10 391 456.49
Transfer and subsidies - Operational	R 92 688 661.00	R 92 013 927.00	R 94 347 570.33	R 96 729 571.69
Transfers and subsidies - Capital	R 2 250 000.00	R -	R -	R -
Gains on disposal of Assets	R -	R 2 000 000.00	R 1 500 000.00	R 1 500 000.00
	R 147 628 752.00	R 150 854 238.00	R 147 063 725.09	R 159 281 742.18

## Expenditure category increases (Excluding Roads)

Total Operating Expenditure is anticipated to **increase by 2%** breakdown as follows:

Expenditure by Type	Adjustment Budget 2022/23	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26
Employee related costs	R 85 400 724.00	R 88 067 327.00	R 93 279 968.77	R 99 030 558.78
Remuneration of councillors	R 6 425 617.00	R 6 339 757.00	R 6 745 501.45	R 7 163 722.54
Bulk purchases - electricity	R 250 000.00	R 200 000.00	R 210 000.00	R 220 000.00
Inventory consumed	R 5 414 312.00	R 4 790 200.00	R 4 910 650.00	R 5 086 850.00
Debt impairment	R 100 000.00	R 100 000.00	R 100 000.00	R 100 000.00
Depreciation and amortisation	R 3 625 515.00	R 3 653 586.43	R 3 679 854.00	R 3 708 918.00
Interest	R 3 008 417.00	R 2 433 186.00	R 2 684 841.00	R 2 962 559.00
Contracted services	R 23 109 643.00	R 28 006 289.00	R 21 890 930.38	R 23 027 375.20
Transfers and subsidies	R 2 799 000.00	R -	R -	R -
Operational Costs	R 21 039 732.00	R 20 796 086.00	R 21 311 199.98	R 22 046 324.62
	R 151 172 960.00	R 154 386 431.43	R 154 812 945.58	R 163 346 308.13

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**Employee Related Cost – (Still to be finalised – Await final communication from bargaining Council) - Preliminary**

The South African Local Government Bargain Council Circular notice for 2023 on the annual increases in terms of the collective wage agreement is still to be published

In view of this delay, National Treasury advised municipalities as follows:

*"In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023). The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI."*

In terms of the Upper limits for Senior Managers, a draft notice was published on 7 March 2023 which indicate a 3% cost of living adjustment for the 2022/23 municipal financial year. This was used as provision for the next financial year.

The effect on the Budget if 5.4% (NT-CPI) is allowed for increments in addition to, a notch increase provision of 1.5% added to the accumulated amount (including critical vacancies will result in a total cost of **R88 067 327** (excluding Roads Agency) and including a 3% increase on the Sect 57 appointee's employee cost.

The amount had been calculated as follows:

<b>Staff Base Cost - Feb 2023</b>		<b>R73 891 787</b>
Officials Notch Increase	1.5%	R956 633
Officials Annual Increase	5.4%	R3 443 810
Directors/Sect 57 Increase	3.0%	R145 181
Official Acting/Extra Duty	Ad-hoc	R352 777
<b>Total Filled positions - Funded</b>		<b>R78 790 188</b>
Vacancies - Committed	9 posts	R2 953 199
Vacancies - Critical New	6 posts	R1 749 591
<b>TOTAL ODM Pay roll Budget</b>		<b>R83 492 978</b>
ODM Non-cash provisions		R4 574 349
<b>TOTAL ODM Employee cost</b>		<b>R88 067 327</b>
Road Agency Employee cost		R50 645 000
<b>TOTAL EMPLOYEE COST BUDGET</b>		<b>R138 712 327</b>

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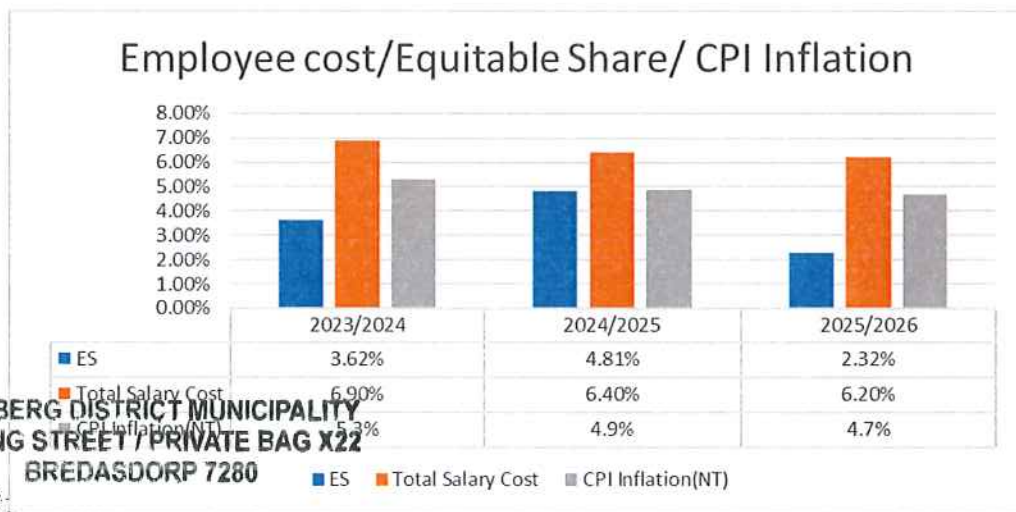
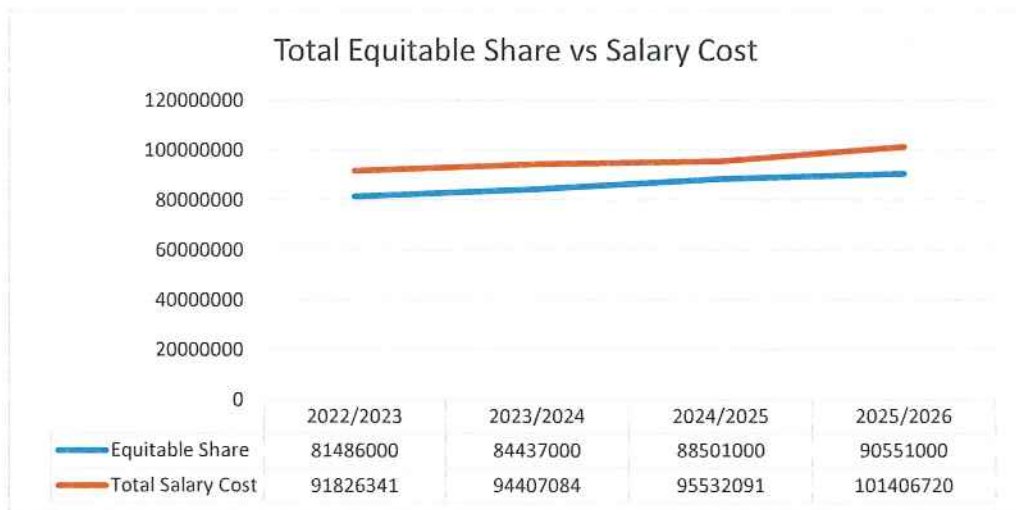
Normally municipalities that cannot afford to implement on salaries, may in terms of Clause 15 of the 3-year Agreement, apply for exemption. Municipalities that want to apply for exemption are requested to inform SALGA of such a decision as soon as possible, but not later than 31 May 2023.

The Budget Steering committee could consider the above and after assessing all the budget needs to provide for an efficient service delivery, a 1.5% adjustment for notch increases and medical will be accommodated.

**Remuneration of Councillors**

National Treasury advised municipalities to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act and thus a projected 3% increase on Councillors remuneration was provided.

A comparison between the combined ODM's Employee & Councillor on Cost and % increases and Equitable share allocation pictures a concerning future as illustrated below over the medium term:



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## **CAPITAL BUDGET**

The ODM funding and reserve policy determines as follows:

### **6.5.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE**

The capital budget can be funded by way of own contributions, grants, public contributions as well as external loans.

#### ***Own Contributions***

The capital budget financed from own contributions must primarily be funded from the Capital Replacement Reserve.

Notwithstanding the above the capital budget or portions thereof may also be funded from surplus cash. The allocations of the funding sources from own contributions are determined during the budget process.

*As in the prior financial year a CRR will be utilised as a funding mechanism for Capital acquisitions*

It was proposed that Capital projects be funded from this reserve and that at the end of each financial year, it be determined according to the AFS what amount is available to be transferred to commit to this purpose.

It is anticipated that at the end of 30 June 2023, an amount of R5 771 000 reflected in the AFS as Net Cash available for operating activities in the Cashflow statement be moved to the CRR. In general gains from sale of land are also to be transferred to the CRR which could be used to fund acquisition of further assets.

The Capital Programme over the MTREF period will be funded as per table below

TYPE	FUNDING SOURCES	Draft BUDGET 2023/24
1	CAPITAL REPLACEMENT RESERVE	R5 771 000
2	REVENUE	R0
3	EXTERNAL LOANS	R0
4	GRANTS	R0
5	PRIVATE CONTRIBUTIONS	R0
	<b>TOTAL</b>	<b>R5 771 000</b>

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## 4. Budget Tables

The adjustment budget tables compiled in terms of the Municipal Budgeting and Reporting Regulations (MBRR) (Schedule B), are attached per annexure "A" and listed below:

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	–	–	–	–	–	–	–	–	–	–
Service charges	11 704	12 130	10 091	13 572	14 072	14 072	14 072	15 800	16 690	17 280
Investment revenue	1 899	2 287	2 558	2 000	2 750	2 750	2 750	3 250	3 250	3 250
Transfer and subsidies - Operational	169 880	207 200	202 394	197 193	206 187	206 187	206 187	214 389	223 043	229 801
Other own revenue	37 649	31 169	52 779	40 675	35 868	35 868	35 868	39 790	32 876	42 022
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>220 932</b>	<b>252 787</b>	<b>267 821</b>	<b>253 440</b>	<b>258 877</b>	<b>258 877</b>	<b>258 877</b>	<b>273 229</b>	<b>275 759</b>	<b>292 353</b>
<b>Financial Performance (continued)</b>										
Employee costs	113 210	116 527	122 735	135 932	133 108	133 108	133 108	138 712	148 346	156 623
Remuneration of councillors	6 197	5 852	5 872	6 166	6 426	6 426	6 426	6 340	6 746	7 164
Depreciation and amortisation	3 573	3 831	3 575	3 626	3 626	3 626	3 626	3 654	3 680	3 709
Finance charges	3 860	3 448	3 482	3 329	3 289	3 289	3 289	2 753	3 015	3 303
Inventory consumed and bulk purchases	42 712	57 124	50 845	46 862	55 961	55 961	55 961	62 521	65 073	66 500
Transfers and subsidies	–	680	398	–	2 799	2 799	2 799	–	–	–
Other expenditure	45 833	53 262	57 508	57 432	59 402	59 402	59 402	62 781	56 648	59 120
<b>Total Expenditure</b>	<b>215 390</b>	<b>240 723</b>	<b>244 445</b>	<b>253 946</b>	<b>264 610</b>	<b>264 610</b>	<b>264 610</b>	<b>276 761</b>	<b>283 508</b>	<b>295 419</b>
<b>Surplus/(Deficit)</b>	<b>5 541</b>	<b>12 064</b>	<b>23 377</b>	<b>94</b>	<b>(5 733)</b>	<b>(5 733)</b>	<b>(5 733)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
Transfers and subsidies - capital (monetary allocations)	691	1 614	1 116	–	2 250	2 250	2 250	–	–	–
Transfers and subsidies - capital (in-kind)	–	667	980	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>2 998</b>	<b>5 036</b>	<b>9 537</b>	<b>10 274</b>	<b>15 320</b>	<b>15 320</b>	<b>15 320</b>	<b>5 771</b>	<b>536</b>	<b>2 551</b>
Transfers recognised - capital	691	2 886	1 116	–	2 250	2 250	2 250	–	–	–
Borrowing	–	–	2 948	39	4 900	4 900	4 900	–	–	–
Internally generated funds	2 307	2 151	5 474	10 235	8 170	8 170	8 170	5 771	536	2 551
<b>Total sources of capital funds</b>	<b>2 998</b>	<b>5 036</b>	<b>9 537</b>	<b>10 274</b>	<b>15 320</b>	<b>15 320</b>	<b>15 320</b>	<b>5 771</b>	<b>536</b>	<b>2 551</b>
<b>Financial position</b>										
Total current assets	55 020	78 697	77 795	58 057	58 544	58 544	58 544	50 681	44 686	38 815
Total non current assets	97 826	102 653	106 601	115 234	119 434	119 434	119 434	123 021	121 439	121 943
Total current liabilities	34 433	42 359	27 202	42 780	25 965	25 965	25 965	26 214	27 611	23 490
Total non current liabilities	71 434	77 668	70 399	75 591	68 698	68 698	68 698	67 687	66 482	69 301
Community Wealth/Equity	46 979	61 324	86 786	54 919	83 313	83 313	83 313	79 790	72 031	67 967
<b>Cash flows</b>										
Net cash from: (used) operating	4 072	26 079	(2 899)	3 958	6 604	6 604	6 604	1 125	(2 369)	1 555
Net cash from: (used) investing	(3 001)	(3 701)	(4 305)	(7 774)	(3 320)	(3 320)	(3 320)	(3 771)	964	(1 051)
Net cash from: (used) financing	(2 872)	(2 849)	(3 939)	(3 684)	(4 631)	(4 631)	(4 631)	(5 365)	(4 706)	(6 519)
<b>Cash/cash equivalents at the year end</b>	<b>36 647</b>	<b>56 076</b>	<b>44 592</b>	<b>44 880</b>	<b>43 585</b>	<b>43 585</b>	<b>43 585</b>	<b>35 575</b>	<b>29 464</b>	<b>23 449</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	114 920	129 386	133 087	131 953	131 451	131 451	131 451	126 574	116 337	109 179
Application of cash and investments	6 196	13 456	1 830	2 264	1 263	1 263	1 151	2 013	3 970	3 744
<b>Balance - surplus (shortfall)</b>	<b>108 724</b>	<b>115 930</b>	<b>131 257</b>	<b>129 689</b>	<b>130 188</b>	<b>130 188</b>	<b>130 300</b>	<b>123 561</b>	<b>112 366</b>	<b>105 435</b>
<b>Asset management</b>										
Asset register summary (MDV)	78 813	79 720	84 409	80 339	96 104	96 104	98 221	85 077	83 920	–
Depreciation	3 573	3 831	3 575	3 626	3 626	3 626	3 654	3 680	3 709	–
Renewal and Upgrading of Existing Assets	1 128	375	4 613	5 155	6 988	6 988	3 141	216	276	–
Repairs and Maintenance	8 550	9 324	10 663	8 451	9 547	9 547	9 675	9 914	10 466	–
<b>Free services</b>										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

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TABLE A2 – Budget Financial Performance (Standard 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>	1									
<i>Governance and administration</i>		91 004	97 858	116 726	104 390	108 649	108 649	109 791	112 422	115 258
Executive and council		10 385	11 343	23 225	14 651	12 097	12 097	15 270	14 929	15 386
Finance and administration		80 619	86 515	93 494	89 739	96 552	96 552	94 521	97 493	99 870
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		19 394	20 907	22 444	28 255	26 259	26 259	26 639	19 492	28 252
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		15 651	15 767	16 771	18 274	18 778	18 778	20 130	12 652	21 067
Public safety		3 447	4 701	5 265	5 850	4 850	4 850	5 308	5 627	5 959
Housing		-	-	-	-	-	-	-	-	-
Health		296	440	408	4 132	2 632	2 632	1 202	1 214	1 226
<i>Economic and environmental services</i>		98 284	124 451	119 273	108 895	113 619	113 619	122 499	128 824	133 205
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		98 189	124 451	119 273	108 781	113 498	113 498	122 375	128 695	133 071
Environmental protection		95	-	-	114	121	121	124	129	134
<i>Trading services</i>		12 941	11 851	11 480	11 900	12 600	12 600	14 300	15 020	15 640
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		12 941	11 851	11 480	11 900	12 600	12 600	14 300	15 020	15 640
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	221 623	255 068	269 917	253 440	261 127	261 127	273 229	275 759	292 353
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		45 125	48 079	52 882	57 322	61 782	61 782	63 754	63 281	66 677
Executive and council		10 360	9 939	12 403	10 407	10 604	10 604	10 550	10 830	11 445
Finance and administration		33 439	36 702	38 959	45 035	49 218	49 218	51 221	50 370	53 040
Internal audit		1 325	1 438	1 520	1 880	1 880	1 880	1 983	2 081	2 192
<i>Community and public safety</i>		60 207	63 338	65 933	73 563	74 460	74 460	75 470	75 353	79 384
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		16 714	16 235	15 682	16 623	17 980	17 980	17 150	16 087	16 712
Public safety		29 243	32 600	34 739	36 168	38 229	38 229	39 629	39 471	41 706
Housing		-	-	-	-	-	-	-	-	-
Health		14 250	14 503	15 512	20 773	18 251	18 251	18 691	19 795	20 866
<i>Economic and environmental services</i>		101 563	120 306	115 567	113 424	118 504	118 504	127 394	134 004	138 701
Planning and development		1 253	1 323	769	1 391	1 557	1 557	1 618	1 711	1 816
Road transport		98 015	116 782	111 803	108 781	113 437	113 437	122 375	128 695	133 071
Environmental protection		2 295	2 201	2 995	3 252	3 510	3 510	3 401	3 597	3 814
<i>Trading services</i>		8 495	9 001	10 062	9 037	9 945	9 945	10 143	10 871	11 656
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		8 495	9 001	10 062	9 037	9 945	9 945	10 143	10 871	11 656
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	215 390	240 723	244 445	253 346	264 610	264 610	276 781	283 508	296 418
<b>Surplus/(Deficit) for the year</b>		6 233	14 345	25 472	94	(3 483)	(3 483)	(3 552)	(7 749)	(4 065)

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TABLE A3 - Budget Financial Performance (Rev & Exp 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 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>										
Vote 1 - Municipal Manager		10 533	11 540	23 460	14 651	12 097	12 097	15 270	14 929	15 386
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		48	34	30	30	25	25	25	25	25
Vote 4 - Finance		80 422	86 284	93 230	89 709	96 528	96 526	94 486	97 468	99 845
Vote 5 - Community Services		130 619	157 209	153 197	149 050	152 478	152 478	163 438	163 337	177 097
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>221 623</b>	<b>255 068</b>	<b>269 917</b>	<b>253 440</b>	<b>261 127</b>	<b>261 127</b>	<b>273 229</b>	<b>275 759</b>	<b>282 353</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - Municipal Manager		14 091	13 945	15 939	15 003	15 583	15 583	15 639	16 194	17 121
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		11 001	10 829	11 133	13 505	14 473	14 473	16 558	16 358	17 196
Vote 4 - Finance		20 124	23 300	25 030	27 126	31 150	31 150	31 005	30 163	31 766
Vote 5 - Community Services		170 174	192 649	192 343	197 712	203 404	203 404	213 559	220 793	230 335
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>215 390</b>	<b>240 723</b>	<b>244 445</b>	<b>253 346</b>	<b>264 610</b>	<b>264 610</b>	<b>276 761</b>	<b>283 508</b>	<b>296 418</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>

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TABLE A4 - Budget Financial Performance (Revenue & 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>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	236	286	278	400	200	200	200	200	210	220
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	600	600	600	600	600	630	660
Service charges - Waste Management	2	11 468	11 844	9 812	12 572	13 272	13 272	13 272	15 000	15 750	16 400
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-	-
Agency services		10 127	11 343	11 501	11 351	11 597	11 597	11 597	12 770	13 429	13 886
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	50	55	60
Interest earned from Current and Non Current As		1 899	2 287	2 558	2 000	2 750	2 750	2 750	3 250	3 250	3 250
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		10 747	11 856	12 458	12 930	12 925	12 925	12 925	13 825	14 755	15 185
Licence and permits		137	230	225	2 500	1 000	1 000	1 000	1 000	1 000	1 000
Operational Revenue		7 788	7 220	9 229	11 394	10 346	10 346	10 346	10 146	2 137	10 391
<b>Non-Exchange Revenue</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		169 680	207 200	202 394	197 193	206 187	206 187	206 187	214 389	223 043	229 801
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		1 465	-	1 812	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	11 724	2 500	-	-	-	2 000	1 500	1 500
Other Gains		7 384	520	5 831	-	-	-	-	-	-	-
Discontinued Operations											
<b>Total Revenue (excluding capital transfers and Expenditure)</b>		<b>220 932</b>	<b>252 787</b>	<b>267 821</b>	<b>253 440</b>	<b>258 877</b>	<b>258 877</b>	<b>258 877</b>	<b>273 229</b>	<b>275 759</b>	<b>292 353</b>
<b>Expenditure</b>											
Employee related costs	2	113 215	116 527	122 755	135 932	133 108	133 108	133 108	138 712	148 346	156 623
Remuneration of councillors		6 197	5 852	5 872	6 166	6 426	6 426	6 426	6 340	6 746	7 164
Bulk purchases - electricity	2	385	766	329	400	250	250	250	200	210	220
Inventory consumed	8	42 327	56 358	50 516	46 462	55 711	55 711	55 711	62 321	64 863	66 280
Debt impairment	3	145	67	67	200	100	100	100	100	100	100
Depreciation and amortisation		3 573	3 831	3 575	3 626	3 626	3 626	3 626	3 654	3 680	3 709
Interest		3 860	3 448	3 492	3 329	3 289	3 289	3 289	2 753	3 015	3 303
Contracted services		16 389	16 137	24 539	23 792	26 590	26 590	26 590	31 105	25 212	26 556
Transfers and subsidies		-	680	399	-	2 799	2 799	2 799	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		28 835	36 735	32 094	33 440	32 712	32 712	32 712	31 575	31 337	32 464
Losses on disposal of Assets		464	322	807	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>215 390</b>	<b>240 723</b>	<b>244 445</b>	<b>253 346</b>	<b>264 610</b>	<b>264 610</b>	<b>264 610</b>	<b>276 761</b>	<b>283 508</b>	<b>296 418</b>
<b>Surplus/(Deficit)</b>		<b>5 541</b>	<b>12 064</b>	<b>23 377</b>	<b>94</b>	<b>(5 733)</b>	<b>(5 733)</b>	<b>(5 733)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
Transfers and subsidies - capital (monetary)	6	691	1 614	1 116	-	2 250	2 250	2 250	-	-	-
Transfers and subsidies - capital (in-kind)	6	-	667	980	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
Share of Surplus/(Deficit) attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
Share of Surplus/(Deficit) attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Total Surplus/(Deficit) after all adjustments</b>		<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>

**OVERBERG DISTRICT MUNICIPALITY**  
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TABLE A5 – Capital Expenditure Budget by Vote and Funding

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 outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	137	50	1 270	1 270	1 270	-	-	-
Vote 4 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	39	4 900	4 900	4 900	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	137	89	6 170	6 170	6 170	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Municipal Manager		-	45	262	350	15	15	15	30	20	-
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		403	249	1 707	5 065	1 122	1 122	1 122	1 485	180	230
Vote 4 - Finance		16	74	476	1 200	3	3	3	10	15	10
Vote 5 - Community Services		2 579	4 668	6 955	3 570	8 010	8 010	8 010	4 246	321	2 311
<b>Capital single-year expenditure sub-total</b>		2 998	5 036	9 400	10 185	9 150	9 150	9 150	5 771	536	2 551
<b>Total Capital Expenditure - Vote</b>		2 998	5 036	9 537	10 274	15 320	15 320	15 320	5 771	536	2 551
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		419	368	2 582	6 665	2 415	2 415	2 415	1 495	195	240
Executive and council		-	45	102	200	-	-	-	-	-	-
Finance and administration		419	323	2 321	6 315	2 415	2 415	2 415	1 495	195	240
Internal audit		-	-	160	150	-	-	-	-	-	-
<b>Community and public safety</b>		2 576	3 997	6 539	3 479	7 928	7 928	7 928	4 240	315	2 305
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		119	340	613	339	2 583	2 583	2 583	700	-	-
Public safety		2 416	3 657	5 474	2 355	5 285	5 285	5 285	3 500	300	2 275
Housing		-	-	-	-	-	-	-	-	-	-
Health		40	-	451	785	60	60	60	40	15	30
<b>Economic and environmental services</b>		3	4	416	130	78	78	78	36	26	6
Planning and development		-	-	-	-	15	15	15	30	20	-
Road transport		3	-	358	-	-	-	-	-	-	-
Environmental protection		-	4	58	130	63	63	63	6	6	6
<b>Trading services</b>		-	668	-	-	4 900	4 900	4 900	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	668	-	-	4 900	4 900	4 900	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	2 998	5 036	9 537	10 274	15 320	15 320	15 320	5 771	536	2 551
<b>Funded by:</b>											
National Government		66	-	-	-	-	-	-	-	-	-
Provincial Government		625	2 886	1 116	-	2 250	2 250	2 250	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	691	2 886	1 116	-	2 250	2 250	2 250	-	-	-
<b>Borrowing</b>	6	-	-	2 948	39	4 900	4 900	4 900	-	-	-
<b>Internally generated funds</b>		2 307	2 151	5 474	10 235	8 170	8 170	8 170	5 771	536	2 551
<b>Total Capital Funding</b>	7	2 998	5 036	9 537	10 274	15 320	15 320	15 320	5 771	536	2 551

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TABLE A6 – Budget Position

DC3 Overberg - 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		36 647	56 076	44 932	44 880	43 585	43 585	43 585	35 575	29 464	23 449
Trade and other receivables from exchange transactions	1	12 264	6 413	16 551	9 529	4 551	4 551	4 551	4 551	4 551	4 551
Receivables from non-exchange transactions	1	508	516	534	516	534	534	534	534	534	534
Current portion of non-current receivables		2 146	2 052	1 931	1 982	2 026	2 026	2 026	2 154	2 289	2 434
Inventory	2	700	1 150	1 873	1 150	1 873	1 873	1 873	1 873	1 873	1 873
VAT		2 754	12 491	11 975	-	5 975	5 975	5 975	5 975	5 975	5 975
Other current assets		-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>		<b>55 020</b>	<b>78 697</b>	<b>77 795</b>	<b>58 057</b>	<b>58 544</b>	<b>58 544</b>	<b>58 544</b>	<b>50 661</b>	<b>44 686</b>	<b>38 815</b>
<b>Non current assets</b>											
Investments											
Investment property		12 811	12 811	12 797	12 781	12 783	12 783	12 783	12 769	12 755	12 741
Property, plant and equipment	3	66 009	66 898	71 605	77 544	83 315	83 315	83 315	85 449	82 322	81 179
Biological assets											
Living and non-living resources											
Heritage assets											
Intangible assets		18	12	8	13	6	6	6	3	1	0
Trade and other receivables from exchange transactions		18 988	22 932	22 192	24 895	23 330	23 330	23 330	24 800	26 362	28 023
Non-current receivables from non-exchange transactions											
Other non-current assets											
<b>Total non current assets</b>		<b>97 826</b>	<b>102 653</b>	<b>106 601</b>	<b>115 234</b>	<b>119 434</b>	<b>119 434</b>	<b>119 434</b>	<b>123 021</b>	<b>121 439</b>	<b>121 943</b>
<b>TOTAL ASSETS</b>		<b>152 846</b>	<b>181 350</b>	<b>184 397</b>	<b>173 291</b>	<b>177 977</b>	<b>177 977</b>	<b>177 977</b>	<b>173 681</b>	<b>166 125</b>	<b>160 758</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		2 949	3 296	4 631	4 120	5 365	5 365	5 365	4 706	5 141	-
Consumer deposits		8	8	8	8	8	8	8	8	8	8
Trade and other payables from exchange transactions	4	9 965	19 075	5 019	5 922	5 019	5 019	5 019	5 019	5 019	5 019
Trade and other payables from non-exchange transaction	5	7 484	5 666	3 273	16 217	446	446	446	446	446	446
Provision		14 026	14 313	14 271	15 885	15 127	15 127	15 127	16 035	16 997	18 017
VAT		-	-	-	628	-	-	-	-	-	-
Other current liabilities											
<b>Total current liabilities</b>		<b>34 433</b>	<b>42 359</b>	<b>27 202</b>	<b>42 780</b>	<b>25 965</b>	<b>25 965</b>	<b>25 965</b>	<b>26 214</b>	<b>27 611</b>	<b>23 490</b>
<b>Non current liabilities</b>											
Financial liabilities	6	22 211	18 916	16 589	11 112	11 225	11 225	11 225	6 519	1 377	-
Provision	7	49 222	58 752	53 810	64 479	57 475	57 475	57 475	61 168	65 105	69 301
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>71 434</b>	<b>77 668</b>	<b>70 399</b>	<b>75 591</b>	<b>68 699</b>	<b>68 699</b>	<b>68 699</b>	<b>67 687</b>	<b>66 482</b>	<b>69 301</b>
<b>TOTAL LIABILITIES</b>		<b>105 867</b>	<b>120 027</b>	<b>97 601</b>	<b>118 372</b>	<b>94 664</b>	<b>94 664</b>	<b>94 664</b>	<b>93 901</b>	<b>94 094</b>	<b>92 791</b>
<b>NET ASSETS</b>		<b>46 979</b>	<b>61 324</b>	<b>86 796</b>	<b>54 919</b>	<b>83 313</b>	<b>83 313</b>	<b>83 313</b>	<b>79 780</b>	<b>72 031</b>	<b>67 967</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	46 979	56 335	73 796	45 499	70 313	70 313	70 313	66 780	59 031	54 967
Reserves and funds	9	-	4 989	13 000	9 420	13 000	13 000	13 000	13 000	13 000	13 000
Other											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>46 979</b>	<b>61 324</b>	<b>86 796</b>	<b>54 919</b>	<b>83 313</b>	<b>83 313</b>	<b>83 313</b>	<b>79 780</b>	<b>72 031</b>	<b>67 967</b>

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TABLE A7 – Budget 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		-	-	-	-	-	-	-	-	-	-
Service charges		9 726	13 729	10 333	13 572	13 972	13 972	13 972	15 800	16 590	17 280
Other revenue		22 400	34 779	30 258	37 775	35 868	35 868	35 868	37 640	31 221	40 362
Transfers and Subsidies - Operational	1	176 155	212 845	190 057	197 193	204 010	204 010	204 010	214 389	223 043	229 801
Transfers and Subsidies - Capital	1	266	1 232	1 950	-	1 600	1 600	1 600	(1 834)	(2 041)	(2 272)
Interest		1 877	2 257	2 529	2 200	2 750	2 750	2 750	3 300	3 305	3 310
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(203 348)	(235 421)	(234 994)	(244 467)	(246 482)	(246 482)	(246 482)	(268 170)	(274 486)	(286 926)
Finance charges		(3 004)	(2 662)	(2 632)	(2 315)	(2 315)	(2 315)	(2 315)	(1 834)	(2 041)	(2 272)
Transfers and Subsidies	1	-	(680)	(399)	-	(2 799)	(2 799)	(2 799)	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>4 072</b>	<b>26 079</b>	<b>(2 899)</b>	<b>3 958</b>	<b>6 604</b>	<b>6 604</b>	<b>6 604</b>	<b>1 125</b>	<b>(2 369)</b>	<b>1 555</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	1 304	2 500	12 000	12 000	12 000	2 000	1 500	1 500
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(3 001)	(3 701)	(5 609)	(10 274)	(15 320)	(15 320)	(15 320)	(5 771)	(536)	(2 551)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(3 001)</b>	<b>(3 701)</b>	<b>(4 305)</b>	<b>(7 774)</b>	<b>(3 320)</b>	<b>(3 320)</b>	<b>(3 320)</b>	<b>(3 771)</b>	<b>964</b>	<b>(1 051)</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		(2 872)	(2 949)	(3 939)	(3 684)	(4 631)	(4 631)	(4 631)	(5 365)	(4 706)	(6 519)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(2 872)</b>	<b>(2 949)</b>	<b>(3 939)</b>	<b>(3 684)</b>	<b>(4 631)</b>	<b>(4 631)</b>	<b>(4 631)</b>	<b>(5 365)</b>	<b>(4 706)</b>	<b>(6 519)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(1 801)</b>	<b>19 429</b>	<b>(11 144)</b>	<b>(7 499)</b>	<b>(1 347)</b>	<b>(1 347)</b>	<b>(1 347)</b>	<b>(8 011)</b>	<b>(6 111)</b>	<b>(6 015)</b>
Cash/cash equivalents at the year begin:	2	38 448	36 647	56 076	52 379	44 932	44 932	44 932	43 585	35 575	29 464
Cash/cash equivalents at the year end:	2	36 647	56 076	44 932	44 880	43 585	43 585	43 585	35 575	29 464	23 449

TABLE A8 – Cash back reserves/accumulated surplus provision

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	36 647	56 076	44 932	44 880	43 585	43 585	43 585	35 575	29 464	23 449
Other current investments > 90 days		0	0	0	(0)	(0)	(0)	(0)	-	(0)	(0)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>36 647</b>	<b>56 076</b>	<b>44 932</b>	<b>44 880</b>	<b>43 585</b>	<b>43 585</b>	<b>43 585</b>	<b>35 575</b>	<b>29 464</b>	<b>23 449</b>
<b>Application of cash and investments</b>											
Trade payables from Non-ex change transactions: Un		7 484	5 666	3 273	16 217	446	446	446	446	446	446
Unspent borrowing		4 912	4 912	4 912	112	112	112	112	112	112	112
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(767)	2 659	(8 600)	(8 414)	(10 140)	(10 140)	(10 140)	(10 128)	(10 111)	(10 102)
Other provisions		967	1 804	2 567	3 467	3 467	3 467	3 467	4 267	5 067	5 867
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	4 989	13 000	9 420	13 000	13 000	13 000	13 000	13 000	13 000
<b>Total Application of cash and investments:</b>		<b>12 596</b>	<b>20 030</b>	<b>15 152</b>	<b>20 801</b>	<b>6 885</b>	<b>6 885</b>	<b>6 885</b>	<b>7 697</b>	<b>8 514</b>	<b>9 323</b>
<b>Surplus(shortfall)</b>		<b>24 051</b>	<b>36 045</b>	<b>29 780</b>	<b>24 078</b>	<b>36 701</b>	<b>36 701</b>	<b>36 701</b>	<b>27 878</b>	<b>20 950</b>	<b>14 127</b>

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	1 869	4 662	4 925	5 119	8 332	8 332	2 630	320	2 275
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<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>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	2 298	55	-	-	-	-	-	-
<b>Other Assets</b>		-	2 298	55	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	6	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	6	-	-	-	-	-
<i>Computer Equipment</i>		-	78	137	4 500	365	365	-	-	-
<i>Furniture and Office Equipment</i>		272	95	174	203	45	45	30	20	-
<i>Machinery and Equipment</i>		835	590	1 047	403	3 673	3 673	100	50	75
<i>Transport Assets</i>		782	934	3 512	7	4 250	4 250	2 500	250	2 200
<i>Land</i>		-	668	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	641	206	3 755	2 651	1 155	1 155	2 141	216	276
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<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>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	44	-	-	-	-	-
<b>Other Assets</b>		-	-	-	44	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>		-	171	136	450	270	270	260	100	100
<i>Furniture and Office Equipment</i>		16	35	2 898	2 057	440	440	981	116	176
<i>Machinery and Equipment</i>		625	-	321	-	40	40	900	-	-
<i>Transport Assets</i>		-	-	400	100	405	405	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-

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<b>Total Upgrading of Existing Assets</b>	6	468	169	858	2 504	5 833	5 833	1 000	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	39	4 900	4 900	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	-	-	39	4 900	4 900	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	15	283	283	320	-	-	-
Housing	84	169	316	300	650	650	-	-	-	-
<b>Other Assets</b>	84	169	316	315	933	933	320	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-
Computer Equipment	384	-	-	-	-	-	680	-	-	-
Furniture and Office Equipment	19	-	38	-	-	-	-	-	-	-
Machinery and Equipment	-	-	503	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	2 150	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	-
Mature	0	0	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>	0	0	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	2 998	5 036	9 537	10 274	15 320	15 320	5 771	536	2 551
Roads Infrastructure	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	39	4 900	4 900	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	-	-	39	4 900	4 900	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	15	283	283	320	-	-	-
Housing	84	2 466	371	344	650	650	-	-	-	-
<b>Other Assets</b>	84	2 466	371	359	933	933	320	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	6	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	6	-	-	-	-	-	-
Computer Equipment	384	249	274	4 950	635	635	940	100	100	
Furniture and Office Equipment	307	129	3 110	2 260	484	484	1 011	136	176	
Machinery and Equipment	1 460	590	1 871	403	3 713	3 713	1 000	50	75	
<b>Transport Assets</b>	762	934	3 912	2 257	4 655	4 655	2 500	250	2 200	
Land	-	668	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	-
Mature	0	0	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>	0	0	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		2 998	5 036	9 537	10 274	15 320	15 320	5 771	536	2 551
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	78 813	79 720	84 409	90 339	96 104	96 104	98 221	95 077	93 920
Roads Infrastructure	-	1 464	1 406	1 370	1 406	1 370	1 370	1 370	1 370	1 370
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	210	191	186	191	186	186	186	186	186	
Water Supply Infrastructure	1 535	2 041	2 023	2 077	2 023	2 023	2 023	2 023	2 023	
Sanitation Infrastructure	1 581	1 380	1 344	1 380	1 344	1 344	1 344	1 344	1 344	
Solid Waste Infrastructure	27 029	25 874	25 060	25 729	28 706	29 706	29 124	28 518	27 886	
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	31 818	30 892	29 983	30 783	34 628	34 628	34 046	33 440	32 809	
<b>Community Assets</b>	12	11	11	11	11	11	11	11	11	
Heritage Assets	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	12 811	12 811	12 797	12 781	12 783	12 783	12 769	12 755	12 741	
<b>Other Assets</b>	14 313	16 408	10 963	16 643	11 476	11 476	11 676	11 556	11 436	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Servitudes	18	12	8	13	6	6	3	1	0	
<b>Intangible Assets</b>	1 387	1 400	1 335	6 508	1 473	1 473	1 916	1 519	1 120	
Computer Equipment	2 552	2 307	4 422	3 595	4 425	4 425	4 955	4 608	4 297	
Furniture and Office Equipment	2 924	3 236	4 716	5 275	8 396	8 396	9 364	9 382	9 425	
<b>Transport Assets</b>	12 976	12 643	15 176	14 728	17 906	17 906	18 481	16 806	17 081	
Land	-	-	4 999	-	4 999	4 999	4 999	4 999	4 999	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
<b>Living Resources</b>	-	-	-	-	-	-	-	-	-	
<b>TOTAL ASSET REGISTER SUMMARY - PPE</b>	5	78 813	79 720	84 409	90 339	96 104	96 104	98 221	95 077	93 920

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<b>EXPENDITURE OTHER ITEMS</b>		<b>12 123</b>	<b>13 155</b>	<b>14 238</b>	<b>12 077</b>	<b>13 172</b>	<b>13 172</b>	<b>13 328</b>	<b>13 594</b>	<b>14 175</b>
Depreciation	7	3 573	3 831	3 575	3 626	3 626	3 626	3 654	3 680	3 709
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	<b>8 550</b>	<b>9 324</b>	<b>10 663</b>	<b>8 451</b>	<b>9 547</b>	<b>9 547</b>	<b>9 675</b>	<b>9 914</b>	<b>10 466</b>
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	30	30	30	-	5	5
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	5 333	6 241	6 241	6 677	7 077	7 502
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>5 363</b>	<b>6 271</b>	<b>6 271</b>	<b>6 677</b>	<b>7 082</b>	<b>7 507</b>
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	-	780	579	579	872	601	628
Housing		4 749	5 414	8 003	75	75	75	70	72	75
<b>Other Assets</b>		<b>4 749</b>	<b>5 414</b>	<b>8 003</b>	<b>855</b>	<b>654</b>	<b>654</b>	<b>942</b>	<b>673</b>	<b>703</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	4	4	4	4	4
Machinery and Equipment		1 327	905	726	712	726	726	616	627	661
<b>Transport Assets</b>		<b>2 475</b>	<b>3 005</b>	<b>1 934</b>	<b>1 521</b>	<b>1 892</b>	<b>1 892</b>	<b>1 437</b>	<b>1 528</b>	<b>1 592</b>
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>12 123</b>	<b>13 155</b>	<b>14 238</b>	<b>12 077</b>	<b>13 172</b>	<b>13 172</b>	<b>13 328</b>	<b>13 594</b>	<b>14 175</b>

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TABLE A10 – 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 kilolites 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 kilolites per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>	8	-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolites per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolites per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolites per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - bp structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		-	-	-	-	-	-	-	-	-

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## **PART 2 – SUPPORTING DOCUMENTATION**

### **1. Overview of Annual Budget Process**

#### **1.1 Political oversight of the budget process**

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guides the preparation of the budget.

Section 21(1) of the MFMA states that the Mayor of a municipality must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

This time schedule provides for political input from formal organisations such as portfolio committees.

#### **1.2 Schedule of Key Deadlines relating to budget process [MFMA s21 (1) (b)]**

The IDP and Budget time schedule of the 2023/2024 budget cycle was approved by Council in August 2022, ten months before the start of the budget year in compliance with legislative directives.

#### **1.3 Process used to integrate the review of the IDP and preparation of the Budget**

Updating the IDP and Budget is an evolving and re-iterative process over a 10-month period. The initial parallel process commenced with the consultative process of the IDP in 2022/23 and the update of the MTREF to determine the affordability and sustainability

framework at the same time. A review of the approved 2022/2023 IDP was undertaken on 30 May 2022

#### **1.4 Process for consultation with each group of stakeholders and outcomes**

Following the tabling of the draft budget on 27 March 2023, local input will be solicited via notices published in all major newspapers across the region. while the budget will also be placed on the municipal website at [www.odm.org.za](http://www.odm.org.za).

Comments on the IDP and Budget as made by the public via verbal presentations, facsimiles, emails and in the form of correspondence to the municipality will be considered for incorporation as part of the final budget approval process.

#### **1.5 Stakeholders involved in consultations**

The tabled budget will be provided to National Treasury and Provincial Treasury for their consideration in line with S23 of the MFMA.

#### **1.6 Process and media used to provide information on the Budget to the community**

Following the tabling of the draft budget in March 2023, local input will be solicited via notices published in all major newspapers across the region while the budget will also be placed on the municipal website at [www.odm.org.za](http://www.odm.org.za).

#### **1.7 Methods employed to make the Budget document available (including websites)**

In compliance with the Municipal Finance Management Act and the Municipal Systems Act with regards to the advertising of Budget Documents (including the Tariffs for 2023/2024), advertisements will be placed in the local newspapers across the region and the municipal website and social media. The information relating to the budget documentation will be displayed at the notice boards in the municipal offices, Thusong centres and libraries in the district.

In compliance with S 22 of the MFMA, the Budget documentation will be published on the municipality's website following the tabling thereof at Council on 27 March 2023 and the approval thereof in May 2023. The was no changes to the Budget Assumptions

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## 2. Overview of Alignment of budget to IDP

- **The Vision of the Municipality**

The Municipality's long-term vision:

*"Overberg – the opportunity gateway to Africa through sustainable services"*

- **Alignment with Provincial and National Government**

Overberg District Municipality's development plan needs to be aligned with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are six critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS), Provincial Spatial Development Framework (PSDF), and the Provincial Strategic Plan.

All these feed into and influence the Integrated Development Plan.

- **Overberg District Municipality Budget Priorities (Key Performance areas)**

The Municipality's Integrated Development Plan focuses on five strategic focus areas. The concrete objectives for each strategic focus area have been outlined and elaborated on in the Strategic Plan. These objectives will be used to further develop key performance indicators against which performance implementation monitoring and reporting will be done. The corporate scorecard outlines these indicators and targets.

The five strategic outcomes are:

1. *To ensure the well-being of all in the Overberg through the provision of efficient **basic services and infrastructure**.*
2. *To promote **regional economic development** by supporting initiatives in the district for the development of a sustainable district economy.*
3. *To ensure **municipal transformation and institutional development** by creating a staff structure that would adhere to the principles of employment equity and promote skill development.*
4. *To attain and maintain **financial viability** and sustainable by executing accounting services in accordance with National policy and guidelines.*

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5. To ensure **good governance** practices by providing a democratic and pro-active accountable government and ensuring community participation through IGR structures.

### **Amendments to the Integrated Development Plan**

At the Strategic Session of Council on 05 April 2023, the Executive Mayor will reaffirm the strategic direction of Council. An IDP Review process was therefore followed, and not an Amendment.

The complete Integrated Development Plan Review will be presented at the Council, prior to tabling the Review to Council for adoption. Electronic copies will be sent to all Councillors and Management.

## **3. Measurable performance Objectives and Indicators**

### **KEY FINANCIAL INDICATORS AND RATIOS**

Information regarding key financial indicators and ratios are provided on Supporting Table SA 7.

#### **(a) MEASURABLE PERFORMANCE OBJECTIVES**

Information regarding revenue are provided as follows:

- Revenue for each vote - SA 26
- Revenue for each source - SA 25

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## **4. Overview of Budget related Policies**

The following budget related policies was approved by Council, and are currently being reviewed / amended, in line with National Guidelines and Legislation.

- 4.1 Asset Management Policy;
- 4.2 Borrowing Policy;
- 4.3 Budget Policy;
- 4.4 Cash management and investment Policy;

- 4.5 Cost containment Policy
- 4.6 Credit control and debt collection Policy;
- 4.7 Customer Care Policy;
- 4.8 Demand Management Policy;
- 4.9 Funding and reserves Policy;
- 4.10 Infrastructure Investments and Capital Projects Policy;
- 4.11 Infrastructure Procurement and Delivery Policy;
- 4.12 Liquidity Policy;
- 4.13 Long Term Financial Planning Policy;
- 4.14 Management and Administration of Immovable Policy;
- 4.15 Payroll Management & Administration Policy;
- 4.16 Preferential procurement Framework Policy;
- 4.17 Supply Chain Management Policy;
- 4.18 Tariff Policy;
- 4.19 Travel and Subsistence Policy; and
- 4.20 Virement Policy.

Policies will be available at the municipal offices in the district, electronically as per request, as well as on the website of the municipality.

Some policies might still have to be reviewed and will be table to Council when the final budget is considered in May 2023.

### **Draft Budget Checklist**

*This draft budget does not result in a deficit - **NO***

*This draft budget is regarded as a funded budget if the budget assumptions realized- **YES, however deficit will be funded from accumulated cash reserves***

*This draft budget is focus on service delivery - **YES***

*This draft budget gave attention to cost containment and comply to NT guidelines & mSCOA alignment - **YES***

*This draft budget is financially sustainable if the budget assumptions realized – **NO, but additional revenue sources from health and fire services delivered need to identify to prevent cost cutting***

*This employee cost in this draft budget was calculated in accordance with the Wage agreement and did not consider any intention to apply for an exemption thereof – **YES, but consideration will need to be given as alternatives (trade- off between salary increases or filling funded vacancies?)***

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## 5. Overview of Budget Assumptions

### Expenditure

#### Salaries and Allowances

Wage negotiations have been finalised between the Unions and the South African Local Government Association and the municipality budgeted for 1.5% notch and medical fund increase. In line with National Treasury's Budget Circular 123 guidelines, 5.4% projection for annual increments had been provided to result in an unfunded budget with a deficit.

It is also assumed that the current employees will not resign and therefore notch increases for all employees are budgeted for. Inclusive are funded vacancies of which some are in the process of filling.

#### General expenditure

It is assumed that costs for services and fuel will increase with more than the current CPI inflation target provide by National Treasury over the medium term. It is also assumed that the capital projects for 2023/2024 will be completed during the financial year as depreciation are budgeted on these projects as per General Recognized Accounting Practice (GRAP) principles.

Depreciation on new capital expenditure is calculated at a varying rate ranging between 3 and 50 years depending on the nature of the assets. The useful life's of assets were reviewed during the current year which impacted the depreciation forecast.

#### Repairs and Maintenance

It is assumed that municipal infrastructure and assets will be maintained as per previous years and that no major breakages will take place during the financial year.

#### Capital costs

It is assumed that interest rates will be stable during the financial year, but the provision for capital has not been decreased.

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## Revenue

### Grants

- ▶ It is assumed that the National and Provincial grants as per the Division of Revenue Bill (DORA Bill) which has been included in the budget will be received during the 2023/2024 financial year.
- ▶ Additional Revenue Assumptions
  - Sale of investment properties = R2 000 000
  - Interest on Current Deposito Accounts = R3 250 000
  - Interest on outstanding debt = R 50 000
  - Legal Fees Recouped = R 500 000
  - Roads Agency Function = R12 769 565
  - Fire Services (B-Muni's) = R 5 068 046

### Total Operating Results

ODM moved to a deficit budget during the previous 2022/23 Adjustment Budget and will strive to shift out of this position in future, however it becomes more difficult as time passes. New revenue streams, more allocations for functions from NT and PT and sustainable cost reflective tariffs are required to remain sustainable.

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## 6. Overview of Budget Funding

### Summary

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The operating budget for 2023/2024 will be financed as follows:

Income and Expenditure type (Excluding Roads)

#### SUMMARY INCOME & EXPENDITURE 2023/2024 MTREF EXCLUDING ROADS AGENCY

Revenue by Source	Adjustment Budget 2022/23	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26
Service charges - Electricity	R 200 000.00	R 200 000.00	R 210 000.00	R 220 000.00
Service charges - Waste Water Management	R 600 000.00	R 600 000.00	R 630 000.00	R 660 000.00
Service charges - Waste Management	R 13 272 000.00	R 15 000 000.00	R 15 750 000.00	R 16 400 000.00
Agency services	R 11 597 174.00	R 12 769 565.00	R 13 429 076.00	R 13 885 714.00
Interest earned from Receivables	R -	R 50 000.00	R 55 000.00	R 60 000.00
Interest earned from Current and Non Current Assets	R 2 750 000.00	R 3 250 000.00	R 3 250 000.00	R 3 250 000.00
Rental from Fixed Assets	R 12 925 000.00	R 13 825 000.00	R 14 755 000.00	R 15 185 000.00
Licence and permits	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00
Operational Revenue	R 10 345 917.00	R 10 145 746.00	R 2 137 078.76	R 10 391 456.49
Transfer and subsidies - Operational	R 92 688 661.00	R 92 013 927.00	R 94 347 570.33	R 96 729 571.69
Transfers and subsidies - Capital	R 2 250 000.00	R -	R -	R -
Gains on disposal of Assets	R -	R 2 000 000.00	R 1 500 000.00	R 1 500 000.00
	R 147 628 752.00	R 150 854 238.00	R 147 063 725.09	R 159 281 742.18

Expenditure by Type	Adjustment Budget 2022/23	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26
Employee related costs	R 85 400 724.00	R 88 067 327.00	R 93 279 968.77	R 99 030 558.78
Remuneration of councillors	R 6 425 617.00	R 6 339 757.00	R 6 745 501.45	R 7 163 722.54
Bulk purchases - electricity	R 250 000.00	R 200 000.00	R 210 000.00	R 220 000.00
Inventory consumed	R 5 414 312.00	R 4 790 200.00	R 4 910 650.00	R 5 086 850.00
Debt impairment	R 100 000.00	R 100 000.00	R 100 000.00	R 100 000.00
Depreciation and amortisation	R 3 625 515.00	R 3 653 586.43	R 3 679 854.00	R 3 708 918.00
Interest	R 3 008 417.00	R 2 433 186.00	R 2 684 841.00	R 2 962 559.00
Contracted services	R 23 109 643.00	R 28 006 289.00	R 21 890 930.38	R 23 027 375.20
Transfers and subsidies	R 2 799 000.00	R -	R -	R -
Operational costs	R 21 039 732.00	R 20 796 086.00	R 21 311 199.98	R 22 046 324.62
	R 151 172 960.00	R 154 386 431.43	R 154 812 945.58	R 163 346 308.13
Surplus/(Deficit)	R -3 544 208.00	R -3 532 193.43	R -7 749 220.49	R -4 064 565.96

#### SUMMARY INCOME & EXPENDITURE 2023/2024 MTREF ROADS AGENCY

Revenue by Source	Adjustment Budget 2022/23	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26
Transfer and subsidies - Operational	R 113 498 250.00	R 122 375 000.00	R 128 695 313.00	R 133 071 429.00
	R 113 498 250.00	R 122 375 000.00	R 128 695 313.00	R 133 071 429.00

Expenditure by Type	Adjustment Budget 2022/23	Draft Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26
Employee related costs	R 47 707 000.00	R 50 645 000.00	R 55 066 250.00	R 57 592 695.00
Inventory consumed	R 50 297 000.00	R 57 531 000.00	R 59 952 713.00	R 61 192 660.00
Interest	R 281 000.00	R 320 000.00	R 330 000.00	R 340 000.00
Contracted services	R 3 480 000.00	R 3 100 000.00	R 3 321 000.00	R 3 528 270.00
Operational costs	R 11 672 266.00	R 10 779 000.00	R 10 025 350.00	R 10 417 804.00
	R 113 437 266.00	R 122 375 000.00	R 128 695 313.00	R 133 071 429.00
Surplus/(Deficit)	R 60 984.00	R -	R -	R -

The capital programme for 2023/2024 will be financed as follows:

TYPE	FUNDING SOURCES	Draft BUDGET 2023/24
1	CAPITAL REPLACEMENT RESERVE	R5 771 000
2	REVENUE	RO
3	EXTERNAL LOANS	RO
4	GRANTS	RO
5	PRIVATE CONTRIBUTIONS	RO
	<b>TOTAL</b>	<b>R5 771 000</b>

### Reserves

The accumulated surpluses will be used to finance the depreciation on assets as the full provision for depreciation is not cash-backed. The financing of the depreciation will be phased in over a medium to long term period, if possible.

### Sustainability of municipality

The funding deficit of the budget will currently hamper that the municipality will be sustainable going forward. The current funding model for Overberg District Municipality is however not sustainable and will surely have a negative impact on the cashflow and liquidity of the municipality. Overberg District Municipality will therefore have to make difficult/important choices to ensure sustainability for the medium and long term.

### Planned savings and efficiencies

The following areas were identified for possible savings after the efficiency of the usage of the assets/services has been evaluated:

- Domestic accommodation
- Travel cost
- Attendance of meetings/congresses
- Printing costs -paperless
- Organisational structure review

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Investments

Particulars of monetary investments as at 28 February 2023

MONTHLY INVESTMENT REPORT						
OVERBERG DISTRICT MUNICIPALITY						
REPORTING MONTH: February 2023						
Feb 23	Account number	INSTITUTION	Balance as at 28 February 2023		Interest earned	
					Month	Rate
<b>Overberg District Municipality</b>						
ABSA Deposito Plus (Rehab)	9287550641	ABSA BANK	R	3 364 249.14	R	17 594.77 6.45%
NEDBANK Call Account	037881714042	NEDBANK	R	9 233 356.88	R	185 370.67 6.90%
Absa Investment Tracker (Main)	9358892970	ABSA BANK	R	38 420 912.20	R	249 318.03 7.65%
Absa Investment Tracker ( Special)	9374585345	ABSA BANK	R	20 200 948.78	R	131 086.44 7.65%
<b>Total for Investments</b>			R	<b>71 219 467.00</b>	R	<b>583 369.91</b>
Cheque Account	178-000-006-2	Absa Bank	R	75 342.51	R	- 0.00%
Primary Bank Account	1176524496	Nedbank	R	4 429 658.99	R	- 0.00%
Total for Bank Accounts			R	4 505 001.50	R	- 0.00%
<b>TOTAL</b>			R	<b>75 724 468.50</b>	R	<b>583 369.91 0.00%</b>

Planned proceeds of sale of assets

The municipality budgeted for gains in 2023/2024 as revenue for municipal property that will be sold.

Planned use of previous year's cash backed accumulated surplus

It is planned to use the previous year's cash backed surpluses to finance important/critical service delivery and income generated capital projects, to be funded from the Capital Replacement Reserve.

Particulars of existing and any new borrowing proposed to be raised

No additional nor new borrowings is anticipated for the 2023/2024 financial year

Particulars of budgeted allocations and grants over the MTREF period:

*Operating Budget*

Grant	Type	2023/2024	2024/2025	2025/2026
Equitable Share	DORA	-R 84 437 000.00	-R 88 501 000.00	-R 90 551 000.00
Fin Man Grant	DORA	-R 1 000 000.00	-R 1 000 000.00	-R 1 138 000.00
RRAMS	DORA	-R 2 846 000.00	-R 2 974 000.00	-R 3 107 000.00
EPWP	DORA	-R 1 192 000.00	R -	R -

Safety Grant (WOSA)	Prov	-R 1 560 000.00	-R 1 622 000.00	-R 1 671 000.00
CDW	Prov	-R 57 000.00	-R 57 000.00	-R 57 000.00
WCFM Capability	Prov	-R 500 000.00	R -	R -
FIRE SAFETY Capacity	Prov	-R 50 000.00	R -	R -
<b>TOTAL</b>		<b>-R 91 642 000.00</b>	<b>-R94 154 000.00</b>	<b>-R96 524 000.00</b>

### Capital Budget

None

### FUNDING ASSESSMENT FOR 2023/2024

The following table lists the factors that have been reviewed. Each of the factors is then further described below.

#### No. Funding Compliance

- 1 Cash/cash equivalent position
- 2 Cash plus investments less applications
- 3 Monthly average payments covered by cash or cash equivalents
- 4 Surplus/deficit excluding depreciation offsets
- 5 Property Rates/service charge revenue % increase less macro inflation target
- 6 Cash receipts % of ratepayer and other revenue
- 7 Debt impairment expense % of billable revenue
- 8 Capital payments % of capital expenditure
- 9 Borrowing as a % of capital expenditure (less transfers/grants/contributions)
- 10 Transfers/grants revenue as a % of Government transfers/grants available
- 11 Consumer debtors' change (Current and Non-current)
- 12 Repairs & maintenance expenditure level
- 13 Asset renewal/rehabilitation expenditure level
- 14 Financial Performance Budget result
- 15 Financial Position Budget
- 16 Cash Flow Budget
- 17 Other key performance measures
- 18 Summary question

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## Funding compliance factor description

Each of these 'funding factors' have been analysed and reviewed in their entirety prior to undertaking any analysis. Where the factor appears unfavourable and cannot be adequately motivated, the budget has been adjusted appropriately.

### (a) Cash/cash equivalent position

The municipality foresees a positive cash position for the short term, as the working capital are cash-backed. The reserves are however not cash backed. The cash situation seems as if it is deteriorating, as the increase in revenue (grants) is less than inflation rate while expenditure increase with more than the inflation rate. The cash flow is currently positive and the **total Cash and Cash Equivalents on 28 February 2023 is R16 142 241. (C-Schedules)**

### (b) Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments identified at factor 1. Below are commitments against Cash and Cash equivalents as of 28 February 2023:

Description	AMOUNTS
<b>LIQUIDITY REQUIREMENT</b>	
Unspent Conditional Grants	R6 841 452
External Loans unspent	R4 911 913
1 (one) Month Operational Expenditure	R12 853 650
Provisions	R4 014 249
Capital Replacement reserve	R10 889 331
Equitable share received in advance	R6 722 500
Loan repayments	R5 611 160
Commitments	R4 008 160
<b>Total Liquidity Requirement</b>	<b>R55 852 416</b>
<b>ACTUAL LIQUIDITY AVAILABLE</b>	
Total Investments	R71 219 467
VAT Refund (ABSA Deposit plus)	-R20 200 949
Rehabilitation provision (KWK)	-R3 364 249
<b>Balance of Investments</b>	<b>R47 654 269</b>
<b>Cash book - Bank Balance</b>	<b>R4 505 002</b>
Roads claims outstanding	R8 905 025
<b>Consumer Debtors (current – 60 days)</b>	<b>R 2 706 355</b>
<b>Total Liquidity Available</b>	<b>R63 770 651</b>
<b>Liquidity Shortfall(-)/Liquidity Surplus</b>	<b>R7 918 235</b>

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**(c) Monthly average payments covered by cash or cash equivalents**

The purpose of this measure is to understand the level of financial risk (ability to meet monthly payments as and when they fall due) should the municipality be under stress.

The municipality does recover enough cash via grants/agency fee and income from resorts to cover its monthly average payments on the short term, but it is foreseen that, with the fact that the percentage increase in expenditure is more than the increase in revenue pose a serious risk for the municipality. Further financial risks arise if (a) the ruling by SARS indicates that VAT may not be claimed on the roads maintenance function and (b) unforeseen circumstances occur, which negatively impacts the recovery of landfill site revenue.

**(d) Surplus/deficit excluding depreciation offsets**

The main purpose of this measure is to understand whether revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets.

This exercise indicates that there will be a possible surplus if the depreciation has been offset.

**(e) Property Rates/service charge revenue % increase less macro inflation target**

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

The revenue streams for Overberg District Municipality are currently not sufficient to achieve national inflation target, hence adjustments are required to the tariff structures to be more cost reflective.

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**(f) Cash receipts % of ratepayer and other revenue**

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse an underlying assumed collection rate, i.e., how much cash is expected to be collected from current billing, charges, and arrear debtors.

The only billing at current for ODM is for rentals at the resorts, fire services rendered and for the dumping at the regional landfill site at Karwyderskraal.

**(g) Debt impairment expense % of billable revenue**

The purpose is to measure whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) must be increased to offset under-collection.

No debt impairment is currently anticipated.

**(h) Capital payments % of capital expenditure**

The purpose of this measure is to mainly understand whether the timing of payments is being taken into consideration when forecasting the cash position. The measure focuses on the capital budget because expenditure levels for this component of the budget can vary significantly from month to month, as there tends to be monthly consistency for operational budgets.

The capital budget for 2023/24 have been focussed on service delivery capital acquisitions, vehicles, and vehicle upgrades/refurbishments, general ICT and security related assets and Office equipment, hence projects to ensure the safety and sustainability of rendering services. These include additions to infrastructure, machinery, and equipment to ensure the continuation of the administration and service delivery.

**(i) Borrowing as a % of capital expenditure (excluding transfers, grants and contributions)**

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) should be excluded. Loan funding will be utilized for the capital

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expenditure as listed in the previous years (2022/2023) capital project plan for solid waste. Currently no additional projects on borrowing are anticipated.

**(j) Transfers/grants revenue as a % of Government transfers/grants already obtained and available**

The purpose of this measurement is mainly to ensure that all available transfers from other government (national, provincial or district municipalities) have been included in the municipal budget, or that the transfer/grant budgets do not exceed available funds. A percentage less than 100 per cent could indicate that all Division of Revenue Bill (DORA Bill), provincial transfers or district transfers have not been budgeted and should be immediately reviewed.

The transfers/grants as per Division of Revenue Bill (DORA Bill) (100%) have been included in the revenue budget 2023/2024.

**(k) Consumer debtors change (Current and Non-current):**

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic.

The amounts of outstanding debtors are regarded as realistic.

**(l) Repairs & maintenance (R&M) expenditure level**

This measure is included within the funding measures criteria because a trend which indicates that insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

The budgeted amount for Repairs and Maintenance amounts to **R9 675 M** (Schedule A9) which ODM budget to spend on own assets which equates to **6.3%** of Total Expenditure of R154.386 M (excluding Roads). The Repair and Maintenance which the Roads Division is spending on Provincial Assets is not considered.

**(m) Asset renewal/rehabilitation expenditure level**

This measure has a similar objective to the R&M measures to ensure the credibility of the levels of asset renewal plans.

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**(n) Financial Performance Budget result (surplus/deficit)**

The purpose of this measure is to assess the overall budget. The municipality forecast's a positive cash position for the short term as the working capital are cash-backed. The reserves are not cash-backed. The cash situation seems to be deteriorating, as the increase in revenue (grants) is less than inflation rate while expenditure increase with more than the inflation rate.

A further financial risk arises if unforeseen circumstances occur, which negatively impacts the recovery of landfill site revenue.

**(o) Financial Position Budget**

The purpose of this measure is to also assess the overall budget.

**(p) Cash Flow Budget**

The purpose of this measure is to also assess the overall budget. The municipality does not recover enough cash on a monthly and quarterly basis (Equitable Share) to cover its monthly average payments and might need to use surpluses in investment accounts throughout. A further financial risk arises if unforeseen circumstances occur, which negatively impacts the recovery of landfill site revenue.

**(q) Summary**

The municipality currently project adequate cash funds collectively but will not generate enough cash to meets its operational requirements on the medium to long term. The financial position of the municipality is monitored on a daily basis by the relevant finance officials and reports are submitted to the Finance Portfolio Committee and if needed correction steps are taken. When taking the accounting related expenditure also in consideration, the municipality is currently sitting with a deficit budget.

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## 7. Expenditure on allocations and Grant Programmes

Particulars of budgeted allocations and grants over the MTREF period:

### Operating Budget

Grant	Type	2023/2024	2024/2025	2025/2026
Equitable Share	DORA	-R 84 437 000.00	-R 88 501 000.00	-R 90 551 000.00
Fin Man Grant	DORA	-R 1 000 000.00	-R 1 000 000.00	-R 1 138 000.00
RRAMS	DORA	-R 2 846 000.00	-R 2 974 000.00	-R 3 107 000.00
EPWP	DORA	-R 1 192 000.00	R -	R -
Safety Grant (WOSA)	Prov	-R 1 560 000.00	-R 1 622 000.00	-R 1 671 000.00
CDW	Prov	-R 57 000.00	-R 57 000.00	-R 57 000.00
WCFM Capability	Prov	-R 500 000.00	R -	R -
FIRE SAFETY Capacity	Prov	-R 50 000.00	R -	R -
<b>TOTAL</b>		<b>-R 91 642 000.00</b>	<b>-R94 154 000.00</b>	<b>-R96 524 000.00</b>

### Capital Budget

None

The above allocations and grants have been included in the operating and capital budgets.

## 8. Allocations and Grants made by the municipality

No allocations or grants was made by the municipality, the municipality however do act as a coordinator and transfer agent for JDMA (Joint District and Metro Approach) projects to Local B-Municipalities.

## 9. Councillor member allowances and employee benefits

Allowances and employee benefits budgeted preliminary for 2023/2024:

### Councillors

- Salary
- Allowances for Cell phones
- Allowances for Transport

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- Contributions

*Senior Managers of the Municipality*

- Salary
- Allowances for transport
- Contributions
- Performance Bonuses

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*Other Employees*

- Salary
- Housing Subsidy
- Long service bonuses
- Allowances for Transport
- 13<sup>th</sup> Cheque
- Contributions to medical and pension fund

Costs to Municipality:

*Councillors*

• Speaker (1)	R 791 982
• Executive Mayor (1)	R 978 890
• Deputy Executive Mayor (1)	R 791 982
• Executive Committee (4)	R 1 248 187
• Other Councillors (14)	<u>R 2 528 714</u>
	<b><u>R 6 339 757</u></b>

*Senior Managers*

• Municipal Manager	R 1 516 840
• Chief Financial Officer	R 1 200 949
• Director: Corporate Services	R 1 183 337
• Director: Community Services	<u>R 1 304 924</u>
	<b><u>R 5 206 050</u></b>

Number of Councillors

23

## 13. Capital expenditure details

Information/detail regarding capital projects by vote is provided in Section B – Capital Budget.

## 14. Legislation compliance status

Overberg District Municipality complies in general with legislation applicable to municipalities.

## 15. Other supporting documents

### **BUDGET FRAMEWORK AND PRINCIPLES – 2023/24 MTREF December 2022**

#### **Guidelines from Budget Office to User Departments**

Budget office advised CFO that a Zero-based budget approach be followed for the 2023/24 MTREF budget preparation.

#### **Approach is In line with ODM Budget policy**

##### *9.2.1. Basis of Calculation*

- a) *The principle of zero-based- and incremental budgeting shall be applied in preparing the annual operating budget*
- b) *The annual operating budget shall be based on realistically anticipated revenue.*
- c) *An income-based approach shall be used where the realistically anticipated income would be determined first and the level of operating expenditure would-be-based on the determined-income, thus resulting in a cash funded budget.*

#### **BUDGET APPROACH AND PRINCIPLES**

- ▶ 1. Principle of zero-based budgeting
- ▶ 2. Income-based approach determining the realistic anticipated income first
  - a. Equitable share
  - b. Own revenue
- ▶ 3. Provision for fixed costs
  - a. Employee related costs

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- b. Depreciation
- c. Finance costs
- d. Contractual commitments
- ▶ 4. Provision for variable cost
  - a. Detailed motivations
  - b. Prioritize according to greatest need
- ▶ 5. Maintenance projects
  - a. Preventative
  - b. Corrective
- ▶ 6. Capital Budget
  - a. Capital projects
  - b. Major capital items – Asset register
  - c. Expensed minor capital items - Inventory
- ▶ 7. Budget according to SCM Commodities
- ▶ 8. Ensure mSCOA alignment with 7
- ▶ 9. **NO budget deficit – Not currently realistic or executable**
- ▶ 10. Gains from land sales should as far as possible be utilized to fund the creation of new assets (CRR) or the repair and maintenance of existing assets (OPEX).

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## 16. Municipal Manager Quality Certification

### Municipal Manager's quality certificate

I Richardos Bosman, Municipal Manager of Overberg District Municipality, hereby certify that the annual budget and supporting documents have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name Richardos Bosman

Municipal Manager of the Overberg District Municipality

Signature 

Date 23/03/2023

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# SECTION B – BUDGET

## 1. Operating Budget

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DC3 Overberg - 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>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	236	286	278	400	200	200	200	200	210	220
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	600	600	600	600	600	630	660
Service charges - Waste Management	2	11 468	11 844	9 812	12 572	13 272	13 272	13 272	15 000	15 750	16 400
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-	-
Agency services		10 127	11 343	11 501	11 351	11 597	11 597	11 597	12 770	13 429	13 886
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	50	55	60
Interest earned from Current and Non Current As		1 899	2 287	2 558	2 000	2 750	2 750	2 750	3 250	3 250	3 250
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		10 747	11 856	12 458	12 930	12 925	12 925	12 925	13 825	14 755	15 185
Licence and permits		137	230	225	2 500	1 000	1 000	1 000	1 000	1 000	1 000
Operational Revenue		7 788	7 220	9 229	11 394	10 346	10 346	10 346	10 146	2 137	10 391
<b>Non-Exchange Revenue</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		169 680	207 200	202 394	197 193	206 187	206 187	206 187	214 389	223 043	229 801
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		1 465	-	1 812	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	11 724	2 500	-	-	-	2 000	1 500	1 500
Other Gains		7 384	520	5 831	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and</b>		<b>220 932</b>	<b>252 787</b>	<b>267 821</b>	<b>253 440</b>	<b>258 877</b>	<b>258 877</b>	<b>258 877</b>	<b>273 229</b>	<b>275 759</b>	<b>292 353</b>
<b>Expenditure</b>											
Employee related costs	2	113 215	116 527	122 755	135 932	133 108	133 108	133 108	138 712	148 346	156 623
Remuneration of councillors		5 197	5 852	5 872	6 166	6 426	6 426	6 426	6 340	6 746	7 164
Bulk purchases - electricity	2	385	766	329	400	250	250	250	200	210	220
Inventory consumed	8	42 327	56 358	50 516	46 462	55 711	55 711	55 711	62 321	64 863	66 280
Debt impairment	3	145	67	67	200	100	100	100	100	100	100
Depreciation and amortisation		3 573	3 831	3 575	3 626	3 626	3 626	3 626	3 654	3 680	3 709
Interest		3 860	3 448	3 492	3 329	3 289	3 289	3 289	2 753	3 015	3 303
Contracted services		15 389	16 137	24 539	23 792	26 590	26 590	26 590	31 106	25 212	26 556
Transfers and subsidies		-	680	399	-	2 799	2 799	2 799	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		28 835	36 735	32 094	33 440	32 712	32 712	32 712	31 575	31 337	32 464
Losses on disposal of Assets		464	322	807	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>215 380</b>	<b>240 723</b>	<b>244 445</b>	<b>253 346</b>	<b>264 610</b>	<b>264 610</b>	<b>264 610</b>	<b>276 761</b>	<b>283 508</b>	<b>296 418</b>
<b>Surplus/(Deficit)</b>		<b>5 541</b>	<b>12 064</b>	<b>23 377</b>	<b>94</b>	<b>(5 733)</b>	<b>(5 733)</b>	<b>(5 733)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
Transfers and subsidies - capital (monetary)	6	691	1 614	1 116	-	2 250	2 250	2 250	-	-	-
Transfers and subsidies - capital (in-kind)	6	-	667	980	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>6 233</b>	<b>14 345</b>	<b>25 472</b>	<b>94</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 483)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>

## 2. Capital Budget Programme

### OVERBERG DISTRICT MUNICIPALITY - MULTI YEAR CAPITAL PROGRAMME FOR 2023/24 - 2025/26

PROJECT NO	DEPARTMENT	Project Name	DESCRIPTION	DRAFT BUDGET 2023/24	DRAFT BUDGET 2024/25	Draft BUDGET 2025/26	TOTAL DRAFT BUDGET
1	EMERGENCY SERVICES	DC3_Rescue Equipment	Acquire necessary rescue equipment for rendering services	R100 000	R50 000	R75 000	R225 000
2	EMERGENCY SERVICES	DC3_Vehicle upgrade/refurbishment	Refurbish or upgrade fleet vehicles	R300 000	R250 000	R0	R550 000
3	EMERGENCY SERVICES	DC3_Capital Vehicle Replacement	Replace redundant vehicles and add additions to fleet	R2 200 000	R0	R2 200 000	R4 400 000
4	EMERGENCY SERVICES	DC3_Bunker Clothing	Protective clothing Fire Fighting	R900 000	R0	R0	R900 000
5	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Furniture and Office Equipment	Office Furniture	R6 000	R6 200	R6 300	R18 500
6	LED, TOURISM, RESORTS AND EPWP	DC3_Furniture and Office Equipment	Furniture and Fittings	R200 000	R0	R0	R200 000
7	LED, TOURISM, RESORTS AND EPWP	DC3_Property Upgrade	Upgrade of Bungalows and amenities	R500 000	R0	R0	R500 000
8	MUNICIPAL HEALTH SERVICES	DC3_Furniture and Office Equipment	Office Furniture	R30 000	R10 000	R20 000	R60 000
9	MUNICIPAL HEALTH SERVICES	DC3_Furniture and Office Equipment	Mobile Aircons	R10 000	R5 000	R10 000	R25 000
10	FINANCE	DC3_Furniture and Office Equipment	Office Equipment	R10 000	R15 000	R10 000	R35 000
11	CORPORATE SERVICES :	DC3_Fencing - Head Office	Erecting of perimeter fence/walls and access gates	R320 000	R0	R0	R320 000
12	CORPORATE SERVICES :	DC3_Furniture and Office Equipment	Office Furniture	R40 000	R30 000	R40 000	R110 000
13	CORPORATE SERVICES :	DC3_Aircons	Installation and replacement of aircons	R150 000	R50 000	R50 000	R250 000
14	ICT SERVICES	DC3_Replacement of old and broken Computer E	Replace redundant computers and acquisition for new staff	R260 000	R100 000	R100 000	R460 000
15	ICT SERVICES	DC3_Security ICT	Security ICT	R680 000	R0	R0	R680 000
16	COMMITTEE RECORDS AND COUNCIL SUPP	DC3_Furniture and Office Equipment	Office Equipment	R35 000	R0	R40 000	R75 000
17	IDP AND COMMUNICATION	DC3_Awareness Equipment	Awareness Equipment	R30 000	R20 000	R0	R50 000
			<b>TOTAL</b>	<b>R5 771 000</b>	<b>R536 200</b>	<b>R2 551 300</b>	<b>R8 858 500</b>

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# OVERBERG DISTRICT MUNICIPALITY



## Medium Term Revenue and Expenditure Framework (MTREF)

### DRAFT TARIFFS: 2023/2024 – 2025/2026

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# 1. FIRE FIGHTING

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2022/2023 (VAT INCLUSIVE)	% INCREASE	TARIFF 2023/2024 (VAT INCLUSIVE) <b>ROUNDED</b>
SPECIAL INCIDENTS – CALL OUT COST	Per unit	Motor pumps	R1 859.00	7.0%	R1 989
	Per unit	Service & response vehicles	R938.00	7.0%	R1 004
STAND-BY AND OPERATIONAL COST	Per unit /per hour	Motor pumps	R1 859.00	7.0%	R1 989
	Per unit /per hour	Service & response vehicles	R1 587.00	7.0%	R1 698
PERSONNEL	Per hour	Senior	R525.00	7.0%	R562
	Per hour	Junior	R351.00	7.0%	R376
WATER	Per kilolitre	Water	R29.00	7.0%	R31
CHEMICALS	-	Chemicals	Cost price + 10% + 15%		Cost price + 10% + 15%
PROVIDING DRINKING WATER	Per kilometre	Water	R63.00	7.0%	R67
STANDBY	Per unit per hour	Standby	R639.00	7.0%	R684
ASSISTANCE TO FIRE SERVICES	Per unit per hour				R500 / Outside district (+ Actual travel cost)
ASSISTANCE TO OUTSIDE SERVICES		Assistance to outside services	Cost price + 10% + 15%		Cost price + 10% + 15%
PUMPS AND EQUIPMENT	Per hour or part	Pumping swimming pools (office hours)	R623.00	7.0%	R667
	Per hour or part	Specialised pumps	R351.00	7.0%	R376
	Per hour or part	Hydraulic equipment	R1 044.00	7.0%	R1 117
	Per hour or part	Lighting	R333.00	7.0%	R356 plus travel cost
	Per cylinder	Filling cylinders	R299.00	7.0%	R320
STAND-BY FILMING	Per hour or part	Per vehicle with crew of two	R1 509.00	7.0%	R1 615
	Per hour or part	Additional crew	R623.00	7.0%	R667
TRAINING	Per person	First Aid level 1	R1 272.00	7.0%	R1 361
	Per person	First Aid level 3	R2 103.00	7.0%	R2 250
	Per person	Fire extinguisher basic	R1 544.00	7.0%	R1 652
	Per person	Basic Fire Fighting – 1 day	R2 525.00	7.0%	R2 702
	Per person	School children (First Aid 1)	R639.00	7.0%	R684
	Per kilometre	Transport cost	R12.00	15.0%	R14
STAND-BY	Per vehicle/b oat	Special events	R693.00	7.0%	R742
	Per hour	Medical stand-by (limited to venue or terrain)	R606.00	7.0%	R648
INSURANCE INSPECTIONS	-	Inspection on request of insurance	R1 193.00	7.0%	R1 277
	-	Follow-up inspection	R446.00	7.0%	R477
DEMONSTRATIONS	-	Conditions linked to awareness	Actual cost + 15%		Actual cost + 15%
SPECIAL INVESTIGATIONS	Per person per hour	Civil claims, insurance, civil court cases & other	Actual cost + 15%		Actual cost + 15%

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TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF	% INCREASE	TARIFF
			2022/2023 (VAT INCLUSIVE)		2023/2024 (VAT INCLUSIVE)
					ROUNDED
DIVING TEAM	Per day	Diving team	R2 235.00	7.0%	R2 391
LECTURE ROOM	Per day	-	R876.00	7.0%	R937
EXTERNAL TRAINING FACILITY	Per student per day	-	R446.00	7.0%	R477
OCCUPATIONAL CERTIFICATE	Per unit	-	R333.00	7.0%	R356
FIRST AID REFRESHER TRAINING	-	-	R413.00	7.0%	R442
FLAMMABLE LIQUID PERMITS	-	Bulk > 1000L – Industry & commercial	R2 358.00	7.0%	R2 523
	-	Small content <1000L – Farms & private	R639.00	7.0%	R684
	-	LPG	R312 + inspection tariff	7.0%	R334 + inspection tariff
VEHICLE DANGER CONTENT HOLDING PERMIT	Per vehicle	-	R885.00	7.0%	R947
FIRE PERMIT	Per site	-	R938.00	7.0%	R1 004
INSPECTION – BY-LAWS & REGULATIONS (EXCLUDING CERTIFICATE)	-	-	R876.00	7.0%	R937
FIRE INSPECTION ON REQUEST (COMMERCIAL USE)	-	-	R876.00	7.0%	R937
VELD FIRE FIGHTING AS PER ACT (FIRE SUPPRESSION) – MEMBERS OF REGISTERED PROTECTION ASSOCIATION	-	-	No charge		No charge
VELD FIRE FIGHTING AS PER ACT (FIRE SUPPRESSION) – NON-MEMBERS OF REGISTERED PROTECTION ASSOCIATION	-	-	R707 per hour per unit	7.0%	R1066 per hour per unit
AIR SUPPORT	-	-	Cost + 10% + 15%		Cost + 10% + 15%
FLAM TRAINER	Per day	With two operators	R15600 + Travel & Accommodation Cost	7.0%	R16692 + Travel & Accommodation Cost
Working on Fire Team	Per Team				Variable cost plus 15%
SCRUTINY OF BUILDING PLANS (Safety Evaluation)	Per plan	Inspection of any building plan			6.5% of Building plan cost

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## 2. ADDITIONAL TARIFFS

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF	% INCREASE	TARIFF
			2022/2023 (VAT INCLUSIVE)		2023/2024 (VAT INCLUSIVE)
			<b>ROUNDED</b>		
<b>ADDITIONAL TARIFFS</b>	-	Any rental of equipment and vehicles-	Cost + 10% + 15%	-	Cost + 10% + 15%
	Per page	Photostat/A4 page	R1.60	6%	R2
	Per page	Photostat/A4 page colour	R6.10	6%	R7
	Per page	Computer printouts	R18.00	6%	R19
	Per page	Faxing	R36.00	6%	R38
	Per cheque	Dishonoured cheques	R167.50	6%	R178
	Per occurrence	Faulty payments	R167.50	6%	R178
	Per item	Printing of maps A3 size black	R70.00	6%	R74
	Per item	Printing of maps A3 size colour	R81.60	6%	R87
	Per item	Printing of aerial photos A3 size	R155.80	6%	R165
	Per item	Printing of maps A4 size black	R31.80	6%	R34
	Per item	Printing of maps A4 size colour	R37.10	6%	R39
	Per item	Printing of aerial photos A4 size	R43.50	6%	R46
	Appeal	-	R1 486.10	6%	R1 575
<b>NON-REFUNDABLE TENDER DOCUMENT</b>	-	Tender 9 years & 11 months +	R1 486.10		R1 600
	-	Tender 5 – 8 years 11 months	R743.10		R800
	-	Tender 3 years 11 months - 4 years 11 months	R304.20		R450
	-	3 years	R304.20		R400
	-	Less than 3 years	R148.40		R250
	-	Banking Tender	R743.10		R850
<b>ELECTRONIC NOTICE BOARD</b>	Per day	Private Sector/Business per 24 hours rolling per slide	R15.90		R17
	Per day	Municipalities (local) per 24 hours rolling per slide	R7.40		R8
<b>PROPERTIES</b>	Per month	Head Office Shaded Parking (Officials only)	R35.00		R37
<b>INTEREST ON ARREARS</b>	Per month	Interest calculated due and payable on any balance outstanding after date specified on account			Calculated on Prime rate plus 1% pa

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### 3. ENVIRONMENTAL MANAGEMENT

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF	% INCREASE	TARIFF
			2022/2023 (VAT INC)		2023/2024 (VAT INC)
					ROUNDED
ENVIRONMENTAL MANAGEMENT	Per hour	Environmental control officer (ECO) inspections	R880.00		R950.00
ENVIRONMENTAL MANAGEMENT	Per Weigh Load	Use of Weighbridge (ad hoc private users) Commercial vehicles (Cars and Pick-ups's Campers, Caravans and Trailers)	R196.00		R212.00
ENVIRONMENTAL MANAGEMENT	Per Weigh Load	Use of Weighbridge (ad hoc private users) Large vehicles (All Trucks and Busses)	R504.00		R544.00

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#### 4. MUNICIPAL HEATH

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF	%	TARIFF
			2022/2023 (VAT INCLUSIVE)	INCREASE	2023/2024 (VAT INCLUSIVE)
ROUNDED					
WATER QUALITY MONITORING	-	All samples taken on request (except for governmental institutions) R 200 per sample run plus laboratory cost as per contract between ODM and laboratory.	R303	Cost reflective adjustment	R600
	-	With the application of a certificate of acceptability (COA) for a premise in an area that do not fall in a WSA: R200.00 per sample run (bacteriological and chemical) plus laboratory cost as per contract between ODM and laboratory.	R303	Cost reflective adjustment	R600
	-	In the case of follow up samples in above tariff, if water quality does not comply with the SANS 241 code: R 200.00 per sample run plus laboratory cost as per contract between ODM and laboratory.	R303	Cost reflective adjustment	R600
		Government Institution e.g. Municipality fee			R600
		Sewerage			R450
MONITORING OF MILK AND MILK PRODUCTS ON REQUEST OF SUPPLIERS	-	All bacteriological & chemical analyses: R200,00 per sample run plus laboratory cost as per contract between ODM and laboratory	R303	Cost reflective adjustment	R1 000
	-	Follow up samples in the case where a sample do not comply to stipulations of the Foodstuffs, Cosmetics and Disinfectants Act R 145.00 per sample run plus laboratory cost as per contract between ODM and laboratory.	R303	Cost reflective adjustment	R1 000
CERTIFICATE FOR EXPORT OF FOOD PRODUCTS	-	-	R2 500	10%	R2 750
ISSUING OF CERTIFICATE OF ACCEPTABILITY FOR PREMISES IN TERMS OF THE NATIONAL HEALTH ACT, ACT 61 OF 2003 AND FOODSTUFFS,	-	Issuing of Certificates of acceptability. Once off payment	R950	Cost reflective adjustment	Category tiers implemented
	-	Inspection performed to uplift a prohibition on the use of a premises or facility	R860	7%	R920
	-	Replacement of any applicable COA	R303	7%	R324
ALL OTHER MUNICIPAL HEALTH INSPECTION REPORTS/CERTIFICATES	-	Application for issuing of any Health related report	R950		Category tiers implemented
ISSUING OF HEALTH CERTIFICATE OR REPORT TO REMOVE OR DESTROY FOOD OR FOOD PRODUCTS UNFIT FOR HUMAN CONSUMPTION	-	-	R950	7%	R1 017
AIR QUALITY CONTROL – COST OF LICENSING (FUEL BURNING APPLIANCES – COST OF LICENSING OF THESE APPLICATIONS WILL TAKE PLACE ON A SLIDING SCALE)	-	Atmospheric emission tariffs – application fee for license fee (Licence fee determined by Air Quality Act, Act 39 of 2004)	Tariff as per latest NT Atmospheric Emission Regulation		Tariff as per latest NT Atmospheric Emission Regulation
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 1	Tariff as per latest NT Atmospheric Emission Regulation		Tariff as per latest NT Atmospheric Emission Regulation

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TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF		TARIFF
			2022/2023 (VAT INCLUSIVE)	% INCREASE	2023/2024 (VAT INCLUSIVE)
<b>ROUNDED</b>					
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 2	Tariff as per latest NT Atmospheric Emission Regulation		Tariff as per latest NT Atmospheric Emission Regulation
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 3	Tariff as per latest NT Atmospheric Emission Regulation		Tariff as per latest NT Atmospheric Emission Regulation
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 4	Tariff as per latest NT Atmospheric Emission Regulation		Tariff as per latest NT Atmospheric Emission Regulation
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 5	Tariff as per latest NT Atmospheric Emission Regulation		Tariff as per latest NT Atmospheric Emission Regulation
<b>ISSUING OF HEALTH REPORT OR CERTIFICATE</b>	-	-	R950	7%	R1 017
<b>HEALTH MONITORING OF OPENING OF GRAVES AND/OR REBURIAL</b>	-	-	R860	Cost reflective adjustment	R1 500
<b>ATMOSPHERIC</b>	-	Application for new atmospheric emission licence	R19 050 per listed activity	Cost reflective adjustment	R22 500
	-	Application for atmospheric emission licence review	R19 050 per listed activity	Cost reflective adjustment	R22 500
	-	Application for atmospheric emission licence renewal	R9525 per listed activity	Cost reflective adjustment	R12 000
	-	Application for atmospheric emission licence transfer	R3 818	Cost reflective adjustment	R5 000
<b>Local Municipalities</b>	-	Health Service	R8.40 per population	6%	R8.90
<b>Health Certificate/Report Categories</b>	-	Category 1: Health Establishments	R950	Cost reflective adjustment	R1 200
	-	Category 2: ECD's, Schools	R950	5.3%	R1 000
	-	Category 3: Old age homes, children homes, nursing homes	R950	5.3%	R1 000
	-	Category 4: Accommodation Facilities offensive trades	R950	Cost reflective adjustment	R1 150
	-	Category 5: Health care waste generators	R950	Cost reflective adjustment	R1 200
	-	Category 6: Beauty Salons	R950	5.3%	R1 000
	-	Category 7: Supermarkets/Large Retailers	R950	Cost reflective adjustment	R3 000
<b>SCRUTINY OF BUILDING PLANS (Health Evaluation)</b>	Per plan	Inspection of any building plan – Cape Agulhas, Theewaterskloof and Swellendam area	6.5% of Building plan cost		6.5% of Building plan cost
	Per plan	Inspection of any building plan – Overstrand area	4.5% of Building plan cost		4.5% of Building plan cost

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## 5. ROADS

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF	% INCREASE	TARIFF
			2022/2023		2023/2024
			(VAT INCLUSIVE)		(VAT INCLUSIVE)
<b>ROUNDED</b>					
ROADS TARIFF	2 X posts	Erection of Tourism/Facility signs	R554.00	7%	R593.00
	-	Any additional structure posts	R400.00	7%	R428.00

## 6. KARWYDERSKRAAL DUMPING SITE

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF	% INCREASE	TARIFF
			2022/2023		2023/2024
			(15% VAT EXCLUSIVE)		(15% VAT EXCLUSIVE)
<b>ROUNDED</b>					
KARWYDERSKRAAL	Dumping	Cost per tonne - dumping clean building rubble up to the size of a brick (cover material)	Free of charge	None	Free of charge
	Dumping	Cost per tonne - Dumping of general Household waste - Private	R257.25	Cost reflective	R300.27
	Dumping	Cost per Tonne-General Household Waste - Municipalities	R98.78	Cost reflective	R178.22
	Dumping	Cost per tonne - dumping building rubble (oversize/clean)	R114.11	Cost reflective	R122.78
	Dumping	Cost per tonne - dumping contaminated builders rubble	R257.25	Cost reflective	R300.27
	Dumping	Cost per tonne - rehabilitation contribution - municipalities	R20.92	Cost reflective	R22.50

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**7. UILENKRAALSMOND RESORT**

TARIFF CATEGORY	TARIFF DESCRIPTION	2022/2023		2023/2024		2023/2024		2023/2024		2023/2024	
		(VAT INCLUSIVE) R	(VAT INCLUSIVE) R	(VAT INCLUSIVE) R	(VAT INCLUSIVE) R	% INCREASE	OUT OF SEASON TARIFF - WEEK 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEK 2023/2024 (VAT INCLUSIVE) R	IN SEASON TARIFF (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEK 2023/2024 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEK 2023/2024 (VAT INCLUSIVE) R
HOLIDAY HOUSE/BUNGALOW	Bungalows per night	970	690	620	738	7%	931	968	931	883	
	Bungalows (see view) per night	1 150	960	940	1 231	7%	1 027	668	1 027	668	
	Wooden House per night	1 200	1 090	810	1 318	7%	1 168	610	1 168	610	
	Breakage deposit (no VAT payable)	570	570	570	610	7%	610	193	610	193	
CARAVAN/TENT SITES	Cancellation fee (Only payable if not re-let)	180	160	180	193	7%	193	96	193	96	
	Access card - deposit per card	80	90	90	96	7%	96	96	96	96	
	Caravan/Tent site per night (maximum 6 persons)	520	380	230	558	7%	558	375	558	375	
	Caravan/Tent site per person per night (out of season only)	0	100	100	107	7%	107	107	107	107	
DAY VISITORS	Cancellation fee (Only payable if re-let)	180	180	180	193	7%	193	193	193	193	
	Cancellation fee per occasion (Only payable if not re-let)	90	90	90	96	7%	96	96	96	96	
	Access card - deposit per card	45	45	45	48	7%	48	48	48	48	
	Day visitors per site per person per day camping site (08:00 - 17:00)	0	55	55	59	7%	59	59	59	59	
RENTAL OPEN AREA	Vehicle per day (08:00 - 17:00) (Excluding in-season)	0	80	80	86	7%	86	86	86	86	
	Mini-bus per day (08:00 - 17:00) (Excluding in-season)	0	180	180	193	7%	193	193	193	193	
	Bus per day (08:00 - 17:00) (Excluding in-season)	0	Free	Free	Free	Free	Free	Free	Free	Free	
	Children 3 years and younger	25	25	25	27	7%	27	27	27	27	
ADDITIONAL PERSONS/VEHICLES	Rental open area per 50 m <sup>2</sup>	90	90	90	96	7%	96	96	96	96	
	Parking per vehicle/hour per day	60	60	60	64	7%	64	64	64	64	
	Extra persons per site per person per day - caravan/tent sites and bungalows	60	60	60	64	7%	64	64	64	64	
	Extra vehicle per day caravan/tent sites, bungalows & semi-permanent sites	1 030	1 030	1 030	1 102	7%	1 102	1 102	1 102	1 102	
HALL	Hall hire per occasion per day (Small)	570	570	570	610	7%	610	610	610	610	
	Breakage deposit	180	180	180	193	7%	193	193	193	193	
	Cancellation fee (Only payable if re-let)	90	90	90	96	7%	96	96	96	96	
	Rental of bedding per unit per occasion	5 890	5 890	5 890	6 302	7%	6 302	6 302	6 302	6 302	
BEDDING	Rental per month (including basic services)	8 998	8 998	8 998	9 608	7%	9 608	9 608	9 608	9 608	
	Water per 100 litre	1 100	1 100	1 100	1 177	7%	1 177	1 177	1 177	1 177	
	Water deposit - service connection	1 750	1 750	1 750	1 873	7%	1 873	1 873	1 873	1 873	
	Service deposit	250	250	250	268	7%	268	268	268	268	
COMMERCIAL USERS	Water services connection fee (per connection)	18 512	18 512	18 512	19 808	7%	19 808	19 808	19 808	19 808	
	Water re-connection for defaulters	20 607	20 607	20 607	22 049	7%	22 049	22 049	22 049	22 049	
	Plots 150m <sup>2</sup> (per year)	22 854	22 854	22 854	24 453	7%	24 453	24 453	24 453	24 453	
	Plots 151 m <sup>2</sup> - 200m <sup>2</sup> (per year)	24 818	24 818	24 818	26 555	7%	26 555	26 555	26 555	26 555	
SEMI-PERMANENT (INCLUDING BASIC SERVICES)	Plots 201m <sup>2</sup> - 300m <sup>2</sup> (per year)	27 201	27 201	27 201	29 105	7%	29 105	29 105	29 105	29 105	
	Plots 301m <sup>2</sup> - 350m <sup>2</sup> (per year)	27 201	27 201	27 201	29 105	7%	29 105	29 105	29 105	29 105	
	Plots 350m <sup>2</sup> - 400m <sup>2</sup> (per year)	27 201	27 201	27 201	29 105	7%	29 105	29 105	29 105	29 105	
	Plots 400m <sup>2</sup> - 450m <sup>2</sup> (per year)	27 201	27 201	27 201	29 105	7%	29 105	29 105	29 105	29 105	

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7. UILENKRAALSMOND RESORT

TARIFF CATEGORY	TARIFF DESCRIPTION	IN SEASON TARIFF 2022/2023		OUT OF SEASON TARIFF - WEEK 2022/2023		% INCREASE	IN SEASON TARIFF 2023/2024		OUT OF SEASON TARIFF - WEEK 2023/2024	
		(VAT INCLUSIVE) R	(VAT INCLUSIVE) R	(VAT INCLUSIVE) R	(VAT INCLUSIVE) R		(VAT INCLUSIVE) R	(VAT INCLUSIVE) R		
SEMI-PERMANENT BASIC SERVICES	Blocked sewerage and water supply repair work	500	500	500	500	7%	567	567	567	567
	Sewerage connection with network (once-off)	7 140	7 140	7 140	7 140	7%	7 640	7 640	7 640	7 640
ELECTRICITY	Electricity tariff per unit									
	Electricity Availability Tariff per month									
Sewage charge (Monthly)	Infrastructure availability	100	100	100	100	7%	107	107	107	107
	Cutting of grass semi-permanent plot	600	600	350	642	7%	642	642	375	375
SEMI-PERMANENT DEFAULT SERVICES	Removal of rubbish semi-permanent plot	500	500	500	567	7%	567	567	567	567
	Builders per person per day	0	40	40	43	7%	43	43	43	43
	Builders vehicles per day	0	46	46	49	7%	49	49	49	49
	Registration service providers operating in the Resort	0	1 140	1 140	1 220	7%	1 220	1 220	1 220	1 220
SEMI-PERMANENT RENEWAL AND TRANSFERRALS OF CONTRACTS	Administrative costs transfer of rental agreement	800	800	800	880	10%	880	880	880	880
	Administrative costs renewal of rental agreement	400	400	400	440	10%	440	440	440	440
	Groups of 20 - 50 persons	-	15% discount	15% discount	0	15% discount	0	15% discount	15% discount	15% discount
	Groups of 51 - 100 persons	-	20% discount	20% discount	0	20% discount	0	20% discount	20% discount	20% discount
	Groups of 101 - 200 persons	-	25% discount	25% discount	0	25% discount	0	25% discount	25% discount	25% discount
	Groups of more than 200 persons	-	30% discount	30% discount	0	30% discount	0	30% discount	30% discount	30% discount
	Caravan Groups 20-50 (maximum 6 per caravan)	-	30% discount	30% discount	0	30% discount	0	30% discount	30% discount	30% discount
	Caravan Groups 51-100 (maximum 6 per caravan)	-	40% discount	40% discount	0	40% discount	0	40% discount	40% discount	40% discount
	Caravan Sites 7-14 days (6 person & 2 vehicles per caravan)	-	30% discount	30% discount	0	30% discount	0	30% discount	30% discount	30% discount
	Caravan Sites 15-21 days (6 person & 2 vehicles per caravan)	-	35% discount	35% discount	0	35% discount	0	35% discount	35% discount	35% discount
REDUCED TARIFFS (EXCLUDING 10 DECEMBER - 10 JANUARY OF NEXT YEAR AND EASTER WEEKEND)	Caravan Sites monthly tariff (maximum 2 persons & 1 vehicle)	0	2 650	2 650	2 650	7%	2 836	2 836	2 836	2 836
	Pensioners	-	30% discount	30% discount	0	30% discount	0	30% discount	30% discount	30% discount
SEASON- AND OTHER TIMES	Contractors (longer than 1 month)	-	15% discount	15% discount	0	15% discount	0	15% discount	15% discount	15% discount
	Staff	-	40% discount	40% discount	0	40% discount	0	40% discount	40% discount	40% discount
SEASON- AND OTHER TIMES	In Season	-	-	-	-	-	-	-	-	-
	Out of Season	-	-	-	-	-	-	-	-	-
	Excluding 10 December - 10 January of next year & Easter Weekend	-	-	-	-	-	-	-	-	-
	Sunday 14:00 - Thursday 14:00 -	-	-	-	-	-	-	-	-	-
	Excluding 10 December - 10 January of next year & Easter Weekend	-	-	-	-	-	-	-	-	-

Aligned with electricity tariff structure of Overstrand Local Municipality for pre-paid meters.

Aligned with electricity tariff structure of Overstrand Local Municipality for pre-paid meters.

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8. DIE DAM RESORT

TARIFF CATEGORY	TARIFF DESCRIPTION	IN SEASON TARIFF 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEKEND 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEK 2022/2023 (VAT INCLUSIVE) R	% INCREASE	IN SEASON TARIFF 2023/2024 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEKEND 2023/2024 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEK 2023/2024 (VAT INCLUSIVE) R
HOLIDAY HOUSE/BUNGALOW	Bungalows per night	960	830	650	7%	1 049	888	674
	Breakage deposit (no VAT payable)	570	570	570	7%	610	610	610
	Cancellation fee (Only payable if re-let)	180	180	180	7%	193	193	193
	Cancellation fee per occasion (Only payable if not re-let)	50% of reservation amount	50% of reservation amount	50% of reservation amount	50% of reservation amount	50% of reservation amount	50% of reservation amount	50% of reservation amount
CARAVAN/TENT SITES	Access card - deposit per card	90	90	90	7%	96	96	96
	Caravan/Tent site per night (maximum 6 persons) with electricity	440	375	320	7%	471	401	342
	Caravan/Tent site per night (maximum 6 persons) without electricity	400	320	290	7%	428	342	310
	Caravan/Tent site per person per night (out of season only)	100	100	100	7%	107	107	107
ADDITIONAL PERSONS/VEHICLES	Cancellation fee (Only payable if not re-let)	180	180	180	7%	193	193	193
	Access card - deposit per card	100	100	100	7%	107	107	107
	Extra persons per site per person per day - caravan/tent sites and bungalows	90	90	90	7%	96	96	96
	Extra vehicle per vehicle day caravan/tent sites, bungalows & semi-permanent sites	55	55	55	7%	59	59	59
DAY VISITORS	Day visitors per site per person per day camping site (08:00 - 17:00)	45	45	45	7%	48	48	48
	Vehicle per day (08:00 - 17:00) (Excluding in-season)	55	55	55	7%	59	59	59
	Mini-bus per day (08:00 - 17:00) (Excluding in-season)	80	80	80	7%	86	86	86
	Bus per day (08:00 - 17:00) (Excluding in-season)	175	175	175	7%	187	187	187
SEMI-PERMANENT (INCLUDING BASIC SERVICES)	Children 5 years and younger	Free	Free	Free	Free	Free	Free	Free
	Plot tariff per year	17 150	17 150	17 150	7%	18 351	18 351	18 351
	Pfeilberg plot tariff per year	20 600	20 600	20 600	7%	22 042	22 042	22 042
	Electricity tariff per 100 units (Free 300 units)	As approved by Overstrand LM	As approved by Overstrand LM	As approved by Overstrand LM	As approved by Overstrand LM	As approved by Overstrand LM	As approved by Overstrand LM	Aligned with electricity tariff structure of Overstrand Local Municipality for pre-paid meters.
ELECTRICITY	Electricity tariff per 100 units (Between 300 and 600 units)	600	525	525	7%	642	582	582
	Electricity tariff per 100 units (above 600 units)	525	525	525	7%	562	562	562
	Electricity Availability Tariff per month	600	600	600	7%	642	642	642
	Cutting of grass semi-permanent plot	1 500	1 500	1 500	7%	1 605	1 605	1 605
SEMI-PERMANENT DEFAULT SERVICES	Removal of rubbish semi-permanent plot	700	700	700	7%	749	749	749
	Builders per person per day	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier
	Builders per vehicle per day	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier
	Registration service providers operating in the Resort	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier	To be paid directly to Supplier
Sewage Pumping Services when available and during normal working hours	Blocked sewerage & Water supply repair work	800	800	800	7%	856	856	856
	Contractor for overflow of sewerage	400	400	400	7%	428	428	428
	Outside normal working hours 08:00 - 16:00 per load	800	800	800	7%	856	856	856
	Supplier	400	400	400	7%	428	428	428
SEMI-PERMANENT RENEWAL AND TRANSFERRALS OF CONTRACTS	Administrative costs transfer of rental agreement	800	800	800	7%	856	856	856
	Administrative costs renewal of rental agreement	400	400	400	7%	428	428	428

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**8. DIE DAM RESORT**

TARIFF CATEGORY	TARIFF DESCRIPTION	IN SEASON TARIFF TARIFF - WEEKEND (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEKEND 2022/2023 (VAT INCLUSIVE) R	% INCREASE	IN SEASON TARIFF (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEKEND 2023/2024 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEKEND 2023/2024 (VAT INCLUSIVE) R
	Groups of 20 - 50 persons	15% discount	15% discount			15% discount	15% discount
	Groups of 51 - 100 persons	20% discount	20% discount			20% discount	20% discount
	Groups of 101 - 200 persons	25% discount	25% discount			25% discount	25% discount
	Groups of more than 200 persons	30% discount	30% discount			30% discount	30% discount
	Caravan Groups 20-50 (maximum 6 per caravan)	30% discount	30% discount			30% discount	30% discount
	Caravan Groups 51-100 (maximum 6 per caravan)	40% discount	40% discount			40% discount	40% discount
	Caravan Sites 7-14 days (6 person & 2 vehicles per caravan)	30% discount	30% discount			30% discount	30% discount
	Caravan Sites 15-21 days (6 person & 2 vehicles per caravan)	35% discount	35% discount			35% discount	35% discount
	Caravan Sites monthly tariff (maximum 2 persons & 1 vehicle)	30% discount	2 450			30% discount	2 450
	Concessions						
	Concessions (longer than 1 month)						
	Staff	15% discount	40% discount			15% discount	40% discount
	In Season	to increase to January of next year & December - 10	to increase to January of next year & December - 10			to increase to January of next year & December - 10	to increase to January of next year & December - 10
	Out of Season	December - 10	December - 10			December - 10	December - 10
	Week	Sunday 14:00 - Thursday 10:00	Sunday 14:00 - Thursday 10:00			Sunday 14:00 - Thursday 10:00	Sunday 14:00 - Thursday 10:00
	Weekend	Thursday 14:00 - Sunday 10:00	Thursday 14:00 - Sunday 10:00			Thursday 14:00 - Sunday 10:00	Thursday 14:00 - Sunday 10:00
	SEASON- AND OTHER TIMES						

REDUCED TARIFFS EXCLUDING 10 DECEMBER TO 10 JANUARY OF NEXT YEAR AND EASTER WEEKEND

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# OVERBERG DISTRICT MUNICIPALITY



## Medium Term Revenue and Expenditure Framework (MTREF)

## MFMA Municipal Budget Circulars for the 2023/24 MTREF

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## Municipal Budget Circular for the 2023/24 MTREF

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## Introduction

This budget circular provides guidance to municipalities with their compilation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (mSCOA), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

## 1. The South African economy and inflation targets

The National Treasury forecasts real economic growth of 1.9 per cent in 2022, compared with 2.1 per cent projected in the 2022 Budget Review, in response to global and domestic shocks. Growth is projected to average 1.6 per cent from 2023 to 2025. Implementing structural reforms, especially in the energy sector, remains crucial to improve the economy's productive capacity and competitiveness.

The recovery in economic activity that began in 2021 was driven by a strong rebound in global economic activity, high commodity prices and easing COVID-19 restrictions. The scarring impact of the pandemic on employment and investment decisions will likely weigh on the recovery over the medium term. Investment remains well below pre-pandemic levels.

The economy grew by 1.4 per cent in the first half of 2022 compared with the first half of 2021. Real GDP grew more than expected in the first quarter of 2022, with output returning to pre-pandemic levels. However, a deteriorating global environment, flooding in KwaZulu-Natal and the Eastern Cape, industrial action in the electricity and mining sectors, and prolonged and intense power cuts resulted in a broad-based contraction across most sectors during the second quarter. The third quarter was marked by frequent and prolonged power cuts, which significantly disrupted economic activity.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2021 - 2026**

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	5.2%	6.8%	4.7%	4.6%	4.6%

Source: Medium Term Budget Policy Statement 2022.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

It is noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

## 2. Key focus areas for the 2023/24 budget process

### 2.1 Local government conditional grants allocations

Over the 2023 MTEF period, conditional grant allocations to municipalities will grow below inflation. This is due to a higher 2022/23 baseline (R3.8 billion) added to local government conditional grants in the 2022 Division of Revenue Amendment Act. Over the next three years, total local government resources, including the equitable share and indirect conditional grants increase at an annual average rate of 6 per cent.

The local government equitable share increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.6 per cent over the 2023 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period.

The annual Division of Revenue Bill will be published in February 2023 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2022 Division of Revenue Act to compile their 2023/24 MTREF. In terms of the outer year allocations (2025/26 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act for 2022/23. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

### 2.2 Re-enforcing the 2023 Division of Revenue Bill, (DoRB) to facilitate improved intergovernmental relations

Towards enforcing a system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, the National Treasury would like to remind municipalities of Section 31 of DoRA that articulates the facilitation of personal liability for unnecessary litigation. Going forward, a municipality may therefore only institute litigation against any organ of state, state-owned enterprise, public-and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by NERSA).

The 2023 DoRB will facilitate the personal liability of and refund of any expenditure related to such litigation to the national revenue fund (NRF) by any person responsible for the institution of litigation by a municipality without having exhausted all the available dispute resolution mechanisms. This will be done through the equitable share off-setting processes. Municipalities, parallel to instituting any litigation against any organ of state, must report such litigation to the Auditor-General, the National Treasury and to the relevant provincial treasury. The report must provide the details of all the dispute resolution processes that were attempted, supported by information explaining the failure of these attempts.

#### ***Division of Revenue Amendment Bill, 2022 (DoRAB)***

#### ***Disaster response funding***

***Conversion of disaster response grants*** – To allow for an adequate response to the April 2022 floods, funding was shifted between the disaster relief grants in August 2022. R145 million



was shifted from the Provincial Disaster Response Grant to the Municipal Disaster Response Grant and R120 million was shifted from the Municipal Emergency Housing Grant to the Provincial Emergency Housing Grant.

**Additional funding for disaster response grants** – In response to disasters that have occurred, most of the disaster funding for 2022/23 had been depleted by the time of the tabling of the DoRAB. To enable for response should a disaster(s) occur in the remaining months of the current financial year, R248 million is added to the Municipal Disaster Response Grant to enable immediate response by municipalities.

**Additional funding for disaster reconstruction and rehabilitation<sup>1</sup>** – For the reconstruction and rehabilitation of municipal infrastructure damaged by flash floods in the Western Cape (Overberg District Municipality, Cape Winelands District Municipality and Garden Route District Municipality) in December 2021 and the April 2022 floods in the Eastern Cape (Winnie Madikizela-Mandela Local Municipality) and KwaZulu-Natal (eThekweni Metropolitan Municipality, uMhlathuze Local Municipality, uThukela District Municipality, uMgungundlovu District Municipality and iLembe District Municipality), R3.3 billion is added to the Municipal Disaster Recovery Grant.

**Purchasing of land for relocation of flood victims** – R92 million is added to the Informal Settlements Upgrading Partnership Grant: Municipalities for eThekweni Metropolitan Municipality for the purchase of land identified for the relocation of displaced flood victims.

#### **Changes to local government allocations**

**Roll-over of funds in the Integrated National Electrification Programme (municipal) Grant** – R1 million is rolled over in the Integrated National Electrification Programme (municipal) Grant to fund 50 electrification connections in Swellendam in Dikgatlong Local Municipality.

**Roll-over of funds in the indirect Regional Bulk Infrastructure Grant** – R15 million is rolled over in the indirect Regional Bulk Infrastructure Grant to fund operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality.

**Reprioritisation in the Neighbourhood Development Partnership Grant** – R100 million of the Neighbourhood Development Partnership Grant is shifted from Schedule 5, Part B (direct) to Schedule 6, Part B (indirect) to fund project preparation, planning and implementation for municipalities that are having administrative and financial challenges that are affecting project implementation. These funds will be used for projects they were allocated for in the direct component. Affected municipalities are Mogale City Local Municipality, KwaDukuza Local Municipality and Emfuleni Local Municipality.

#### **Changes to gazetted frameworks and allocations**

**Municipal Disaster Response Grant** – The grant framework for the Municipal Disaster Response Grant is amended to allow for spending to respond to the disasters that occurred in December 2021 and April 2022.

**Informal Settlements Upgrading Partnership Grant: Municipalities** – The grant framework for the Informal Settlements Upgrading Partnership Grant is amended to ring-fence funds for

<sup>1</sup> There was an oversight in the allocations to Western Cape and KwaZulu-Natal where the allocations or parts thereof allocated to the district municipalities in the DoRAB ought to have been allocated to the respective local municipalities in these districts. This is explained in detail in the section "Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities" below.

the purchase of identified land for the relocation of flood victims who were previously residing in informal settlements that were washed away by April 2022 floods in eThekweni Metropolitan Municipality.

**Municipal annexures** – Changes to previously gazetted municipal allocations include a change of the name of a municipality. The name of Engcobo Local Municipality in the Eastern Cape is updated to Dr A.B. Xuma Local Municipality as per the Gazette published in terms of section 12 of the Local Government: Municipal Structures Act, on 30 May 2022.

**Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities**

The National Disaster Management Centre (NDMC) has requested changes to the in-year allocations for the Municipal Disaster Recovery Grant in the DoRAB tabled in Parliament. Part of the funding allocated to uThukela and iLembe district municipalities in KwaZulu Natal (page 36 of the DoRAB), should have been allocated to Alfred Duma and KwaDukuza local municipalities, respectively. The allocations made to the Cape Winelands, Overberg, and Garden Route district municipalities in the Western Cape (page 39 of the DoRAB), should have been made to Breede Valley; Theewaterskloof and Swellendam; and Oudtshoorn and George local municipalities, respectively. These corrections also affect the ring-fencing in the grant framework (page 28 of the DoRAB).

Parliament has approved that the National Treasury correct the allocations and effect the required changes to the MDRG framework, as part of section 15(1) of the 2022 DoRA to ensure that MDRG allocations are correctly allocated to the municipalities assigned for the functions.

**3. Pension fund defaults**

There has been a growing trend where municipalities are deducting pension from the employees but are not paying it over to their pension fund. This in our view is inconsistent with the intent and spirit of the MFMA and constitute an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and potentially also a criminal offence in terms of section 173 of the MFMA read with other applicable legislation. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also consider laying criminal charges against the accounting officer and other responsible officials that has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that “the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments”. Municipal Councils should also consider further measures and actions in terms of the Pension Funds Administration Act, as may be applicable.

**4. Municipal Standard Chart of Accounts (mSCOA)**

**4.1 Release of Version 6.7 of the Chart**

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.7 is released with this circular.

Version 6.7 of the chart will be effective from 2023/24 and must be used to compile the 2023/24 MTREF and will be available from 20 December on the link below:

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<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

Kindly note that, in accordance with section 8(2)(j) of the Municipal Property Rates Act (MPRA) as amended in 2014, municipalities may apply for categories other than the categories in 8(2)(a) to (i). Towards this end the Minister of Cooperative Governance and Traditional Affairs approved the following categories:

- Sports Clubs and Fields for Bitou Municipality and
- Residential sectional title garages for Drakenstein Municipality.

These categories were only approved for use by municipalities indicated above. System vendors must therefore block the use of these categories for all other municipalities. The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.7 where applicable. The PSD is also available on the above link.

For the National Treasury to consider a new chart change in version 6.8 of the chart, the issue must be logged with all relevant background and details on the *m*SCOA FAQ portal by 31 August 2023. The *m*SCOA FAQ portal can be accessed by all registered GoMuni users on the following link. [https://lq.treasury.gov.za/ibi\\_apps/signin](https://lq.treasury.gov.za/ibi_apps/signin)

#### 4.2 Amendments to the regulated A1 schedules

The following tables of the A1 Schedule that was regulated in terms of the Municipal Budget and Reporting Regulations (MBRR), have been aligned to the *m*SCOA and Generally Recognised Accounting Standards (GRAP):

- A4: Statement of Financial Performance; and
- A6: Statement of Financial Position

In addition, tables A8 and A10 have been linked to the *m*SCOA data strings and will be included in the 2023/24 budget reports available on the GoMuni portal from 01 July 2023.

The amended and protected version of the A1 schedule will be available from 20 December on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

System vendors and municipalities that are managing their own in-house systems must programme the amended schedules on their financial systems. Input fields for supporting tables that are not part of the non-financial data string must be created to ensure that a complete A schedule is generated from the core municipal financial system.

The *m*SCOA Regulations require that municipalities budget, transact and report on legislated *m*SCOA segments and directly on the core financial system and submit the required data strings directly from this system to the GoMuni Upload portal. To ensure that the data strings submitted are credible, municipalities must:

- Lock the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the GoMuni Upload portal;
- Close the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the GoMuni Upload portal; and
- Generate the regulated MBRR Schedules (A, B and C) directly from the core municipal financial system.

The preparation of budgets on excel spreadsheets that is captured in the system at a later stage and manual correction of data strings by municipal officials or system providers are not allowed in terms of the *m*SCOA Regulations. Where a municipality makes use of a stand-alone 3rd party sub-system or a system provider has entered into an agreement or consortium for the provision of certain functionality with a 3rd party sub-system provider, such a 3rd party sub-system should host the relevant part of the *m*SCOA chart to seamlessly integrate with the core financial system without manual intervention.

#### 4.3 Credibility of *m*SCOA data strings

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2023/24 municipal financial year.

Municipalities have been given access to the GoMuni portal in April 2022 and should use the reports on GoMuni to verify the credibility of their submissions. It should be emphasized that errors in the data can only be corrected in the next open period. e.g., errors in the tabled budget (TABB) data string can only be corrected in the adopted budget data string (ORGB). Municipalities are not allowed to open closed periods to make corrections.

Municipalities are reminded that incorrect or incomplete data string submissions is considered as non-submission.

The credibility of the *m*SCOA data strings remains a concern in the following areas:

#### The inclusion of opening balances in data strings

Municipalities and system vendors must ensure that opening balances are included in the budget and in-year data strings. The opening balances at year end (month 12 – M12) of the previous financial year must be rolled over to the first month (M01) and updated with pre-audited (PAUD) and audit (AUDA) adjustments in the current financial year in the *applicable open period*. In other words, if the audit is completed on 31 October, then the changes in the opening balances must be reflected in the in-year submission for November 2022 (M05 submission). If opening balances and changes thereto are not included in the budget and in-year data strings, the C schedules will not populate correctly. This means that the movement of the balance sheet items will not have a starting point and the Statement of Financial Position (balance sheet) will be incorrect.

#### Accounting for Water Inventory

As per the guidance in MFMA Budget Circular No.115 (dated 04 March 2022), municipalities must budget and account for bulk water purchases as **inventory** under current assets in the Statement of Financial Position as per GRAP 12 (paragraph. 07).

In terms of GRAP 12:

*Inventories are assets:*

- a. *In the form of materials or supplies to be consumed in the production process;*
- b. *In the form of materials or supplies to be consumed or distributed in the rendering of services; and*
- c. *Held for sale or distribution in the ordinary course of operations, or*
- d. *In the process of production for sale or distribution.*



*Inventory acquired through non-exchange transactions should be recorded at its fair value as at the date it is acquired. The cost of inventory, except for non-purified water, will be determined or recognised in accordance with paragraph 25 and 26, which is the primary and secondary costs in getting the water either to the treatment works or to the users of the water.*

It is important to note that water cannot be issued if it was not purchased or brought into the inventory through system input transactions. Therefore, the total input volume of water related to water purified and water from natural sources should include both primary and secondary cost components. The allocation of secondary cost to the input volume of water will necessitate the utilisation of the Costing Segment in the *m*SCOA. This is crucial in determining cost reflective tariffs for water.

The fair value of water from natural resources such as boreholes, springs and fountains may be determined by the primary and secondary cost components. Secondary costs include:

- Labour
- Extraction cost
- Distribution cost
- Chemicals/ Treatment
- Maintenance
- Infrastructure
- Depreciation charges

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The municipality must account for water from natural resources as follows:

**Debit:** System Input Volume: Natural Resources

**Credit:** Gains and Losses: Water at fair value

Water inventory must be budgeted to be acquired and recorded in the Current Assets: Inventory: Water as indicated below. The movement accounts in the *m*SCOA structure makes provision for the different methods of acquiring and the consumption/ issuing of Water inventory.

**Current assets:**

- Inventory: Water Opening balance: Non-Funding Transactions
- Inventory: Water: System Input volume: Bulk Purchases: Water Treatment/Natural Resources
- Water Authorised Consumption:
  - a) Billed Unmetered Consumption
  - b) Un-Billed Authorised Consumption
  - c) Billed Metered Consumption
- Inventory: Water Losses (Apparent and Real Losses)

Water that is issued to Consumers must be issued from the inventory and expensed in the **Expenditure:** Inventory: Consumed -Water.

Water losses will reduce the Water inventory in current assets and the corresponding amounts should be captured in **Gains and Losses:** Inventory: Water: Fair value

It is important to note that the change in accounting for water through the inventory purchased process and the change of using a methodology to report the balance of water as at year-end may impact on the Annual Financial Statements (AFS). Municipalities must ensure that they update their accounting policy, document this process, and provide comparative figures when assessing and reporting their water balance to ensure that the GRAP guidelines of changes in reporting and materiality is applied correctly.

## The Local Government Municipal Property Rates (MPRA) Amendment Act, 2014

Municipalities are reminded that section 8 of the MPRA on the determination of categories of rateable properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act").

Municipalities were required to implement the new property categorisation framework by not later than 01 July 2021. The *m*SCOA chart Version 6.7 will only make provision for the new framework. The old framework has been retired and municipalities must prepare their 2023/24 MTREF Budgets accordingly.

### Fixed Asset Register

Municipal financials systems must comply with the minimum business processes and system requirements on fixed asset registers as articulated for the asset management module in MFMA Circular No 80. The asset management module should be embedded in the core financial system or seamlessly integrate from a third-party sub-system to the core financial system. This will enable the regular and seamless updating of the fixed asset register. The register must contain the following information as a minimum requirement:

- Description of the asset
- Date of acquisition or brought into use
- Purchase cost
- Location of the asset
- Function responsible for the asset
- Current value
- Depreciation and method utilised
- Remaining life of the asset
- Maintenance information
- Insurance Coverage

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Municipalities will be required to upload their updated fixed asset register in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

### Recording of Schedule 6B Grants in *m*SCOA

Grants allocated in terms of Schedule 6B of DoRA should be recorded in terms of *m*SCOA as an allocation-in-kind. This means that the municipality will only record the transaction once they received a completed asset.

Importantly, a Schedule 6B grant may not be transferred to the end-user of the asset to construct the asset as this is in contravention with the conditional grant framework. If a transferring officer of a Schedule 6B grant consider the municipality capable of constructing its own asset, the grant should be re-gazetted and reclassified as a Schedule 5B grant. The grant will then be transferred directly to the municipality to construct the asset and the receipt and expenditure of the grant must be in accordance with GRAP 17. An adjustments budget in terms of Section 28(2)(b) of the MFMA and Regulation 23(3) of the MBRR must be adopted to include the grant funding and project in the MTREF budget.

In the case where a municipality is constructing an asset for a national department but will not be the end-user of the asset being constructed, the accounting must be done in terms of GRAP 11. There will be VAT implications as the municipality will be a contractor and act as an agent. It is important to ensure that the contract between the municipality and the department outlines the responsibilities of all parties.

Municipalities must ensure that they are making provision for VAT in accordance with the VAT Act, 1991 (Act No. 89 of 1991) and the VAT 419 guide issued by SARS. The National Treasury issued *m*SCOA Circular No.12 (dated 01 October 2021) that provides guidance on the recording of VAT in the *m*SCOA.

**Impact of Balance Sheet Budgeting and Movement Accounting on Cash Flow Tables**

From the analysis of the *m*SCOA data strings it is evident that the cash flow tables (A7, B7 and C7) are still not populating correctly or completely. This can be contributed to the fact that a number of municipalities still do not use balance sheet budgeting and movement accounting. Guidance on the use of balance sheet budgeting and movement accounting to populate tables A7, B7 and C7 correctly was provided in MFMA Budget Circular No. 107 (dated 04 December 2020) and *m*SCOA Circular No. 11 (dated 04 December 2020).

**4.4 Regulation of Minimum Business Processes and System Specifications**

National Treasury will review and regulate minimum business processes and system specifications for *m*SCOA by the end of 2024/25. In preparation for the regulation of the minimum requirements, municipalities should ensure that they comply fully with the current minimum business processes and system specifications articulated in MFMA Circular No. 80 (dated 08 March 2016).

Where a municipality is not fully compliant with the *m*SCOA requirements, a *m*SCOA Road Map must be in place to drive and fast track the *m*SCOA implementation in the municipality. The *m*SCOA Steering Committee, chaired by the Accounting Officer or his/ her delegate, must use the *m*SCOA Road Map to track progress and take correction actions where required.

Road Maps must be reviewed and updated annually as part of the budget process is updated and submitted to Council for approval together with their 2023/24 MTREF budget. Municipalities will be required to upload their updated *m*SCOA Road Maps in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

Municipalities should ensure that they budget sufficiently to become and remain *m*SCOA compliant.

Guidance on the content of the *m*SCOA Road Map was provided in MFMA Budget Circular No. 115 (dated 04 March 2022).

**4.5 *m*SCOA Training Initiatives**

**Training to municipalities and municipal system vendors**

The National Treasury, in conjunction with CIGFARO, will conduct monthly training sessions aimed at municipalities, municipal system vendors and other relevant role-players. The training will focus on technical aspects of budgeting, transacting and reporting in the *m*SCOA and is aimed at improving the quality of *m*SCOA data strings. The draft programme is attached as **Annexure A**.

***m*SCOA eLearning Course**

The National School of Government is hosting the *m*SCOA eLearning Course that was developed by the National Treasury. The *m*SCOA eLearning Course provides government officials with the basic knowledge on the reform and how to record transactions using *m*SCOA.

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Government institutions can enrol their employees for this course by sending a request for training to the NSG at [contactcentre@thensg.gov.za](mailto:contactcentre@thensg.gov.za). If your institution has not attended any training with the NSG previously, then you will also be required to register on the NSG database. The mSCOA eLearning Course will be offered as no cost until 31 March 2023. Thereafter, delegates will have to pay to attend the course.

Any queries in this regard must be directed to the NSG at [contactcentre@thensg.gov.za](mailto:contactcentre@thensg.gov.za) or tel number: 086 100 8326.

## 5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the 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.

### 5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the roll and not on the billing system and records on the billing system and not on the roll. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that "debtors" can be tracked and assessed at a property level and prioritised for verification of rates liability measured against a property and owner.



To facilitate reconciliation of the separate databases (Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the roll system and on the rates billing system. This property identifier must be unique, without duplicates, and remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title property defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI, and apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This can identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with s23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with s8(1) of the MPRA in terms of the billing methodology that needs to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10<sup>th</sup> working day. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: [https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin). If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to [linda.kruger@treasury.gov.za](mailto:linda.kruger@treasury.gov.za).

No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that municipalities must provide the



*[Handwritten signature]*

Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste water.

## 5.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant 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. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, encouraged municipalities to utilise the tool. **With effect, the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format)** illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (mSCOA): costing component. Considering, mSCOA implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

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<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>.

### 5.3 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- *The socio-economic profile undertaken for the municipality* available on the National Treasury GoMuni portal – municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- *The most recent average monthly household income in the municipality* as per Statistics South Africa (Stats SA) available on [Statistics South Africa | Improving Lives Through Data Ecosystems \(statssa.gov.za\)](http://Statistics South Africa | Improving Lives Through Data Ecosystems (statssa.gov.za));
- *The average property value in the municipality* per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- *The number of indigent households in the municipality*, including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- *The economic drivers and activities specific to the municipal area<sup>2</sup>; etc.*

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median.

It is also important when setting particularly water and electricity tariffs that municipalities consider setting two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factor this in its tariff application to NERSA, illustrating the cashflow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2023/24** in their budget narratives and pay careful attention to

<sup>2</sup> The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

#### 5.4 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also urged to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

#### 5.5 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 06 December 2022) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens.

The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of inter alia auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and





- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) [Sadesh.Ramjathan@treasury.gov.za](mailto:Sadesh.Ramjathan@treasury.gov.za).

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and/ or
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

### 5.6 Completeness and credibility of revenue related information in the Budget

The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2023/24 MTREF.

### 5.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2022/23, bulk electricity costs increased moderately at 9.61 per cent, compared to 17.8 per cent in the 2021/22 municipal financial year. Due to Eskom's funding needs, they are seeking higher tariff increases and have applied to NERSA for a 32 per cent hike from 1 April 2023/24. NERSA will make a final decision on the tariff application by 24 December.

In addition, a High Court hearing is still pending on the Multi-Year Price Determination (MYPD 5) application. The urgent High Court review requires NERSA to urgently process the Eskom revenue application for at least one year, as required by law. The timeframes for the review allow for a decision to be made in time for implementation by 1 April 2023.

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## 5.8 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17th of August, 2022. The purpose of the Update is to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);
- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;
- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA) and
- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>.

## 5.9 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities must adopt policies that give effect to the implementation and enforcement of their tariff policies.



### 5.10 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses:

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should improve on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

## 6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice will be deemed irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor

## 7. Funding choices and management issues

Municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

## 7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 and 2024. The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

## 7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councillor(s) concerned.

## 8. Transfers to municipalities

### 8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2023/24 municipal financial year are as follows:

- The 2023/24 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
  - a. The adopted budget must include budget allocations for bulk suppliers current account payments;
  - b. Should the adopted budget still be unfunded, then a credible funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the Municipal Financial Recovery Service (MFRS);

- c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
- d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2023.
- Credible mSCOA data strings and source documents for the 2023/24 MTREF and 2022/23 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
- The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
- Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
- The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
- The Competency Regulations reporting requirements have been complied with;
- Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as a copy of the council approved UIFW Reduction Strategy/ Plan, proof of establishment of the Disciplinary Board (or evidence of progress towards their establishment) including evidentiary evidence demonstrating functionality of the Disciplinary Board and updated audit action plan (where the audit has been completed);
- Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2023;
- The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
- Additionally, those municipalities that have outstanding audits for both the 2020/21 and 2021/22 financial years as well as municipalities with outstanding 2021/22 audit opinions that also received an adverse or disclaimer opinion in 2020/21, will also not receive their allocation; and
- Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

Failure to comply with the above criteria will result in National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

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## 9. The Municipal Budget and Reporting Regulations

### 9.1 Schedule A – version to be used for the 2023/24 MTREF

National Treasury has released Version 6.7 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.7 of the *m*SCOA classification framework and must be used when compiling the 2023/24 MTREF budget.

All municipalities must prepare their 2023/24 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on the A1 schedule version 6.7 is not allowed** in terms of the *m*SCOA Regulations.

National Treasury has protected the A1 schedule version 6.7 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.7. The revised MBRR Schedules for the 2023/24 MTREF and its linkages to the financial and non-financial data string are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

### 9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
	Pitso Zwane	012-315 5171	<a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a>
	Oreal Tshidino		<a href="mailto:Ophulusa.Tshidino@Treasury.gov.za">Ophulusa.Tshidino@Treasury.gov.za</a>
Buffalo City	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng City of Tshwane and City of Johannesburg Ekurhuleni	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
	Abigail Maila	012-395 6737	<a href="mailto:Abigail.Maila@Treasury.gov.za">Abigail.Maila@Treasury.gov.za</a>
	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
	Kevin Bell	012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
eThekweni	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
Limpopo	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Lesego Leqasa		<a href="mailto:Lesego.Leqasa@treasury.gov.za">Lesego.Leqasa@treasury.gov.za</a>



Northern Cape	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Sibusisiwe Mchani	012-315 5539	<a href="mailto:Sibusisiwe.Mchani@treasury.gov.za">Sibusisiwe.Mchani@treasury.gov.za</a>
North West	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Enock Ndlovu	012-315 5385	<a href="mailto:Enock.Ndlovu@treasury.gov.za">Enock.Ndlovu@treasury.gov.za</a>
Cape Town	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
	George	Mandla Gilimani	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>

National and provincial treasuries will analyse the credibility of the data string submissions.

### 9.3 Assessing the 2023/24 MTREF budget

National and provincial treasuries will assess the 2023/24 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

Municipalities should note that the MFMA legislated timeframes for submission of the tabled and adopted budgets are outer timeframes. In this context, different to previous MTREF's, going forward, if the municipality's budget is unfunded, council in terms of MFMA section 74 is requested to table and/ or adopt a budget funding plan together with the budget at the same time.

The Treasuries' assessment period of municipal budgets will be from **01 April to 30 June 2023 for both the tabled and adopted budgets**. However, (in a context of some municipalities persisting with unfunded budgeting practices), **if the municipality tabled and/ or adopted an unfunded budget in the 2022/23 MTREF**, the municipality must adjust its schedule of key budget deadlines to facilitate an earlier Treasuries' assessment thereof between 1 April to 15 May 2023 for both tabled and adopted budgets. In this period the national and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that needs to be made must be done before the start of the municipal financial year on 30 June 2023.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked immediately on the financial system at the start of the new municipal financial year on 1 July. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that **where municipalities have adopted an unfunded budget together with a funding plan that lacks credibility, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council and the changes to the**

**budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA.**

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

## 10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2023**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Monday, 03 April 2023**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats **immediately** after approval by the municipal council. Therefore, if the annual budget is tabled to council on **31 May 2023**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Thursday, 01 June 2023**.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in PDF format to the GoMuni Upload portal.



### 10.1 Expected submissions for 2023/24 MTREF

The following information should be submitted for the 2023/24 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed mSCOA data string in the format published with Version 6.7 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities;
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July;
- The National or Provincial treasury input to the tabled budget must be included as an Annexure to the adopted budget together with the municipality's explanation of how such was addressed in the adopted budget. If not, the explanation should provide reasons; and
- The bulk water-and electricity invoices for the 3 months immediately preceding respectively the tabled and adopted budgets, must be included as an annexure to the tabled and adopted budgets as part of supporting the municipalities provision for and calculations of payments to bulk suppliers over the 2023/24 MTREF.

### 10.2 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin) (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- mSCOA Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: [https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin). The GoMuni Upload Portal does not have the same size restrictions encountered with [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za), but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may **only** send electronic versions of the above documents to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) when experiencing problems with the GoMuni Upload Portal.

[lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za) – Database related and submission queries and the grant rollover templates.

[lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the documents meeting the criteria to release Equitable Share and the contact list information.

FMCMM and Audit Action plans – using the web-enabled systems and as articulated in MFMA Circulars No. 113 and 114.

Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. **Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed.**

### 10.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

### 10.4 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

## Contact



**national treasury**

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09 December 2022

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## Virtual mSCOA Training Programme 2023

Month	TOPIC
Jan	<b>Getting a green submission</b> <ul style="list-style-type: none"> <li>• Overview of mSCOA chart structure</li> <li>• Submission deadlines</li> <li>• Uploading to the GoMuni Upload portal</li> <li>• Correction of validation errors</li> <li>• Using GoMuni to verify receipt and credibility of submission</li> </ul>
Feb	<b>Preparing the Budget in mSCOA (1)</b> <ul style="list-style-type: none"> <li>• Preparing the project file (PROR)</li> <li>• Projects Typical Workstreams</li> <li>• Budgeting for disaster/special projects</li> <li>• Infrastructure Management and asset life cycle</li> <li>• The funding matrix               <ul style="list-style-type: none"> <li>○ Allocation of correct funding sources and alignment to the correct segments</li> <li>○ Funding capital expenditure</li> </ul> </li> </ul>
March	<b>Preparing the Budget in mSCOA (2)</b> <ul style="list-style-type: none"> <li>• Opening balances &amp; Balance sheet budgeting</li> <li>• Budgeting for cash flow</li> <li>• Budgeting for conditional grants</li> </ul>
April	<b>Common Errors in 2023/24 Tabled Budget Data Strings (to be corrected in adopted budget (ORGB submission))</b> <ul style="list-style-type: none"> <li>• Water Inventory</li> </ul>
May	<b>Common Budgeting Errors</b> <ul style="list-style-type: none"> <li>• Operating Expenditure – Deprecation</li> <li>• Bad debts written off</li> <li>• Impairment loss for consumer debtors</li> <li>• Travel and Subsistence</li> </ul>
June	<b>Last change to get the ORGB right</b> <ul style="list-style-type: none"> <li>• Functional allocation</li> <li>• Use of Regional segment</li> <li>• Alignment of A1 schedules</li> </ul>
July	<b>Common Transacting and Reporting Errors</b> <ul style="list-style-type: none"> <li>• Opening balances</li> <li>• Populating the cash flow</li> <li>• Reporting on conditional grants</li> <li>• Transacting without budget</li> </ul>
Aug	<b>Preparing the pre-audit AFS Data Strings (PAUD)</b>
Sept	<b>Common Transacting and Reporting Errors</b>
Oct	<b>Preparing the AFS Data Strings (AUDA)</b>
Nov	<b>Chart changes for version 6.8</b>
Dec	<b>Preparing for the Adjustment Budget</b>

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## Municipal Budget Circular for the 2023/24 MTREF

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## Introduction

This budget circular is a follow-up to MFMA Circular No. 122 that was issued on 09 December 2022. It aims to provide further guidance to municipalities with the preparation of their 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2023 Budget Review and the 2023 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

## 1. The South African economy and inflation targets

GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2021 - 2026**

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

Source: Budget Review 2023.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

## 2. Key focus areas for the 2023/24 budget process

### 2.1 Local government conditional and unconditional grants allocations

Over the 2023 MTEF period, local government allocations will increase by a total of R14.3 billion, made up of R8.1 billion in the local government equitable share and R6.2 billion in direct conditional grants. This takes the total direct allocation to R521.7 billion over the same period. These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising.

The *local government equitable share* and related allocations increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.5 per cent over the 2023 MTEF period.

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The *local government equitable share* formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period. It also includes allocations for the operational and maintenance costs associated with the provision of free basic services.

The 2023 Budget has ensured that sufficient provision has been made to ensure that all municipalities are fully subsidised to support indigent households. Following this, R1.35 billion has been left unallocated in the LGES formula for 2023/24 to serve as a precautionary measure should municipal electricity tariffs exceed the 20.7 per cent provided for in the formula (see section 5.7 on why this is above the 18.7 per cent approved by the Energy Regulator). If the actual increase in municipal bulk tariffs exceeds the provision made in the formula, it will be the first call on those unallocated funds. We will consider funding broader cost relief measures for municipalities if funds remain available after that.

The R6.2 billion in direct conditional grants is funded from the Budget Facility for Infrastructure (BFI) and is broken down as follows:

- **R2.2 billion** added to the Urban Settlements Development Grant to fund the implementation of projects in the eThekweni Metropolitan Municipality and the City of Johannesburg;
- **R461 million** added to the Public Transport Network Grant to align funding with the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network project; and
- **R3.4 billion** added to the Regional Bulk Infrastructure Grant to fund 3 water projects in Sol Plaatje Local Municipality, Drakenstein Local Municipality and Nelson Mandela Bay Metropolitan Municipality.

### **Notable changes to the conditional grants system**

#### *Housing emergency grants*

Changes to conditional grants in the 2023 Budget include the discontinuation of the conditional emergency housing grants for provinces and municipalities. The baselines of these two grants are shifted to the Department of Human Settlements. This will allow the department to respond quickly in the event of an emergency housing need.

#### *Changes to the INEP conditional grant frameworks*

As part of government's efforts to accelerate access to electricity thereby addressing the energy crisis, Eskom and municipal INEP grants will begin funding alternative energy technologies such as rooftop solar and energy-saving devices. Due process must be followed to access funding for these new technologies. As a result, both Eskom and municipalities will need to conform to the set requirements by submitting business plans by 31 October 2023. These business plans, will need to be approved by the Department of Mineral Resources and Energy (DMRE) before they can be implemented. Priority should be given to new connections, i.e., non-grid technology should be targeted at households that do not have access to electricity.

The annual Division of Revenue Bill was published on 22 February 2023. The Bill specifies the grant allocations and municipalities must reconcile their budgets to the numbers published therein in compiling their 2023/24 MTREF.

The Division of Revenue Bill, 2023, which includes the annexures outlining allocations to each municipality is available at:

<http://www.treasury.gov.za/documents/national%20budget/2023/default.aspx>

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## 2.2 Re-enforcing improved intergovernmental relations in the 2023 Division of Revenue Bill, (DoRB)

In order to strengthen the system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, municipalities are reminded of Section 31(3) of DoRA that provides for the facilitation of personal liability for unnecessary litigation. As required by subsection (1)(a) of this clause, read together with section 41(3) of the Constitution, a municipality may only institute litigation against any organ of state, state-owned enterprise, public- and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by National Energy Regular of South Africa (NERSA)).

Section 31 is amended to include a clause that requires that where an organ of state decides to institute judicial proceedings against another organ of state, it must, within 10 working days of its decision, notify the National Treasury, the relevant provincial treasury, the Department of Cooperative Governance and the Auditor-General, of the details of compliance with Chapter 4 of the Intergovernmental Relations Framework Act, 2005, including an explanation of the failure to resolve the dispute.

## 2.3 Conditional grants usage

Conditional grant funds may only be used for the purposes, and subject to the conditions specified in the framework for each conditional grant. These conditions are binding in terms of sections 11 and 12 of the annual Division of Revenue Act. Any instruction by a municipal, provincial, or national official or politician that is inconsistent with the framework of a conditional grant is invalid. Municipalities are reminded that in terms of section 32 of DoRA, spending of a grant that is inconsistent with DoRA is considered irregular or unauthorised expenditure.

## 3. Pension and medical aid fund defaults

There has been a growing trend where municipalities are deducting pension and/ or medical aid contributions from officials but are not paying it over to their pension- and/ or medical aid fund. This is inconsistent with the intent and spirit of the MFMA and constitutes an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 and also a financial offence in terms of section 173 of the MFMA read together with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also lay criminal charges against the accounting officer or any other responsible or delegated official who has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that "the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments". Municipal Councils should also consider further measures and actions in terms of the Pension Funds Act, as may be applicable.

## 4. Municipal Standard Chart of Accounts (mSCOA)

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#### 4.1 Version 6.7 of the mSCOA Chart Go Live

Version 6.7 of the mSCOA chart will go live on 13 March 2023, whereafter tabled budget data strings can be uploaded on the GoMuni portal.

For new mSCOA chart changes to be considered for version 6.8 of the chart, a Frequently Asked Questions (FAQ) must be logged by 31 August 2023 on the mSCOA FAQ database on GoMuni. FAQ queries can be logged at:

[https://lg.treasury.gov.za/ibi\\_apps/portal/mSCOA\\_FAQ](https://lg.treasury.gov.za/ibi_apps/portal/mSCOA_FAQ)

It is important that the issue logged is described clearly and that sufficient supporting evidence is provided to ensure that all aspects of the issue are considered. After investigating the query logged, the following actions will be taken:

- If the query does not require a chart change, the FAQ will be closed, and feedback will be provided to the logger.
- If the query warrants a chart change, it will be submitted for consideration and approval by the relevant committees within the National Treasury.

Chart changes are communicated in October of each year to allow sufficient time for municipalities and vendors to effect such changes. Chart changes are officially published in the MFMA Budget Circular in December of each year.

#### 4.2 Additional requirements to change municipal financial systems

The cost and risk associated with procuring and implementing a new Enterprise Resource Planning (ERP) financial system necessitate careful consideration and extensive planning to ensure a smooth operational transition. Such a transition takes at least 18 months to conclude and does not come without challenges and disruptions in operations.

The National Treasury will regulate the minimum business processes and system specifications for mSCOA by the end of 2024/25. A new transversal tender for the provision of ERP financial systems that complies with these regulations will be put in place once the regulations have been issued. Municipalities should therefore exercise extreme caution when changing their financial systems at this stage to eliminate fruitless and wasteful expenditure by procuring financial systems that might not comply with the said regulations.

Municipalities are reminded to follow the due diligence processes set out in MFMA Budget Circulars No. 93, 98 and mSCOA Circulars No 5 and 6 prior to procuring new financial systems to protect them from making incorrect decisions in this regard.

In addition, and **with immediate effect**, municipalities must inform the National and relevant Provincial Treasury of any intention to replace the financial system currently operating at the municipality prior to inviting proposals from system providers. This is a requirement in terms of section 74 of the MFMA. The submission should include:

- A comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing financial system;
- A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months;
- An assessment to determine which modules of the existing financial system are being utilised by the municipality. Reasons must be provided for modules not in operation. Details and reasons must be provided on the use of third party systems to provide functionality required in terms of MFMA Circular No. 80;





- An assessment to detail the proficiency of municipal users to utilise the current financial system properly. Reasons must be provided if users are not proficient in the use of the system and the details must be provided on how the system is being operated and transactions are being captured on the system in such cases;
- The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed;
- The organisational structure, specifically for the IT department/ function, clearly indicating management capacity and responsibility for operating the financial system;
- A technical assessment should be submitted indicating how the existing ICT infrastructure, server and network comply with the requirements of the current financial system; and
- Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available.

The above submissions and all enquiries must be forwarded to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za). A working committee comprising representatives from the National and Provincial Treasuries, the Office of the Auditor-General and other relevant stakeholders will assess the submissions and respond with its findings. These findings must be tabled in Council and a council resolution must be submitted to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) within 14 working days after the Council meeting has taken place.

It must be emphasized that the combination of both credible data inputs and an effective financial system is fundamental to ensure the quality and timeliness of financial reporting. If the data input into the financial system is incorrect then any management information generated by the system will lack credibility and reliability for decision making. Furthermore, a municipality with poorly designed business processes will not resolve the problem by implementing a new financial system. Processes must firstly be redesigned with the necessary data validation rules if the municipality is to improve its data integrity. This foundation is integral to ensuring that software applications generate credible information and can be used effectively by municipalities.

## 5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. It is important to note that the municipal equitable share as a policy instrument is meant to subsidise services to the poorest of the poor and not to pay municipal creditors. This bad practice by municipalities will have to be addressed as a matter of urgency. Municipal creditors should be advised that municipalities cannot use funds allocated for basic service provision to pay creditors.

Municipalities must ensure that they render basic services, maintain their assets and a clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to strengthen awareness and participation and to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in increased employment.

Some municipalities are experiencing serious liquidity challenges, therefore, 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.

### 5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the general valuation roll that are not on the billing system and records on the billing system and vice versa. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that "debtors" can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (General Valuation Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the general valuation roll system and on the rates billing system. This property identifier must be unique, without duplicates, and must remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title properties defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI and, apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This will identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that rates can be modelled and determined in an equitable manner to avoid rates shock. *JOHANNESBURG DISTRICT MUNICIPALITY*

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with Section 23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with Section 8(1) of the MPRA in terms of the billing methodology that should to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/ Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10<sup>th</sup> working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: [https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin). If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to [linda.kruger@treasury.gov.za](mailto:linda.kruger@treasury.gov.za).

Municipalities are reminded of the need to clearly communicate the GV appeals and objection process to residents to ensure that any disputes are timeously resolved.

Revenue Collection – No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste-water.

Municipalities should develop a Wheeling Framework to allow for the transmission of energy across their networks. These wheeling frameworks provide an opportunity for municipalities to generate revenue from their distribution networks. Provincial Treasuries or National Treasury can be approached for support to develop these frameworks.

## 5.2 Funding Depreciation

The information shared in Circular 115 regarding the funding of the depreciation refers. It is important to note that depreciation represents the cost of using assets in service delivery and forms part of the total cost of providing the municipal service. Accordingly, it should be included in the setting of cost reflective tariffs to recover the full cost of rendering the service, failing which the depreciation will not be cash backed on Table A7 and will remain a journal entry with no value as mentioned in MFMA Circular No. 115.

## 5.3 Tariff-setting – the impact of loadshedding

Loadshedding not only affects the electricity service but also some municipalities' ability to pump water, thereby negatively impacting the stability of water supplies and the related functioning of the wastewater reticulation network. The loadshedding crisis has been declared a state of disaster and will require tough budgeting choices for municipalities to make sure that basic municipal services are sustained. The regulations published in the Government Gazette No. 48152 on 27 February 2023 in terms of the Disaster Management Act, 2002 (Act 57 of 2002) require municipalities to "ensure continuous operation of water infrastructure and other specified essential infrastructure, including by installing alternative energy sources or other measures to provide an uninterrupted power supply." Municipalities are also required to "mobilise available resources" and "provide funds for this purpose, subject to affordability." As an immediate interim solution back-up electricity to pump water should be prioritised while being mindful of its affordability within the municipality's available funding sources and other critical priorities. The municipality need to adequately plan and prioritise funding in its 2023/24 MTREF for this purpose, including:

- When planning to pump water/ maintain the wastewater service by way of any alternative solution(s), it is important that the municipality properly plan and budget for the associated capital and operational costs to operate and maintain the solution(s) over the 2023/24 MTREF and longer-term;
- Any additional cost the municipality already incurred in this regard during the period of elevated loadshedding since December 2022 should be projected to continue in 2023/24 i.e. diesel to operate a generator;
- Although a state of emergency has been declared to deal with the continual loadshedding challenges in the country, it is likely that loadshedding will continue during the 2023/24 municipal financial year. It is proposed that municipalities factor in the impact of loadshedding on their electricity revenue projections, taking into account current experience in terms of loadshedding practices by Eskom;
- The additional costs of prolonged loadshedding should be considered;
- Municipalities are always asked to try to balance full cost recovery on services with affordability for their residents. In practice, this means that where the full increase in the cost of a service is not passed on to consumers, municipalities must offset the increased costs through savings identified elsewhere in their operations. Therefore, **reducing/ limiting overall expenditure** is a key part of budgeting for the response to loadshedding. The municipality should stick to its core mandate and functions and carefully review overall expenditure to manage the net effect. Measures should include aggressively cutting costs, frills, and vanity projects, dealing with bloated administrations and structures possibly duplicated across Municipal Manager and Mayoral offices, and applying for exemptions from the annual salary increases if these are not affordable;
- While municipalities are urged to maximise efficiency in their operations, tariff setting efforts should consider the need to make additional provision for repairs and maintenance associated with infrastructure breakdowns during loadshedding;
- **Reducing/ limiting overall expenditure** – the municipality should stick to its core mandate and functions – it is necessary to carefully look at the overall expenditure side to manage the net effect, including aggressively cutting costs, frills, and vanity projects.



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projects, deal with bloated admin- and structures possibly duplicated across Municipal Manager and Mayoral offices, and apply for exemptions from the annual salary increases; and

- The cost should be considered and included when setting the tariffs of the service(s) to which it relates.

Municipalities should also budget for reduced bulk purchases and sales to municipal customers based on the same loadshedding assumptions cited above.

Municipalities should carefully monitor their Eskom accounts for any penalties that result from increased demand immediately after a period of loadshedding is ended. Eskom has indicated that they will reverse any penalties for exceeding notified maximum demand that results from the implementation of loadshedding. This should be factored into the tariff calculation to ensure that consumers are not overcharged.

Lastly, it is important to note that a municipality may only introduce a load-shedding levy or surcharge with the approval of the Minister of Finance and in terms of the legislated processes set-out in the MFMA and Municipal Fiscal Powers and Functions Act, 2007.

#### 5.4 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant 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. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, has encouraged municipalities to utilise the tool. **With effect, from the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format)** illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (mSCOA): costing component. Considering, mSCOA implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing component. The National Treasury Municipal Costing Guide is available on the list below on the National Treasury website.



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<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>.

### 5.5 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- *The socio-economic profile undertaken for the municipality* available on the National Treasury GoMuni portal – municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- *The most recent average monthly household income in the municipality* as per Statistics South Africa (Stats SA) available on [Statistics South Africa | Improving Lives Through Data Ecosystems \(statssa.gov.za\)](http://Statistics South Africa | Improving Lives Through Data Ecosystems (statssa.gov.za));
- *The average property value in the municipality* per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- *The number of indigent households in the municipality*, including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- *The economic drivers and activities specific to the municipal area<sup>1</sup>; etc.*

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally approximately 10 to 15 per cent the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median. Furthermore, municipalities contemplating to increase free basic electricity allocations as an indigent relief measure, should do so only after careful consideration of the long-term financial impact that such a decision might have.

It is also important when setting particularly water and electricity tariffs that municipalities are encouraged to set two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factors this in its tariff application to NERSA, illustrating the cash flow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

<sup>1</sup> The spatialised tax data is now available through National Treasury for municipalities that provide an up to date information on economic activity within a municipal boundary.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2023/24** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detailed account of their revenue growth assumptions for the different service charges in the budget narrative.

Additional loadshedding considerations when calculating anticipated revenue collection rates include:

- Consumption patterns amongst pre-paid users who work more sparingly with electricity units. This can have a lagging effect on revenue estimations i.e. although units are paid for up front, it is not necessarily used in high-demand periods; and
- A decline in average consumption patterns for post-paid customers.

As part of its debtor management strategy municipalities should clearly communicate the impact of loadshedding on municipal tariff setting, including through education campaigns. Consumers will expect a decrease in their electricity bills as consumption drops due to loadshedding. Not understanding the impact of tariff structures (fixed and demand-driven components) can create distrust and reduce willingness to pay municipal accounts.

## 5.6 Municipal Debt Relief

An optimally designed debt solution for Eskom can leverage the structural reform of the electricity sector that is needed both on the Eskom side and the municipal side, however, the municipal debt owed to Eskom pose a material risk to any Eskom debt relief package. In parallel the challenge of defaulting municipalities cannot be separated from a consumer culture to not pay for services.

Municipal Debt Relief that is **conditional and application based**, has therefore been sanctioned. The relief is aimed to correct the underlying behaviour and operational practices in defaulting municipalities and Eskom while in parallel, progressively introducing a smart metering solution to change consumer behaviour by instilling a culture of payment for services consumed. The proposal consists of 4 elements:

- Eskom will write-off all debt municipalities owe** as on 31 March 2023 (excluding the March 2023 current account). This will be done over three national financial years and require as a critical qualification that municipalities monthly honour their current (monthly consumption) Eskom and water accounts going forward and maintain a minimum average quarterly collection, etc;
- Secondly, **new mechanisms are explored to resolve non-payment** – this to include a dispute ombud mechanism and re-assigning the license of persistent defaulters;
- Thirdly, Eskom will continue to **implement a regime of installation of pre-paid meters** in Eskom supplied areas to improve Eskom collection. Municipalities are additionally encouraged to adopt a similar operating regime; and
- Lastly, the National Treasury will continue to implement municipal revenue enhancement initiatives, including a transversal tender for a smart pre-paid meter solution to change to a forward looking culture of payment of the consolidated municipal bill.

More details on the application process and related conditions for municipalities will soon be outlined and published through a separate MFMA Circular.

## 5.7 Bulk Account Payments and Concessions

Since 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the

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escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also urged to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

### 5.8 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 04 March 2022) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens.

The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of inter alia auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and
- That, with immediate effect, you must inform and obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof must be



directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) at [Sadesh.Ramjathan@treasury.gov.za](mailto:Sadesh.Ramjathan@treasury.gov.za).

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and/ or
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

### 5.9 Completeness and credibility of revenue related information in the Budget

The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2023/24 MTREF.

### 5.10 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In January 2023, NERSA approved tariff increases of 18.7 per cent in 2023/24 and 12.7 per cent increase in 2024/25. For purposes of calculating the free basic energy subsidy in the local government equitable share formula, the National Treasury has added 2 per cent to these increases. This is in anticipation of higher increases than those published in January, for municipalities, due to the difference in the financial years of Eskom customers and municipalities meaning that Eskom only has nine months to collect the allowable revenue from municipalities. R1.1 billion is added to the free basic energy subcomponent of the free basic services component of the local government equitable share formula to fund these higher tariff increases. To this end, the free basic electricity subsidy in the local government equitable share is calculated based on a 20.7 per cent tariff increase in 2023/24 and a 14.7 per cent increase in 2024/25. In the absence of an approved tariff increase in the outer year of the MTEF period, the formula assumes an increase of 17.7 per cent in 2025/26. This is the average of the estimated increases for the first two years of the MTEF period.

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### 5.11 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17<sup>th</sup> of August, 2022. The purpose of the update was to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);
- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;
- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA); and
- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>.

### 5.12 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities are urged to develop wheeling and Small-Scale Embedded Generation (SSEG) frameworks to guide the



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development of associated tariffs. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

### 5.13 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should track improvements on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

## 6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice constitutes irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor.

## 7. Funding choices and management issues

Municipalities are under pressure to generate and collect revenue for service delivered. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Automate business services where possible to increase efficiencies and lower customer costs;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the individuals to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

### 7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023). The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

### 7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from councillor(s) concerned.

## 8. Conditional Grant Transfers to Municipalities

### 8.1 Criteria for the release of the Equitable Share

The equitable share release criteria for 2023/24 were set out in MFMA Circular No. 122. To assist with managing this process, a guiding checklist has been developed (attached hereto as Annexure A) which municipalities can follow throughout the course of the year to ensure that the required documents are timeously uploaded to the GoMuni platform in line with the prescribed deadlines.

Going forward, municipalities will be required to submit the completed checklist as part of the quarterly performance reporting process for quarter 1 of the municipal financial year. According to section 52(d) of the MFMA, the mayor of a municipality must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality. The report must be submitted to National

and Provincial Treasury within 5 days of being tabled in council as per section 32 of the MBRR. The report for quarter 1 of 2023/24 must therefore be submitted to council by the end of October 2023 and submitted to National and Provincial Treasury by no later than 5 November 2023. By including the completed checklist in this report, municipalities confirm their adherence to the equitable share release criteria, including that all supplementary information (as defined in the checklist) was successfully uploaded to the GoMuni platform.

Please note that most of the information required for the release of the equitable share, is already uploaded/ submitted by municipalities as part of existing reporting requirements throughout the year. There are however a few items (clearly marked in the checklist) that does not have a dedicated storage location (for example, payments of employee benefits) on GoMuni. A dedicated Equitable Share Verification Folder will be created on GoMuni for this purpose.

## 8.2 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2022 (Act No.5 of 2022) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2022 (Act No. 15 of 2022) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2022/23 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 21(2) of the 2022 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2022 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
  - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or
  - b) Proof of project tender and tender submissions published and closed before 31 March or with the appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the financial year of the project;
  - c) Incorporation of the Appropriation Statement;
  - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2024 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation that includes an attached **legible implementation plan**);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year on the original allocation per the DoRA;
7. Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover requests.
8. An indication of the time period within which the funds are to be spent if rollover is approved; and

9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months.

**If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2023, the application will be declined.**

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2022 DoRA, **including the Municipal Manager and Chief Financial Officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2023;
3. Accurate disclosure of grant performance in the 2022/23 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2022/23 pre-audited Annual Financial Statements (i.e Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short term investments) as at 30 June 2023 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2022/23 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2022/23 allocation;
2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be given a careful consideration;
3. Funding for projects procured through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2023.

### 8.3 Unspent conditional grant funds for 2022/23

The process to ensure the return of unspent conditional grants for the 2022/23 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2023 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconciles;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2023. The unspent grant values must be determined based on the guidance that was provided in mSCOA Circular No. 13 in as far as VAT, retention and interest is concerned; and
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2020 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2023.

**National Treasury will not consider any rollover requests that are incomplete or received after this deadline.**

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 20 October 2023;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2023. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 17 November 2023; and
- Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund by 17 November 2023, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 06 December 2023 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

## 9. The Municipal Budget and Reporting Regulations

### 9.1 Alignment of Municipal Budget and Reporting Regulations (MBRR) Schedules

The revised Regulated MBRR Schedules (A1, B, C, D, E and F), as aligned to the mSCOA chart and GRAP are published on the National Treasury web page and can be accessed using the following link.

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The alignment of the A1 Schedules required substantial changes to the reporting formats used for budgeting and reporting purposes which required the creation of new A1 Schedule codes to ensure that the data strings populate the new reporting formats. The relevant changes were also made in the reporting formats relating to versions 6.1 to 6.7 of the mSCOA chart to ensure that the historical data are populating when reports are drawn from GoMuni.

To ensure that ERP systems generate the A1 Schedule aligned to version 6.7 of the mSCOA chart, municipalities and system vendors should refer to the linkages provided on GoMuni. The following reports on GoMuni should be used for this purpose:

**Municipal Budget Circular for the 2023/24 MTREF**  
03 March 2023

- List *m*SCOA account linkages to A1 Schedule based on 6.7 under menu option *m*SCOA Reporting; and
- List *m*SCOA A1 schedule codes WIP (i.e. new A1 Schedule codes) under menu option *m*SCOA Administration.

Both reports can be located under:

[https://lg.treasury.gov.za/ibi\\_apps/portal/Local\\_Government\\_Database](https://lg.treasury.gov.za/ibi_apps/portal/Local_Government_Database)

The new format for the non-financial data strings A1D and A1F is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The A1D is the data string which populates information which we do not extract from the TABB while the A1F populates the budget information which we do not extract from the ORGB. Municipalities should ensure that they use the new format when submitting the non-financial data strings.

## 10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

The MFMA and its Regulations require the submission of *m*SCOA data strings for budgets, in-year reporting, and annual financial statements in a specific format and by a required timeframe. The credibility and accuracy of the *m*SCOA data strings must be verified by municipalities prior to submission to the GoMuni Upload portal. Since the financial system must be locked at the end of the month in order to generate a *m*SCOA data string, municipalities may not open closed periods to correct errors. Errors must be corrected in the next open period. Providers of municipal financial systems must ensure that the necessary internal controls are built into the system to prevent the opening of closed periods on the financial system and the bypassing of such controls. This also applies to the correction of information in closed periods for 3<sup>rd</sup> party systems that should be integrating with the main financial system in terms of the requirements of the *m*SCOA Regulations.

From 1 July 2023, Municipal Managers and Chief Financial Officers will be required to sign off on the financial and non-financial data strings submitted to the GoMuni Upload portal when they submit their data strings. The schedules prescribed in terms of the Municipal Budget and Reporting Regulations (MBRR) populated from the *m*SCOA data strings on National Treasury's Local Government and Reporting System (LGDRS) must also be signed off monthly. These sign-offs are for audit purposes and serves as a confirmation by the municipality that the data strings submitted are accurate. Details on the submission of the signed-off figures will be communicated in due course.

**In terms of Section 171 of the MFMA, financial misconduct by municipal officials includes the provision of incorrect or misleading information in any document which must be submitted to the National Treasury.**

From 1 July 2023, the GoMuni Upload portal for the monthly *m*SCOA data strings will be closed at 16h00 on the 10<sup>th</sup> working day of each month. All publications by the National and Provincial Treasuries are now solely sourced from the *m*SCOA data strings submitted by



municipalities and several stakeholders including Statistics South Africa (STATSSA), Auditor General South Africa (AGSA), the Reserve Bank, and NERSA are in the process of streamlining some of their reporting to the information contained on the National Treasury Local Government Database and Reporting System (LGDRS). The resubmission of data strings after the legislated timeframes is not only illegal but also causing challenges in data sets used by various stakeholders for analysis and reporting purposes. **No data string submissions will therefore be accepted by the National Treasury after the 10<sup>th</sup> working day of the respective month.**

## Contact



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## ANNEXURE A: Equitable Share Verification Checklist:

### General Requirements

Criteria	Verification Requirement	Yes/No
<b>2023/24 Adopted Budget</b>	Council resolution, adopted mSCOA budget data strings (ORGB), PDF version of adopted MTREF budget uploaded to GoMuni Upload portal immediately after approval.	
<ul style="list-style-type: none"> <li>Is the municipality's completed tariff tool (National Treasury format) included as part of its budget submission (MFMA Budget Circular No. 98 (refer item 4.2).</li> </ul>	The completed National Treasury EXCEL tariff tool uploaded to GoMuni with the adopted budget by start of budget year i.e. <b>1 July 2023</b> .	
<ul style="list-style-type: none"> <li>Are allocations made for bulk suppliers current account payments?</li> </ul>	Allocations reflected in mSCOA budget data strings (ORGB) and budget schedules/ document.	
<i>If unfunded budget position-</i>		
<ul style="list-style-type: none"> <li>Is a Budget Funding Plan (BFP) adopted with the budget?</li> </ul>	Copy of the adopted Budget Funding Plan uploaded to GoMuni with the adopted budget by start of budget year i.e. <b>1 July 2023</b> . PDF version of BFP/progress report uploaded to GoMuni Upload portal by start of budget year i.e. <b>1 July 2023</b> . Is the BFP credible and show how the municipality intends moving progressively out of this position into a funded state? In the case of the latest progress report being submitted, is it aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS)?	
<ul style="list-style-type: none"> <li>Council resolution reflecting commitment to address unfunded position.</li> </ul>	PDF copy of resolution uploaded to GoMuni Upload portal by start of budget year i.e. <b>1 July 2023</b> .	
<b>mSCOA</b>		
<ul style="list-style-type: none"> <li>Submission of Data Strings</li> </ul>	Successful submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal Timeous submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal Data strings submitted are credible as per the analysis done by NT/PTs Data strings are generated directly from the main municipal financial system The regulated MBRR Schedules are generated directly from the core municipal financial system Successful submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal	
<ul style="list-style-type: none"> <li>Submission of documents</li> </ul>	Municipal documents required in terms of legislation and MFMA Circulars have been submitted timeously and in the required format to the GoMuni Upload portal.	
<ul style="list-style-type: none"> <li>Financial System Changes</li> </ul>	Municipality has followed the processes in Circulars No. 93, 98, 123 and mSCOA Circulars No 5 and 6 to change their financial system.	
<b>UIF &amp; W</b>		
<ul style="list-style-type: none"> <li>UIF&amp;W Register</li> <li>MPAC recommendation on UIF&amp;W</li> <li>Council Resolution on UIF&amp;W</li> <li>UIF&amp;W Reduction Strategy</li> </ul>	Documents need to be uploaded to NTs eMonitoring Webpage	
<b>Disciplinary Board</b>		
<ul style="list-style-type: none"> <li>Does the municipality have a functional disciplinary board?</li> </ul>	Proof of establishment (or efforts to establish DC Board) uploaded to NTs eMonitoring Webpage NTs eMonitoring Website.	
<b>Competency Regulations</b>		
<ul style="list-style-type: none"> <li>Has the minimum municipal competency regulations reporting requirements been adhered to?</li> </ul>	In line with the Competency Regulations, consolidated reporting information must be uploaded to GoMuni by <b>30 January 2023</b> and <b>30 July 2023</b> .	
<b>Audit Process</b>		
<ul style="list-style-type: none"> <li>Opinion Received</li> </ul>	Did the municipality receive an adverse or disclaimed audit opinion or had outstanding audits for two consecutive financial years?	
<ul style="list-style-type: none"> <li>Adverse or disclaimed audit opinion</li> </ul>	Council resolution signed by each member of the Council was uploaded to NT's eMonitoring Webpage within 1 month after conclusion of the audit process reflecting council's commitment to address the opinion.	
<ul style="list-style-type: none"> <li>Is a council approved audit action plan in place?</li> </ul>	Audit action plan, together with council resolution, to be uploaded to NT's eMonitoring Webpage within 60 days of audit report issuance.	
<b>Interventions (where applicable)</b>		
<ul style="list-style-type: none"> <li>In the event of a discretionary or mandatory intervention in terms of section 139 of the Constitution, is a Financial Recovery Plan (FRP) in place?</li> </ul>	The FRP and monthly progress reports submitted in terms of sections 145 and 146 of the MFMA must be uploaded to GoMuni Upload portal for each month since the inception of the FRP.	



Quarterly Requirements

Criteria	Verification Requirement	Quarter 3 (Jan – March)	Quarter 4 (April – June)	Quarter 1 (July – Sept)	Quarter 2 (Oct – Dec)
<b>Bulk Supplier Payments</b>					
<ul style="list-style-type: none"> <li>Were current account payments to bulk suppliers (Eskom and Water Boards) timeously made?</li> </ul>	PT/NT to verify status according to MFMA S41 Report. No action required from municipality if account in good standing.	-	-	-	-
<ul style="list-style-type: none"> <li><u>If current account in arrears, are payment agreements in place?</u></li> </ul>	Copy of payment agreement or evidence of discussions are uploaded to on GoMuni Upload portal.				
<b>Staff benefit Deductions</b>					
<ul style="list-style-type: none"> <li>Were a) SARS, b) pension and c) other staff benefits timeously paid over to the relevant funds/institutions?</li> </ul>	Proof of payment for each category, for each month of the quarter uploaded to on GoMuni Upload portal.				
<b>Reconciliation of Valuation Roll</b>					
<ul style="list-style-type: none"> <li>Has the valuation role been reconciled to the financial system?</li> </ul>	In line with MFMA Circulars No. 93, 98 and 107, proof of the verification for each quarter should be uploaded on GoMuni Upload portal.				

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# OVERBERG DISTRICT MUNICIPALITY



## Medium Term Revenue and Expenditure Framework (MTREF)

### DRAFT SERVICE LEVEL STANDARDS:

**2023/2024 – 2025/2026**

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**Overberg District Municipality (DC 03) - Schedule of Service Delivery Standards Table**

Description	Service Level
<b>Standard</b>	
<b>Solid Waste Removal</b>	
Premise based removal (Residential Frequency)	No Service
Premise based removal (Business Frequency)	No Service
Bulk Removal (Frequency)	No Service
Removal Bags provided (Yes/No)	No Service
Garden refuse removal included (Yes/No)	No Service
Street Cleaning Frequency In CBD	No Service
Street Cleaning Frequency In areas excluding CBD	No Service
How soon are public areas cleaned after events (24hours/48hours/longer)	No Service
Clearing of illegal dumping (24hours/48hours/longer)	No Service
Recycling or environmentally friendly practices (Yes/No)	No Service
Licensed landfill site (Yes/No)	yes
<b>Water Service</b>	
Water Quality rating (Blue/Green/Brown/ND drop)	No Service
Is free water available to all? (All/only to the indigent consumers)	No Service
Frequency of meter reading? (per month, per year)	No Service
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	No Service
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	No Service
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	No Service
One service connection affected (number of hours)	No Service
Up to 5 service connection affected (number of hours)	No Service
Up to 20 service connection affected (number of hours)	No Service
Feeder pipe larger than 800mm (number of hours)	No Service
What is the average minimum water flow in your municipality?	No Service
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No Service
How long does it take to replace faulty water meters? (days)	No Service
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No Service
<b>Electricity Service</b>	
What is your electricity availability percentage on average per month?	No Service
Do your municipality have a ripple control in place that is operational? (Yes/No)	No Service
How much do you estimate is the cost saving in utilizing the ripple control system?	No Service
What is the frequency of meters being read? (per month, per year)	No Service
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	No Service
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	No Service
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	No Service
Are accounts normally calculated on actual readings? (Yes/no)	No Service
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No Service
How long does it take to replace faulty meters? (days)	No Service
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	No Service
How effective is the action plan in curbing line losses? (Good/Bad)	No Service
How soon does the municipality provide a quotation to a customer upon a written request? (days)	No Service
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	No Service
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	No Service
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	No Service
<b>Sewerage Service</b>	
Are your purification system effective enough to put water back in to the system after purification?	No Service
To what extent do you subsidize your indigent consumers?	No Service
How long does it take to restore sewerage breakages on average	No Service
Severe overflow? (hours)	No Service
Sewer blocked pipes: Large pipes? (Hours)	No Service
Sewer blocked pipes: Small pipes? (Hours)	No Service
Spillage clean-up? (hours)	No Service
Replacement of manhole covers? (Hours)	No Service

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# OVERBERG DISTRICT MUNICIPALITY



## Medium Term Revenue and Expenditure Framework (MTREF)

## DRAFT PROCUREMENT PLAN: 2023/2024

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Capital Demand / Procurement plan 2023/2024

#	Department	Service	Fund Name	Project Description	Start Date	End Date	Budget	UNEY	Date Surplus opens	Start RFO opens	Final/Outlets	BSC	BCM Process 2023/24									
													Advertisement on a portal, website and media	Closing of tenders and/or RFO's	BEG	EAC	Contractor Start Date	Completion Date	Budget (R1000)	Budget (R1000)		
1	Community Services	Emergency Services	Rescue Equipment	Replace fire extinguishers	2023-07-01	2023-06-30	R100 000		NA	Jan 24	NA	NA	Feb 24	Mar 24	NA	NA	NA	May 24	R20 000	R75 000		
2	Community Services	Emergency Services	Vehicle equipment maintenance	Refurbish or upgrade fire vehicles	2023-07-01	2023-06-30	R100 000		Oct 23	NA	NA	Oct 23	Nov 23	Dec 23	Jan 24	Jan 24	Feb 24	Mar 24	R20 000	RD		
3	Community Services	Emergency Services	Capital Vehicle Replacement	Replace retirement vehicles and add additional to fleet	2023-07-01	2023-06-30	R2 200 000		Oct 23	NA	NA	Oct 23	Nov 23	Dec 23	Jan 24	Jan 24	Feb 24	Mar 24	RD	R2 200 000		
4	Community Services	Emergency Services	Bunker Drilling	Firebrace ashing fire fighting	2023-07-01	2023-06-30	R600 000		Oct 23	NA	NA	Oct 23	Nov 23	Dec 23	Jan 24	Jan 24	Feb 24	Mar 24	RD	RD		
5	Community Services	Humanitarian Management Services	Furniture and Office equipment	Office Equipment	2023-07-01	2023-06-30	R6 000		NA	NA	May 24	NA	NA	NA	NA	NA	NA	Jun 24	RD	R6 000		
6	Community Services	LED, Tents, News and other	Furniture and Office equipment	Runlure and finge	2023-07-01	2023-06-30	R200 000		Oct 23	NA	NA	Oct 23	Nov 23	Dec 23	Jan 24	Jan 24	Feb 24	Mar 24	RD	RD		
7	Community Services	LED, Tents, News and other	Furniture and Office equipment	Upgrade of runlures and ornaments	2023-07-01	2023-06-30	R500 000		Oct 23	NA	NA	Oct 23	Nov 23	Dec 23	Jan 24	Jan 24	Feb 24	Mar 24	RD	RD		
8	Community Services	Municipal Health Services	Furniture and Office equipment	Office Equipment	2023-07-01	2023-06-30	R20 000		NA	Feb 24	NA	NA	Mar 24	Apr 24	NA	NA	May 24	Jun 24	R10 000	R20 000		
9	Community Services	Municipal Health Services	Furniture and Office equipment	Medical equipm	2023-07-01	2023-06-30	R10 000		NA	NA	Jan 24	NA	NA	NA	NA	NA	NA	Feb 24	RD	R10 000		
10	Community Services	Finance	Furniture and Office equipment	Office Equipment	2023-07-01	2023-06-30	R10 000		NA	NA	Jan 24	NA	NA	NA	NA	NA	NA	Feb 24	R10 000	R10 000		
11	Community Services	Corporate Services	Printing - Head Office	Binding of perimeter fence walls and access gates	2023-07-01	2023-06-30	R100 000		Oct 23	NA	NA	Oct 23	Nov 23	Dec 23	Jan 24	Jan 24	Feb 24	Mar 24	RD	RD		
12	Community Services	Corporate Services	Furniture and Office equipment	Office Equipment	2023-07-01	2023-06-30	R40 000		NA	Feb 24	NA	NA	Mar 24	Apr 24	NA	NA	May 24	Jun 24	R10 000	R40 000		
13	Community Services	Corporate Services	Printing	Installation and replacement of signs	2023-07-01	2023-06-30	R150 000		NA	Feb 24	NA	NA	Mar 24	Apr 24	NA	NA	May 24	Jun 24	R50 000	R50 000		
14	Community Services	IT Services	IT Services	Replacement of old and broken Computer Equipment	2023-07-01	2023-06-30	R20 000		Oct 23	NA	NA	Oct 23	Nov 23	Dec 23	Jan 24	Jan 24	Feb 24	Mar 24	R100 000	R100 000		
15	Community Services	IT Services	Security ICT	Security ICT	2023-07-01	2023-06-30	R60 000		Oct 23	NA	NA	Oct 23	Nov 23	Dec 23	Jan 24	Jan 24	Feb 24	Mar 24	RD	RD		
16	Community Services	Records and Support	Furniture and Office equipment	Office Equipment	2023-07-01	2023-06-30	R25 000		NA	Feb 24	NA	NA	Mar 24	Apr 24	NA	NA	May 24	Jun 24	RD	R43 000		
17	Municipal Manager	Communication	Finance Equipment	Finance Equipment	2023-07-01	2023-06-30	R30 000		NA	Feb 24	NA	NA	Mar 24	Apr 24	NA	NA	May 24	Jun 24	R20 000	RD		

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# OVERBERG DISTRICT MUNICIPALITY



## Medium Term Revenue and Expenditure Framework (MTREF)

### BUDGET SCHEDULES: 2023/2024 – 2025/2026

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DC3 Overberg - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

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>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<i>Non-exchange revenue by source</i>											
<b>Exchange Revenue</b>											
Total Property Rates	6										
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-
<b>Net Property Rates</b>		-	-	-	-	-	-	-	-	-	-
<i>Exchange revenue service charges</i>											
<b>Service charges - Electricity</b>											
Total Service charges - Electricity	6	236	286	278	400	200	200	200	200	210	220
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Electricity</b>		236	286	278	400	200	200	200	200	210	220
<b>Service charges - Water</b>											
Total Service charges - Water	6										
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Water</b>		-	-	-	-	-	-	-	-	-	-
<b>Service charges - Waste Water Management</b>											
Total Service charges - Waste Water Management					600	600	600	600	600	630	660
Less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Waste Water Management</b>		-	-	-	600	600	600	600	600	630	660
<b>Service charges - Waste Management</b>											
Total refuse removal revenue	6				672	672	672	672	700	730	760
Total landfill revenue		11 468	11 844	9 812	11 900	12 600	12 600	12 600	14 300	15 020	15 640
Less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Waste Management</b>		11 468	11 844	9 812	12 572	13 272	13 272	13 272	15 000	15 750	16 400
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	75 645	78 192	82 054	90 716	88 028	88 028	88 028	93 032	99 178	104 372
Pension and UIF Contributions		12 084	12 624	13 308	16 000	15 878	15 878	15 878	15 811	16 858	17 886
Medical Aid Contributions		4 421	4 467	4 538	5 688	5 643	5 643	5 643	5 428	5 781	6 076
Overtime		2 723	2 927	4 047	2 150	2 190	2 190	2 190	1 750	1 872	1 977
Performance Bonus		-	-	-	180	148	148	148	151	160	170
Motor Vehicle Allowance		4 775	3 610	3 663	5 118	5 021	5 021	5 021	4 761	5 821	6 337
Cellphone Allowance		423	420	434	542	531	531	531	520	570	600
Housing Allowances		742	706	272	361	325	325	325	325	376	430
Other benefits and allowances		4 562	5 982	7 504	8 211	8 377	8 377	8 377	9 046	9 633	10 186
Payments in lieu of leave		2 033	1 307	722	220	220	220	220	200	214	229
Long service awards		618	358	502	744	744	744	744	804	909	982
Post-retirement benefit obligations	4	5 188	5 934	5 711	6 002	6 002	6 002	6 002	6 532	6 974	7 378
Entertainment		-	-	-	-	-	-	-	-	-	-
Security		-	-	-	-	-	-	-	-	-	-
Arising and post related allowance		-	-	-	-	-	-	-	353	-	-
In kind benefits		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	5	113 215	116 527	122 755	135 932	133 108	133 108	133 108	138 712	148 346	156 623
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Employee related costs</b>	1	113 215	116 527	122 755	135 932	133 108	133 108	133 108	138 712	148 346	156 623

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<b>Depreciation and amortisation</b>										
Depreciation of Property, Plant & Equipment	3 573	3 518	3 575	3 626	3 626	3 626	3 626	3 654	3 680	3 709
Lease amortisation	-	-	-	-	-	-	-	-	-	-
Capital asset impairment	-	313	-	-	-	-	-	-	-	-
<b>Total Depreciation and amortisation</b>	<b>3 573</b>	<b>3 831</b>	<b>3 575</b>	<b>3 626</b>	<b>3 626</b>	<b>3 626</b>	<b>3 626</b>	<b>3 654</b>	<b>3 680</b>	<b>3 709</b>
<b>Bulk purchases - electricity</b>										
Electricity bulk purchases	385	766	329	400	250	250	250	200	210	220
<b>Total bulk purchases</b>	<b>385</b>	<b>766</b>	<b>329</b>	<b>400</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>200</b>	<b>210</b>	<b>220</b>
<b>Transfers and grants</b>										
Cash transfers and grants	-	680	399	-	2 799	2 799	2 799	-	-	-
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	<b>-</b>	<b>680</b>	<b>399</b>	<b>-</b>	<b>2 799</b>	<b>2 799</b>	<b>2 799</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contracted Services</b>										
Outsourced Services	203	84	2 770	1 158	1 278	1 278	1 278	4 598	197	158
Consultants and Professional Services	3 915	4 670	9 576	11 061	11 879	11 879	11 879	13 209	11 289	11 906
Contractors	12 271	11 382	12 184	11 573	13 432	13 432	13 432	13 300	13 726	14 451
<b>Total contracted services</b>	<b>16 389</b>	<b>16 137</b>	<b>24 539</b>	<b>23 792</b>	<b>26 590</b>	<b>26 590</b>	<b>26 590</b>	<b>31 106</b>	<b>25 212</b>	<b>26 556</b>
<b>Operational Costs</b>										
Collection costs	-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-
Audit fees	3 323	3 337	3 182	3 200	3 200	3 200	3 200	3 500	3 600	3 700
Other Operational Costs	25 512	33 398	28 912	30 240	29 512	29 512	29 512	28 075	27 737	28 764
<b>Total Operational Costs</b>	<b>28 835</b>	<b>36 735</b>	<b>32 094</b>	<b>33 440</b>	<b>32 712</b>	<b>32 712</b>	<b>32 712</b>	<b>31 575</b>	<b>31 337</b>	<b>32 464</b>
<b>Repairs and Maintenance by Expenditure Item</b>										
Employee related costs	-	-	-	-	-	-	-	-	-	-
Inventory Consumed	-	-	-	188	151	151	151	137	145	152
Contracted Services	8 306	8 940	10 240	8 238	9 371	9 371	9 371	9 518	9 747	10 291
Operational Costs	244	394	423	25	25	25	25	20	22	23
<b>Total Repairs and Maintenance Expenditure</b>	<b>8 550</b>	<b>9 324</b>	<b>10 663</b>	<b>8 451</b>	<b>9 547</b>	<b>9 547</b>	<b>9 547</b>	<b>9 675</b>	<b>9 914</b>	<b>10 466</b>
<b>Inventory Consumed</b>										
Inventory Consumed - Water	-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other	42 327	56 358	50 516	46 462	55 711	55 711	55 711	62 321	64 863	66 280
<b>Total Inventory Consumed &amp; Other Material</b>	<b>42 327</b>	<b>56 358</b>	<b>50 516</b>	<b>46 462</b>	<b>55 711</b>	<b>55 711</b>	<b>55 711</b>	<b>62 321</b>	<b>64 863</b>	<b>66 280</b>

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DC3 Overberg - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Municipal Manager	Vote 2 - Management Services	Vote 3 - Corporate Services	Vote 4 - Finance	Vote 5 - Community Services	Total
<b>R thousand</b>	1						
<b>Revenue</b>							
<b>Exchange Revenue</b>							
Service charges - Electricity		-	-	-	-	200	200
Service charges - Water		-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	600	600
Service charges - Waste Management		-	-	-	-	15 000	15 000
Sale of Goods and Rendering of Services		-	-	-	-	-	-
Agency services		12 770	-	-	-	-	12 770
Interest		-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	50	50
Interest earned from Current and Non Current Assets		-	-	-	3 250	-	3 250
Dividends		-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-
Rental from Fixed Assets		-	-	25	-	13 800	13 825
Licence and permits		-	-	-	-	1 000	1 000
Operational Revenue		500	-	0	606	9 040	10 146
<b>Non-Exchange Revenue</b>							
Property rates		-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-
Transfer and subsidies - Operational		-	-	-	90 640	123 749	214 389
Interest		-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-
Gains on disposal of Assets		2 000	-	-	-	-	2 000
Other Gains		-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>15 270</b>	<b>-</b>	<b>25</b>	<b>94 496</b>	<b>163 438</b>	<b>273 229</b>
<b>Expenditure</b>							
Employee related costs		6 524	-	9 846	16 050	106 292	138 712
Remuneration of councillors		6 340	-	-	-	-	6 340
Bulk purchases - electricity		-	-	-	-	200	200
Inventory consumed		13	-	694	113	61 502	62 321
Debt impairment		-	-	-	-	100	100
Depreciation and amortisation		281	-	119	1 196	2 059	3 654
Interest		-	-	-	392	2 361	2 753
Contracted services		943	-	1 529	7 788	20 847	31 106
Transfers and subsidies		-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-
Operational costs		1 539	-	4 371	5 466	20 199	31 575
Losses on disposal of Assets		-	-	-	-	-	-
Other Losses		-	-	-	-	-	-
<b>Total Expenditure</b>		<b>15 639</b>	<b>-</b>	<b>16 558</b>	<b>31 005</b>	<b>213 559</b>	<b>276 761</b>
<b>Surplus/(Deficit)</b>		<b>(369)</b>	<b>-</b>	<b>(16 533)</b>	<b>63 491</b>	<b>(50 121)</b>	<b>(3 532)</b>
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers and contributions</b>		<b>(369)</b>	<b>-</b>	<b>(16 533)</b>	<b>63 491</b>	<b>(50 121)</b>	<b>(3 532)</b>

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DC3 Overberg - Supporting Table SA3 Supporting detail to '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>R thousand</b>											
<b>ASSETS</b>											
<u>Trade and other receivables from exchange transactions</u>											
Electricity		0	4	6	4	6	6	6	6	6	6
Water		2	7	10	7	10	10	10	10	10	10
Waste											
Waste Water											
Other trade receivables from exchange transactions		13 985	8 190	16 984	10 302	5 084	5 084	5 084	5 184	5 284	5 384
<b>Grass: Trade and other receivables from exchange transactions</b>		<b>13 989</b>	<b>8 200</b>	<b>17 001</b>	<b>10 313</b>	<b>5 101</b>	<b>5 101</b>	<b>5 101</b>	<b>5 201</b>	<b>5 301</b>	<b>5 401</b>
<u>Less: Impairment for debt</u>		<u>(1 724)</u>	<u>(1 788)</u>	<u>(450)</u>	<u>(784)</u>	<u>(550)</u>	<u>(550)</u>	<u>(550)</u>	<u>(650)</u>	<u>(750)</u>	<u>(850)</u>
Impairment for Electricity		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Impairment for Water		(0)	(2)	(3)	(2)	(3)	(3)	(3)	(3)	(3)	(3)
Impairment for Waste											
Impairment for Waste Water											
Impairment for other trade receivables from exchange transactions		(1 724)	(1 788)	(446)	(782)	(546)	(546)	(546)	(646)	(746)	(846)
<b>Total net Trade and other receivables from Exchange Transactions</b>		<b>12 264</b>	<b>6 413</b>	<b>16 551</b>	<b>9 529</b>	<b>4 551</b>	<b>4 551</b>	<b>4 551</b>	<b>4 551</b>	<b>4 551</b>	<b>4 551</b>
<u>Receivables from non-exchange transactions</u>											
Property rates											
Less: Impairment of Property rates											
<b>Net Property rates</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other receivables from non-exchange transactions		513	525	544	525	544	544	544	544	544	544
Impairment for other receivables from non-exchange transactions		(5)	(9)	(10)	(9)	(10)	(10)	(10)	(10)	(10)	(10)
<b>Net other receivables from non-exchange transactions</b>		<b>508</b>	<b>516</b>	<b>534</b>	<b>516</b>	<b>534</b>	<b>534</b>	<b>534</b>	<b>534</b>	<b>534</b>	<b>534</b>
<b>Total net Receivables from non-exchange transactions</b>		<b>508</b>	<b>516</b>	<b>534</b>	<b>516</b>	<b>534</b>	<b>534</b>	<b>534</b>	<b>534</b>	<b>534</b>	<b>534</b>
<b>Inventory</b>											
<b>Water</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
System Input Volume		-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorised Consumption	6	-	-	-	-	-	-	-	-	-	-
Billed Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Billed Metered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Unbilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses		-	-	-	-	-	-	-	-	-	-
Apparent losses		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses		-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-
Non-revenue Water		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		-	-	-	-	-	-	-	-	-	-
<b>Agricultural</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-
<b>Consumables</b>											
<b>Standard Rated</b>											
Opening Balance		788	700	1 150	1 150	1 873	1 873	1 873	1 873	1 873	1 873
Acquisitions		30 937	43 831	31 873	29 487	32 689	32 689	32 689	36 555	38 924	40 018
Issues		(31 025)	(43 381)	(31 150)	(29 487)	(32 689)	(32 689)	(32 689)	(36 555)	(38 924)	(40 018)
Adjustments		-	-	-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing Balance - Consumables Standard Rated		700	1 150	1 873	1 150	1 873	1 873	1 873	1 873	1 873	1 873
<b>Zero Rated</b>											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		11 302	12 978	19 365	16 975	23 012	23 012	23 012	25 766	25 940	26 262
Issues		(11 302)	(12 978)	(19 365)	(16 975)	(23 012)	(23 012)	(23 012)	(25 766)	(25 940)	(26 262)

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Adjustments	8												
Write-offs	9												
Closing balance - Consumables Zero Rated		-	-	-	-	-	-	-	-	-	-	-	-
<b>Finished Goods</b>													
Opening Balance		-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		-	-	-	-	-	-	-	-	-	-	-	-
<b>Materials and Supplies</b>													
Opening Balance		-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		-	-	-	-	-	-	-	-	-	-	-	-
<b>Work-in-progress</b>													
Opening Balance		-	-	-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-	-	-
<b>Housing Stock</b>													
Opening Balance		-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance - Housing Stock		-	-	-	-	-	-	-	-	-	-	-	-
<b>Land</b>													
Opening Balance		-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance - Inventory &amp; Consumables</b>		700	1 150	1 873	1 150	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873
<b>Property, plant and equipment (PPE)</b>													
PPE at cost/valuation (excl. finance leases)		89 359	103 724	106 411	122 673	121 731	121 731	121 731	127 502	128 038	130 590		
Leases recognised as PPE	3	2 074	2 074	3 048	2 074	3 048	3 048	3 048	3 048	3 048	3 048		
Less: Accumulated depreciation		35 424	38 901	37 855	47 203	41 464	41 464	41 464	45 101	48 764	52 459		
<b>Total Property, plant and equipment (PPE)</b>	2	66 009	66 898	71 605	77 544	83 315	83 315	83 315	85 449	82 322	81 179		
<b>LIABILITIES</b>													
<b>Current liabilities - Financial liabilities</b>													
Short term loans (other than bank overdraft)													
Current portion of long-term liabilities		2 949	3 296	4 631	4 120	5 365	5 365	5 365	4 706	5 141	-		
<b>Total Current liabilities - Financial liabilities</b>		2 949	3 296	4 631	4 120	5 365	5 365	5 365	4 706	5 141	-		
<b>Trade and other payables from exchange transactions</b>													
Trade and other payables from exchange transactions	5	2 828	4 464	3 148	4 491	3 148	3 148	3 148	3 148	3 148	3 148		3 148
Other trade payables from exchange transactions		7 136	14 611	1 871	1 431	1 871	1 871	1 871	1 871	1 871	1 871		1 871
Trade payables from non-exchange transactions: Unspent conditional Grants		7 484	5 666	3 273	16 217	446	446	446	446	446	446		446
Trade payables from non-exchange transactions: Other		-	-	-	-	-	-	-	-	-	-		-
VAT		-	-	-	628	-	-	-	-	-	-		-
<b>Total Trade and other payables from exchange transactions</b>	2	17 450	24 742	8 292	22 767	5 465	5 465	5 465	5 465	5 465	5 465		5 465
<b>Non-current liabilities - Financial liabilities</b>													
Borrowing	4	22 211	18 916	16 589	11 112	11 225	11 225	11 225	6 519	1 377	-		-
Other financial liabilities													
<b>Total Non-current liabilities - Financial liabilities</b>		22 211	18 916	16 589	11 112	11 225	11 225	11 225	6 519	1 377	-		-
<b>Provisions</b>													
Retirement benefits		46 622	55 224	52 063	60 277	55 340	55 340	55 340	58 826	62 532	66 472		
Refuse landfill site rehabilitation		2 600	3 528	1 747	4 202	2 135	2 135	2 135	2 342	2 573	2 829		
Other													
<b>Total Provisions</b>		49 222	58 752	53 810	64 479	57 475	57 475	57 475	61 168	65 105	69 301		
<b>CHANGES IN NET ASSETS</b>													
<b>Accumulated surplus/(deficit)</b>													
Accumulated surplus/(deficit) - opening balance		38 422	46 979	56 335	45 405	73 796	73 796	73 796	70 313	66 780	59 031		
GRAP adjustments		2 325											
Restated balance		40 746	46 979	56 335	45 405	73 796	73 796	73 796	70 313	66 780	59 031		
Surplus/(Deficit)		6 233	14 345	25 472	94	(3 483)	(3 483)	(3 483)	(3 532)	(7 749)	(4 065)		
Transfers to/from Reserves			(4 989)	(8 012)									
Depreciation offsets													
Other adjustment													
<b>Accumulated Surplus/(Deficit)</b>	1	46 979	56 335	73 796	45 499	70 313	70 313	70 313	66 780	59 031	54 967		
<b>Reserves</b>													
Housing Development Fund													
Capital Development			4 989	13 000	9 420	13 000	13 000	13 000	13 000	13 000	13 000		13 000
Surplus/(Deficit)													
Other reserves													
Reserve for contingencies													
Other reserves													
<b>Total Reserves</b>			4 989	13 000	9 420	13 000	13 000	13 000	13 000	13 000	13 000		13 000
<b>TOTAL COMMUNITY WEALTH</b>	2	46 979	61 324	86 796	54 919	83 313	83 313	83 313	79 780	72 031	67 967		

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DC3 Overberg - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
				R thousand								
Basic Services and Infrastructure	To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure.	SG1		114 968	140 779	135 447	130 777	133 701	133 701	143 309	150 685	156 030
Local Economic Development	To promote regional economic development by supporting the initiatives in the district for the development of a sustainable district economy.	SG3		15 651	15 767	16 771	18 274	18 778	18 778	20 130	12 652	21 067
Municipal Transformation & Institutional Development	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development.	SG3		48	34	30	30	25	25	25	25	25
Financial Viability	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines.	SG4		79 797	84 667	92 114	89 709	94 276	94 276	94 496	97 468	99 845
Good governance and Community Participation	To ensure good governance practices by providing a dramatic and proactive accountable government and ensuring community participation through IGR structures	SG5		10 467	11 540	23 460	14 651	12 097	12 097	15 270	14 929	15 386
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	220 932	252 787	267 821	253 440	258 877	258 877	273 229	275 759	292 353

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DC3 Overberg - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand													
Basic Services and Infrastructure	To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure.	SG1		153 460	176 414	176 661	181 089	185 425	185 425	196 409	204 706	213 623	
Local Economic Development	To promote regional economic development by supporting the initiatives in the district for the development of a sustainable	SG3		16 714	16 235	15 682	16 623	17 980	17 980	17 150	16 087	16 712	
Municipal Transformation & Institutional Development	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the	SG3		11 001	10 829	11 133	13 505	14 473	14 473	16 558	16 359	17 196	
Financial Viability	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy	SG4		20 124	23 300	25 030	27 126	31 150	31 150	31 005	30 163	31 766	
Good governance and Community Participation	To ensure good governance practices by providing a dramatic and proactive accountable government and ensuring	SG5		14 091	13 945	15 939	15 003	15 583	15 583	15 639	16 194	17 121	
Allocations to other priorities													
Total Expenditure				1	215 390	240 723	244 445	253 346	264 610	264 610	276 761	283 508	286 418

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DC3 Overberg - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	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	
Basic Services and Infrastructure	To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure.	SG1		2 459	4 329	6 342	3 270	10 327	10 327	3 546	321	2 311	
Local Economic Development	To promote regional economic development by supporting the initiatives in the district for the development of a sustainable	SG3		119	340	613	339	2 583	2 583	700	-	-	
Municipal Transformation & Institutional Development	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the	SG3		403	249	1 844	5 115	2 392	2 392	1 485	180	230	
Financial Viability	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy	SG4		16	74	476	1 200	3	3	10	15	10	
Good governance and Community Participation	To ensure good governance practices by providing a dramatic and proactive accountable government and ensuring	SG5		-	45	262	350	15	15	30	20	-	
Allocations to other priorities			3										
<b>Total Capital Expenditure</b>				1	2 998	5 036	9 537	10 274	15 320	15 320	5 771	536	2 551

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DC3 Overberg - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	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>Vote 1 - Municipal Manager</b>										
<b>Function 1 - (name)</b>										
<b>Executive</b>										
People from employment equity target groups employed in the three highest levels of management in accordance with the amended Employment Equity Report on Percentage Capital budget actually spend on capital projects by 30 June (Reg)	Number of people employed in the three highest levels of management	1	1	1	2	2	2	TBC	TBC	TBC
	% of capital budget actually spent on capital projects for	53	92.2	78.2	80	80	80	80	80	80
<b>Executive Support</b>										
<b>Internal Audit</b>										
Coordinate quarterly Audit and Performance Audit Committee meetings	Number of meetings coordinated per annum	4	4	4	4	4	4	4	4	4
Develop a Risk-based Audit Plan (RBAP) for the next financial year and table to the Audit and Performance Audit Committee by June	Annual RBAP developed and tabled to the Audit and Performance Audit Committee	1	1	1	1	1	1	1	1	1
Execute audit projects in terms of the Risk Base Audit Plan (RBAP)	Number of audits executed per annum	16	29	31	18	18	18	16	16	16
<b>IDP &amp; Communication</b>										
Facilitate IDP Awareness Initiatives in the district	Number of IDP awareness initiatives facilitated per annum				2	2	2	2	2	2
Facilitate District IGR engagements with Local Municipalities.	Number of engagements coordinated per annum	6	8	9	8	8	8	8	8	8
Publishing of External Newsletters bi-annually to Stakeholders	Number of External Newsletters published per annum	2	2	2	2	2	2	2	2	2
<b>Performance &amp; Risk Management</b>										
Prepare Top Layer Service Delivery budget Implementation plan for approval by the Mayor within 28 days after the approved Budget	Top Layer SDBIP Submitted to the Mayor for approval	1	1	1	1	1	1	1	1	1
Review annually the TL SDBIP to inform Council should a revised TL SDBIP be necessary and table the report (Sec. 72) to Council	Report (Sec 72) tabled to Council by January	1	1	1	1	1	1	1	1	1
Compilation and Submission of the Annual Performance Report to the AG by 31 August	Annual Performance Report submitted	1	1	1	1	1	1	1	1	1
<b>Vote 2 - Management Services</b>										
<b>Vote 3 - Corporate Services</b>										
<b>Human Resources</b>										
Implement the Workplace Skills Plan by 30 June (Reg)	% Budget spent per annum on the WSP (Actual spent on Training/Total Budget)	0.02	0.05	0.29	0.2	0.39	0.39	TBC		
Report Municipal Staff Regulation Implementation Plan progress to Corporate Portfolio Committee	Number of progress reports submitted per annum							4	4	4
Quarterly implementation of HR Roadmap to keep staff informed of HR policies and processes	Number of staff engagements per annum							4	4	4
Bi-annual sexual harassment staff awareness campaigns.	Number of awareness campaigns held per annum							2	2	
Create temporary work opportunities through the municipality's EPWP programme by 30 June	Number of temporary EPWP work opportunities created	138	136	251	83	161	161	TBC		
<b>Committee, Records and Council Support</b>										
Coordinate quarterly Ordinary Council Meetings	Number of Ordinary Council meetings coordinated per annum				4	4	4	4	4	4
Review Records Management Policy and table to Council by December	Reviewed policy tabled to Council	1	1	1	1	1	1	1	1	1
Table quarterly progress report on Electronic Document Management System to Corporate Services Portfolio Committee.	Number of progress reports tabled per annum							4		
Table bi-annual progress report on remedial actions from WC Archives & Record Services to Portfolio Committee.	Number of progress reports tabled per annum							2		
<b>Contract, Legal, ICT and Building Management</b>										
Table quarterly progress report on ICT Remediation Plan to Corporate Services Portfolio Committee.	Number of progress reports tabled per annum							4		
Review ICT Steering Committee Terms of Reference and table to Council by March each year.	Revised TOR tabled to Council							1	1	1
Table quarterly activity report on Building Management and Support Services to Corporate Portfolio Committee.	Number of activity reports tabled per annum							4	4	4
Table quarterly Fleet Management Meeting Minutes to Corporate Services Portfolio Committee.	Number of minutes tabled per annum							4	4	4
<b>Vote 4 - Finance</b>										

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<b>Finance</b>										
Measured financial viability in terms of the municipality's ability to meet its service debt obligations by 30 June (Debt coverage) (Reg)	The number of times the municipality was able to meet its Debt obligation	6.81	8.10	7.6	6	7	7	7	7	7
Measured financial viability in terms of the available cash to cover fixed operating expenditure by 30 June (Cost coverage) (Reg)	Number of months cash were available to cover fixed operating expenditure ((All available cash at a particular	2.18	2.7	2.25	2	2	2	2	2	2
Measured financial viability in terms of percentage outstanding service debtors by 30 June (Service Debtors) (Reg)	% Outstanding service debtors per annum (Total outstanding service debtors/annual revenue	31	24.6	14.10	28	20	20	20	20	20
<b>SCM &amp; Assets</b>										
Service providers for quotations and tenders above R30000	Number of reports submitted to Council per annum	2	2	2	2	2	2	2	2	2
Invite service providers to register on the suppliers database by 30 June	Invitation placed on ODM website and in external	1	1	1	1	1	1	1	1	1
<b>Vote 5 - Community Services</b>										
<b>Municipal Health</b>										
Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	434	411	433	576	576	576	672	672	672
Take food samples to monitor the quality of Food Itc the FCD Act and legislative requirements	Number of samples taken per annum	407	424	444	400	400	400	400	400	400
Take water sample at Sewerage Final Outflow to monitor water quality (National Water Act: General Standards)	Number of samples taken per annum	169	164	162	160	160	160	180	180	180
<b>Environmental Management</b>										
Committee on the activities of the Municipal Coastal Committee	Number of reports submitted per annum	4	4	3	4	4	4	4	4	4
Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Climate Change & Biodiversity Forum	Number of reports submitted per annum			3	4	4	4	4	4	4
<b>Solid Waste</b>										
Report annually to the Community Services Portfolio Committee on the outcome of Karwyderskraal Landfill site adherence to the permit conditions	Report submitted to the Community Portfolio Committee per annum	1	1	1	1	1	1	1	1	1
Report quarterly to the Community Services Portfolio Committee on the activities of the Regional Waste Forum	Number of reports submitted per annum	4	4	3	4	4	4	4	4	4
<b>Emergency Services</b>										
Table the revised Disaster Risk Management Plan to Council by June	Revised Disaster Risk Management plan tabled to	1	1	1	1	1	1	1	1	1
Table to Council the revised Disaster Management Framework by June	Revised Disaster Management Framework	1	1	1	1	1	1	1	1	1
Present annually the revised Festive and Fire Season Readiness Plan to DCF Tech	Number of revised Festive and Fire Season readiness	1	1	1	1	1	1	1	1	1
Present annually the revised winter readiness plan to the Community Services Portfolio Committee	Number of revised Winter readiness plans submitted							1	1	1
Rollout formal Training programmes by fire services training centre	Number of formal fire training programmes rolled out by fire training centre							2	2	2
<b>Roads Services</b>										
Upgrade roads to permanent surface by 30 June	Number of kilometres road	4.05	0	1.34	2.42	2.42	2.42	5.68		
Kilometres of gravel roads to be regavelled	Number of kilometres road	37.01	54.31	48.18	43	43.32	43.32	52.20		
Kilometres of gravel roads to be bladed	Number of kilometres roads	5855.42	6772	7677.90	6500	6500	6500	6500	6500	6500
Submit annually the Business Plan for Provincial Roads budget allocation to Department of Transport and Public Works by 31 March	Annual Business Plan submitted	1	1	1	1	1	1	1	1	1
<b>LED, Tourism and Resorts</b>										
Report quarterly to the Community Portfolio committee on the progress of planned deliverables in RED & Tourism Strategy	Number of progress reports tabled per annum	4	3	4	4	4	4	4	4	4
<b>Social Services</b>										
development Implementation Plan to the Community Services Portfolio Committee	Number of progress reports tabled per annum	1	1	3	2	2	2	4	4	4

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DC3 Overberg - Supporting Table SA8 Performance Indicators and benchmarks

Description of financial indicator	Basis of calculation	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>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.1%	2.7%	3.0%	2.8%	3.0%	3.0%	3.0%	2.9%	2.7%	3.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.0%	2.5%	2.9%	2.8%	3.1%	3.1%	3.1%	3.0%	2.8%	3.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.6	1.9	2.9	1.4	2.3	2.3	2.3	1.9	1.6	1.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.9	2.9	1.4	2.3	2.3	2.3	1.8	1.6	1.7
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	1.5	2.3	1.3	1.9	1.9	1.9	1.5	1.2	1.2
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		83.1%	113.2%	102.4%	100.0%	99.3%	99.3%	99.3%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		83.1%	113.2%	102.4%	100.0%	99.3%	99.3%	99.3%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	7.6%	10.7%	10.1%	5.7%	8.2%	8.2%	8.2%	7.7%	7.7%	7.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		7.7%	8.0%	7.0%	10.0%	7.2%	7.2%	7.2%	8.8%	10.7%	13.4%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	EWH Purchase										
	Water treatment works										
	Natural sources										
	Total Volume Losses (kT)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	51.2%	46.3%	45.8%	53.6%	51.4%	51.4%	51.4%	50.8%	53.8%	53.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	54.0%	48.7%	48.0%	56.1%	53.9%	53.9%		53.1%	56.2%	56.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.9%	3.7%	4.0%	3.3%	3.7%	3.7%		3.5%	3.6%	3.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	3.4%	2.9%	2.6%	2.7%	2.7%	2.7%	2.7%	2.3%	2.4%	2.4%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	42.4	38.9	43.5	34.0	34.0	34.0	29.9	33.9	27.9	29.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	18.2%	60.3%	66.6%	6.7%	32.7%	32.7%	32.7%	29.3%	27.9%	26.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.7	3.8	2.9	2.7	2.6	2.6	2.6	2.0	1.6	1.2

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DC3 Overberg - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population												
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 24												
Males aged 15 - 24												
Unemployment												
<b>Monthly household income (no. of households)</b>	1, 12											
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13											
Insert description	2											
<b>Household demographics (000)</b>												
Number of people in municipal area												
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
<b>Housing statistics</b>	3											
Formal												
Informal												
<b>Total number of households</b>												
Dwellings provided by municipality	4											
Dwellings provided by provinces												
Dwellings provided by private sector	5											
<b>Total new housing dwellings</b>												
<b>Economic</b>	6											
Inflation/inflation outlook (CPI)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
<b>Collection rates</b>	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

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DC3 Overberg Supporting Table SA10 Funding measurement

Description	MFMA Action	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>Funding measures</b>												
Cash/cash equivalents at the year end - R000	18(1)(b)	1	36 647	36 076	44 932	44 890	43 585	43 585	43 585	35 575	29 464	23 449
Cash - investments at the year end less applications - R000	18(1)(b)	2	24 051	36 045	29 780	24 078	36 701	36 701	36 701	27 878	20 950	14 127
Cash year end monthly employee/supplier payments	18(1)(b)	3	2.7	3.8	2.9	2.7	2.6	2.6	2.6	2.6	1.8	1.2
Surplus/(Deficit) excluding depreciation effects: R000	18(1)	4	6 233	14 345	25 472	94	(3 483)	(3 483)	(3 483)	(3 532)	(7 749)	(4 065)
Service charge rev % change - macro CPI-X target exclusive	18(1)(a)(2)	5	N.A.	(2.4%)	(22.8%)	28.5%	(2.3%)	(6.0%)	(6.0%)	6.3%	(1.0%)	(1.8%)
Cash receipts % of Ratepayer & Other revenue	18(1)(a)(2)	6	76.5%	113.4%	89.6%	99.2%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Debt impairment expense as a % of total billable revenue	18(1)(a)(2)	7	0.6%	0.6%	0.7%	1.5%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%
Capital payments % of capital expenditure	18(1)(c)-19	8	100.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl transfers)	18(1)(c)	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)(a)	10								0.0%	0.0%	0.0%
Current consumer debtors % change - inc/(dec)	18(1)(a)	11	N.A.	(39.8%)	111.7%	(38.8%)	(40.9%)	0.0%	0.0%	1.8%	1.9%	2.0%
Long term receivables % change - inc/(dec)	18(1)(a)	12	N.A.	20.8%	(3.2%)	12.3%	(6.3%)	0.0%	0.0%	6.3%	6.3%	6.3%
RM % of Property Plant & Equipment	20(1)(v)	13	13.0%	13.5%	14.9%	10.9%	11.5%	11.5%	11.6%	12.7%	12.7%	0.0%
Asset renewal % of capital budget	20(1)(v)	14	21.4%	4.1%	29.4%	25.8%	7.5%	7.5%	0.0%	37.1%	40.3%	10.8%
<b>Supporting indicators</b>												
% inc/total service charges (incl prop rates)	18(1)(a)		3.6%	(16.8%)	34.5%	3.7%	0.0%	0.0%	0.0%	12.3%	5.0%	4.2%
% inc Property Tax	18(1)(a)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% inc Service charges - Electricity	18(1)(a)		21.3%	(2.7%)	43.7%	(50.0%)	0.0%	0.0%	0.0%	0.0%	5.0%	4.8%
% inc Service charges - Water	18(1)(a)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% inc Service charges - Waste/Water Management	18(1)(a)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	4.8%
% inc Service charges - Waste Management	18(1)(a)		3.3%	(17.2%)	28.1%	5.8%	0.0%	0.0%	13.0%	5.0%	4.1%	1.5%
% inc in Sale of Goods and Rendering of Services	18(1)(a)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)(a)		11 704	12 130	10 061	13 572	14 072	14 072	14 072	15 800	16 590	17 280
Service charges	11 704	12 100	10 061	13 572	14 072	14 072	14 072	14 072	15 800	16 590	17 280	
Property rates	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	236	286	278	400	200	200	200	200	210	210	220	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	600	600	600	600	600	600	630	660	
Service charges - refuse removal	11 468	11 844	9 812	12 572	13 272	13 272	13 272	13 272	15 000	15 750	16 400	
Agency services	10 127	11 343	11 501	11 351	11 597	11 597	11 597	11 597	12 770	13 428	13 866	
Capital expenditure excluding capital grant funding	2 307	2 151	8 422	10 274	13 070	13 070	13 070	13 070	5 771	536	2 551	
Cash receipts from ratepayers	18(1)(a)		32 126	48 507	40 551	51 347	49 840	49 840	49 840	53 440	47 811	57 642
Ratepayer & Other revenue	18(1)(a)		41 959	47 779	45 314	51 747	49 940	49 940	49 940	53 540	47 911	57 742
Change in consumer debtors (current and non-current)			N/A	(1 994)	9 295	(4 286)	(6 481)	-	-	1 597	1 698	1 805
Operating and Capital Grant Revenue	18(1)(a)		170 371	208 814	203 510	157 163	208 437	208 437	208 437	214 399	223 043	229 801
Capital expenditure - total	20(1)(v)		2 958	5 036	9 537	10 274	15 320	15 320	15 320	5 771	536	2 551
Capital expenditure - renewal	20(1)(v)		641	206	3 755	2 651	1 155	1 155	1 155	2 141	216	278
<b>Supporting benchmarks</b>												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total grant/provisional national, provincial and district grants												
Average annual inflation rate (annual inclusive)												
<b>Trend</b>												
Change in consumer debtors (current and non-current)			N/A	(1 994)	9 295	(4 286)	(6 481)	-	-	1 597	1 698	1 805
<b>Total Operating Revenue</b>												
Total Operating Revenue			220 932	251 515	267 821	253 440	258 877	258 877	258 877	273 229	275 759	292 353
Total Operating Expenditure			215 390	240 723	244 445	253 345	264 610	264 610	264 610	276 761	283 508	298 418
Operating Performance Surplus/(Deficit)			5 541	10 792	23 377	94	(5 733)	(5 733)	(5 733)	(3 532)	(7 749)	(4 065)
<b>Cash and Cash Equivalents (30 June 2012)</b>												
Cash and Cash Equivalents			36 647	36 076	44 932	44 890	43 585	43 585	43 585	35 575	29 464	23 449
<b>Revenue</b>												
% Increase in Total Operating Revenue			13.8%	6.5%	(5.4%)	2.1%	0.0%	0.0%	0.0%	5.5%	0.9%	6.0%
% Increase in Property Rates Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue			21.3%	(2.7%)	43.7%	(50.0%)	0.0%	0.0%	0.0%	0.0%	5.0%	4.6%
% Increase in Property Rates & Services Charges			3.6%	(16.8%)	34.5%	3.7%	0.0%	0.0%	0.0%	12.3%	5.0%	4.2%
<b>Expenditure</b>												
% Increase in Total Operating Expenditure			11.8%	1.5%	3.6%	4.4%	0.0%	0.0%	0.0%	4.6%	2.4%	4.8%
% Increase in Employee Costs			2.9%	5.3%	10.7%	(2.1%)	0.0%	0.0%	0.0%	4.2%	6.9%	5.6%
% Increase in Electricity Bulk Purchases			98.9%	(67.0%)	21.5%	(17.5%)	0.0%	0.0%	0.0%	(20.0%)	5.0%	4.8%
Average Cost Per Budgeted Employee Position (Remuneration)				409 183 4381	376 541 9799					284 246 5717		
Average Cost Per Councilor (Remuneration)				279 565 6571	268 068 7828					275 641 6067		
RBM % of PPE			13.0%	13.5%	14.9%	10.9%	11.5%	11.5%	11.6%	11.6%	12.7%	12.7%
Asset Renewal and RBM as a % of PPE			12.0%	12.0%	18.0%	15.0%	17.0%	17.0%	13.0%	13.0%	11.0%	11.0%
Debt Impairment % of Total Billable Revenue			0.0%	0.6%	0.7%	1.5%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%
<b>Capital Revenue</b>												
Internally Funded & Other (R000)			2 307	2 151	5 474	10 235	8 170	8 170	8 170	5 771	536	2 551
Borrowing (R000)			-	-	2 948	39	4 900	4 900	4 900	-	-	-
Grant Funding and Other (R000)			891	2 888	1 116	-	2 250	2 250	2 250	-	-	-
Internally Generated funds % of Non Grant Funding			100.0%	100.0%	65.0%	99.6%	62.5%	62.5%	62.5%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	35.0%	0.4%	37.5%	37.5%	37.5%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			23.1%	57.3%	11.7%	0.0%	14.7%	14.7%	14.7%	0.0%	0.0%	0.0%
<b>Capital Expenditure</b>												
Total Capital Programme (R000)			2 958	5 036	9 537	10 274	15 320	15 320	15 320	5 771	536	2 551
Asset Renewal			1 128	375	4 613	5 155	6 968	6 968	6 968	3 141	216	278
Asset Renewal % of Total Capital Expenditure			37.8%	7.4%	48.4%	50.2%	45.6%	45.6%	45.6%	3.7%	51.5%	0.0%
<b>Cash</b>												
Cash Receipts % of Rate Payer & Other			76.5%	113.4%	89.6%	99.2%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
<b>Borrowing</b>												
Most recent Credit Rating												
Capital Charges to Operating			3.1%	2.7%	3.0%	2.8%	3.0%	3.0%	3.0%	2.9%	2.7%	3.3%
Borrowing Receipts % of Total Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>												
Unrestricted Reserves and Allocation of cash and investments			24 051	36 045	29 780	24 078	36 701	36 701	36 701	27 878	20 950	14 127
<b>Investments</b>												
% Basis Points as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investments as a % of Operating Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>High Level Outcome of Funding Compliance</b>												
Total Operating Revenue			220 932	251 515	267 821	253 440	258 877	258 877	258 877	273 229	275 759	292 353
Total Operating Expenditure			215 390	240 723	244 445	253 345	264 610	264 610	264 610	276 761	283 508	298 418
Surplus/(Deficit) including Operating Statement			5 541	10 792	23 377	94	(5 733)	(5 733)	(5 733)	(3 532)	(7 749)	(4 065)
Surplus/(Deficit) considering Reserves and Cash Balances			24 051	36 045	29 780	24 078	36 701	36 701	36 701	27 878	20 950	14 127
Funded / Unfunded (1) / Unfunded (0)	15		1	1	1	1	1	1	1	1	1	1
Funded / Unfunded (1) / Unfunded (0)	15		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

References

15 Subject to figures provided in the table

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DC3 Overberg - Supporting Table SA11 Property rates summary

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>Valuation:</b>	1									
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mtks)										
No. of properties	5									
No. of sectional title values	5									
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations										
No. of valuation roll amendments										
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)										
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
<b>Total valuation reductions:</b>		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)	5									
Differential rates used? (Y/N)										
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
<b>Rate revenue:</b>										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discouts (R'000)										
<b>Total rebates, exemptions, reductions, discs (R'000)</b>		-	-	-	-	-	-	-	-	-

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DC3 Overberg - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Spore Clubs and Fields (Bloo only)	Sectional Title Garages (intestate only)
<b>Current Year 2022/23</b>												
<b>Valuation:</b>												
No. of properties												
No. of sectional title property values												
No. of unreasonably difficult properties s7(2)												
No. of supplementary valuations												
Supplementary valuation (Rm)												
No. of valuation roll amendments												
No. of objections by rate-payers	5											
No. of appeals by rate-payers	5											
No. of appeals by rate-payers finalised												
No. of successful objections												
No. of successful objections > 10%												
Estimated no. of properties not valued												
Years since last valuation (select)												
Frequency of valuation (select)												
Method of valuation used (select)												
Base of valuation (select)												
Phasing-in properties s21 (number)												
Combination of rating types used? (Y/N)												
Flat rate used? (Y/N)												
Is balance rated by uniform rate/variable rate?												
<b>Valuation reductions:</b>												
Valuation reductions-public infrastructure (Rm)												
Valuation reductions-nature reserves/park (Rm)												
Valuation reductions-mineral rights (Rm)												
Valuation reductions-R15,000 threshold (Rm)												
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)	2											
<b>Total valuation reductions:</b>												
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
<b>Rating:</b>												
Average rate	3											
Rate revenue budget (R'000)												
Rate revenue expected to collect (R'000)												
Expected cash collection rate (%)	4											
Special rating areas (R'000)												
Rebates, exemptions - indigent (R'000)												
Rebates, exemptions - pensioners (R'000)												
Rebates, exemptions - bona fide farm (R'000)												
Rebates, exemptions - other (R'000)												
Phase-in reductions/miscellaneous (R'000)												
Total rebates, exemptions, reductions, discounts (R'000)												

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DC3 Overberg - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bibou only)	Sectional Title Garages (Submission only)
<b>Budget Year 2023/24</b>												
<b>Valuation:</b>												
No. of properties												
No. of sectional title property values												
No. of unreasonably difficult properties s7(2)												
No. of supplementary valuations												
Supplementary valuation (Rm)												
No. of valuation roll amendments												
No. of objections by rate-payers												
No. of appeals by rate-payers												
No. of appeals by rate-payers finalised												
No. of successful objections	5											
No. of successful objections > 10%	5											
Estimated no. of properties not valued												
Years since last valuation (select)												
Frequency of valuation (select)												
Method of valuation used (select)												
Base of valuation (select)												
Phasing-in properties s21 (number)												
Combination of rating types used? (Y/N)												
Flat rate used? (Y/N)												
Is balance rated by uniform rate/variable rate?												
<b>Valuation reductions:</b>												
Valuation reductions-public infrastructure (Rm)												
Valuation reductions-nature reserves/park (Rm)												
Valuation reductions-mineral rights (Rm)												
Valuation reductions-R15,000 threshold (Rm)												
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)	2											
<b>Total valuation reductions:</b>												
Total value used for rating (Rm)	8											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
<b>Rating:</b>												
Average rate	3											
Rate revenue budget (R'000)												
Rate revenue expected to collect (R'000)												
Expected cash collection rate (%)	4											
Special rating areas (R'000)												
Rebates, exemptions - indulgent (R'000)												
Rebates, exemptions - pensioners (R'000)												
Rebates, exemptions - bona fide farm, (R'000)												
Rebates, exemptions - other (R'000)												
Phase-in reductions/discounts (R'000)												
Total rebates, exemptions, reductions, discs (R'000)												

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DC3 Overberg - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Property rates (rate in the Rand)</b>	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
<b>Property rates by usage</b>									
Business and commercial properties									
Industrial properties									
Mining properties									
Residential properties									
Agricultural properties									
Public benefit organisations									
Public service purpose properties									
Public service infrastructure properties									
Vacant land									
Spur (State and Fictit (Blou only)									
Sectional Title Garages (Droevenstein only)									
<b>Exemptions, reductions and rebates (Rands)</b>									
<b>Residential properties</b>									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
<b>Other rebates or exemptions</b>	2								
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/k)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/k)		(fill in thresholds)							
Water usage - Block 2 (c/k)		(fill in thresholds)							
Water usage - Block 3 (c/k)		(fill in thresholds)							
Water usage - Block 4 (c/k)		(fill in thresholds)							
Water usage - Block 5 (c/k)		(fill in thresholds)							
Water usage - Block 6 (c/k)		(fill in thresholds)							
<b>Other</b>	2								
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/k)									
Volumetric charge - Block 1 (c/k)		(fill in structure)							
Volumetric charge - Block 2 (c/k)		(fill in structure)							
Volumetric charge - Block 3 (c/k)		(fill in structure)							

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Volumetric charge - Block 4 (c/k)									
<b>Other</b>	2	(fill in structure)							
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
<b>Other</b>	2								
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge									
Basic charge/ fixed fee									
80l bin - once a week									
250l bin - once a week									

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DC3 Overberg - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year #1 2024/25	Budget Year #2 2025/26
<b>Exemptions, reductions and rebates (Rands)</b> (insert lines as applicable)									
<b>Water tariffs</b> (insert blocks as applicable)		(R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds							
<b>Waste water tariffs</b> (insert blocks as applicable)		(R) in structure (R) in structure (R) in structure (R) in structure (R) in structure (R) in structure (R) in structure							
<b>Electricity tariffs</b> (insert blocks as applicable)		(R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds							

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DC3 Overberg - Supporting Table SA14 Household bills

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 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total large household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-	-	-	-	-
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-	-	-	-	-
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
<b>sub-total</b>		-	-	-	-	-	-	-	-	-	-
VAT on Services											
<b>Total small household bill:</b>		-	-	-	-	-	-	-	-	-	-
<b>% increase/-decrease</b>			-	-	-	-	-	-	-	-	-

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DC3 Overberg - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		36 647	56 076	44 932	44 880	43 585	43 585	35 575	29 464	23 449
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	36 647	56 076	44 932	44 880	43 585	43 585	35 575	29 464	23 449
<b>Entities</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		36 647	56 076	44 932	44 880	43 585	43 585	35 575	29 464	23 449

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DC3 Overberg - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of Institution & Investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (R)	Investment Top Up	Closing Balance
		Yrs/Months												
Parent municipality														
Current Call Accounts and Cheque		Current	Call							35 575				35 575
Municipality sub-total										35 575		-	-	35 575
Entities														
Entities sub-total										-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>1</b>									<b>35 575</b>		<b>-</b>	<b>-</b>	<b>35 575</b>

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DC3 Overberg - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
<b>Parent municipality</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	-	-	-	-	-	-	-	-
<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		4 912	4 912	4 912	112	112	112	112	112	112
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	4 912	4 912	4 912	112	112	112	112	112	112
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	4 912	4 912	4 912	112	112	112	112	112	112

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DC3 Overberg - Supporting Table SA18 Transfers and grant receipts

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>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		76 939	82 406	82 136	86 444	86 444	86 444	89 475	92 475	94 796
Local Government Equitable Share		71 776	77 548	77 375	81 486	81 486	81 486	84 437	88 501	90 551
Finance Management		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 138
EPWP Incentive		1 243	1 188	1 053	1 123	1 123	1 123	1 192		
Rural Roads Asset Management Grant		2 807	2 670	2 708	2 835	2 835	2 835	2 846	2 974	3 107
Municipal Disaster Relief Grant		113	-							
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		97 493	126 775	120 243	110 749	117 566	117 566	124 914	130 568	135 005
PT - PAWK		94 629	124 441	116 095	108 781	113 498	113 498	122 375	128 695	133 071
Seta		204	168	230	230	230	230	240		
Health Subsidy		159	210	183	182	182	182	182	194	206
Financial Management Grant										
Municipal Capacity Building Grant										
Financial Management Support Grant										
Greenest Municipality										
CDW Operational Support Grant		112	56	57	56	56	56	57	57	57
Local Government Graduate Internship Grant		80								
Human Capacity Building Grant		380	300	400						
Finance Management (Resorts)		650								
Fire Safety Plan		900	1 600	929	1 500	1 500	1 500	1 560	1 622	1 671
mSCOA Support Grant		280								
LG Support Grant - Human Relief		100								
Joint District and Metro Approach Grant				2 149		1 000	1 000			
Local Government Public Employment support Grant				200						
Municipal Service Delivery and Capacity Building Grant										
Grant WCFMC Capability						800	800	500		
Grant Intervention						300	300			
Other transfers/grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	174 432	209 181	202 379	197 193	204 010	204 010	214 389	223 043	229 801
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		66	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		66								
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		200	1 232	1 394	-	1 600	1 600	-	-	-
WC Financial Management Grant										
Fire Safety Plan		200	500	1 394						
Emergency Municipal Load Shedding Relief Grant						1 600	1 600			
Risk										
Disaster Management										
Fire Service Capacity Building Grant										
Municipal Service Delivery and Capacity Building Grant - Fire			732							
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	266	1 232	1 394	-	1 600	1 600	-	-	-
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		174 698	210 413	203 773	197 193	205 610	205 610	214 389	223 043	229 801

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DC3 Overberg - Supporting Table SA19 Expenditure on transfers and grant programme

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>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		74 010	78 565	83 233	86 444	86 444	86 444	89 475	92 475	94 796
Local Government Equitable Share		71 776	76 363	78 560	81 486	81 486	81 486	84 437	88 501	90 551
Finance Management		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 138
EPWP Incentive		1 121	1 188	1 053	1 123	1 123	1 123	1 192		
Rural Roads Asset Management Grant		-	14	2 619	2 835	2 835	2 835	2 846	2 974	3 107
Municipal Disaster Relief Grant		113	-		-		-			
Other transfers/grants [insert description]										
Provincial Government:		95 670	127 363	119 161	110 749	119 743	119 743	124 914	130 568	135 005
PT - PAWK		94 629	124 441	116 095	108 781	113 498	113 498	122 375	128 695	133 071
Seta		52	87	303	230	537	537	240		
Health Subsidy		159	210	183	182	182	182	182	194	206
Financial Management Grant					-		-			
Municipal Capacity Building Grant					-		-			
Financial Management Support Grant					-		-			
Greenest Municipality					-		-			
CDW Operational Support Grant		-	84	76	56	113	113	57	57	57
Local Government Graduate Internship Grant		13	67		-		-			
Human Capacity Building Grant		-	680	399	-		-			
Finance Management (Resorts)		-	650		-		-			
Fire Safety Plan		457	1 045	1 905	1 500	1 514	1 514	1 560	1 622	1 671
mSCOA Support Grant		189			-		-			
LG Support Grant - Human Relief		78			-		-			
Joint District and Metro Approach Grant						2 799	2 799			
Local Government Public Employment support Grant				200						
Municipal Service Delivery and Capacity Building Grant - (		94	100							
Grant WCFMC Capability						800	800	500		
Grant Intervention						300	300			
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		<b>169 680</b>	<b>205 928</b>	<b>202 394</b>	<b>197 193</b>	<b>206 187</b>	<b>206 187</b>	<b>214 389</b>	<b>223 043</b>	<b>229 801</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		66	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		66								
Other capital transfers/grants [insert desc]										
Provincial Government:		625	2 886	1 116	-	2 250	2 250	-	-	-
WC Financial Management Grant										
Fire Safety Plan		-	1 272	1 116		650	650			
Emergency Municipal Load Shedding Relief Grant						1 600	1 600			
Risk										
Disaster Management										
Fire Service Capacity Building Grant										
Municipal Service Delivery and Capacity Building Grant - Fire		625	1 614							
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		<b>691</b>	<b>2 886</b>	<b>1 116</b>	<b>-</b>	<b>2 250</b>	<b>2 250</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>170 371</b>	<b>208 814</b>	<b>203 510</b>	<b>197 193</b>	<b>208 437</b>	<b>208 437</b>	<b>214 389</b>	<b>223 043</b>	<b>229 801</b>

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DC3 Overberg - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

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>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		1 115	2 929	3 841	2 656	89	89	89	89	89
Returned to NT		(1 115)	(2 929)	(2 656)	-					
Current year receipts		76 939	82 406	82 136	86 444	86 444	86 444	89 475	92 475	94 796
Conditions met - transferred to revenue		74 010	78 565	83 233	86 444	86 444	86 444	89 475	92 475	94 796
Conditions still to be met - transferred to liabilities		2 929	3 841	89	2 656	89	89	89	89	89
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		766	2 530	1 453	13 561	2 535	2 535	358	358	358
Returned to PT		(59)	(488)		-					
Current year receipts		97 493	126 775	120 243	110 749	117 566	117 566	124 914	130 568	135 005
Conditions met - transferred to revenue		95 670	127 363	119 161	110 749	119 743	119 743	124 914	130 568	135 005
Conditions still to be met - transferred to liabilities		2 530	1 453	2 535	13 561	358	358	358	358	358
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		169 680	205 928	202 394	197 193	206 187	206 187	214 389	223 043	229 801
<b>Total operating transfers and grants - CTBM</b>	2	5 459	5 295	2 623	16 217	446	446	446	446	446
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		66	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		66	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		2 450	2 025	372	-	650	650	-	-	-
Current year receipts		200	1 232	1 394	-	1 600	1 600	-	-	-
Conditions met - transferred to revenue		625	2 886	1 116	-	2 250	2 250	-	-	-
Conditions still to be met - transferred to liabilities		2 025	372	650	-					
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		691	2 886	1 116	-	2 250	2 250	-	-	-
<b>Total capital transfers and grants - CTBM</b>	2	2 025	372	650	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		170 371	208 814	203 510	197 193	208 437	208 437	214 389	223 043	229 801
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		7 484	5 666	3 273	16 217	446	446	446	446	446

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DC3 Overberg - Supporting Table SA21 Transfers and grants made by the municipality

R thousand	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
	<u>Cash Transfers to other municipalities</u>											
	Joint District and Metro Approach Grant	1	-	-	-	-	1 799	1 799	1 799	-	-	-
	Total Cash Transfers To Municipalities:		-	-	-	-	1 799	1 799	1 799	-	-	-
	<u>Cash Transfers to Entities/Other External Mechanisms</u>											
	Capacity Building	2	-	-	-	-	1 000	1 000	1 000	-	-	-
	Total Cash Transfers To Entities/Ems'		-	-	-	-	1 000	1 000	1 000	-	-	-
	<u>Cash Transfers to other Organs of State</u>											
	Joint District and Metro Approach Grant	3	-	-	-	-	-	-	-	-	-	-
	Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
	<u>Cash Transfers to Organisations</u>											
	Joint District and Metro Approach Grant		-	-	-	-	-	-	-	-	-	-
	Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
	<u>Cash Transfers to Groups of Individuals</u>											
	Bursaries		-	680	399	-	-	-	-	-	-	-
	Total Cash Transfers To Groups Of Individuals:		-	680	399	-	-	-	-	-	-	-
	<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>6</b>	<b>-</b>	<b>680</b>	<b>399</b>	<b>-</b>	<b>2 799</b>	<b>2 799</b>	<b>2 799</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<u>Non-Cash Transfers to other municipalities</u>											
	Insert description	1	-	-	-	-	-	-	-	-	-	-
	Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
	<u>Non-Cash Transfers to Entities/Other External Mechanisms</u>											
	Joint District and Metro Approach Grant	2	-	-	-	-	-	-	-	-	-	-
	Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
	<u>Non-Cash Transfers to other Organs of State</u>											
	Joint District and Metro Approach Grant	3	-	-	-	-	-	-	-	-	-	-
	Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
	<u>Non-Cash Grants to Organisations</u>											
	Joint District and Metro Approach Grant	4	-	-	-	-	-	-	-	-	-	-
	Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
	<u>Groups of Individuals</u>											
	Joint District and Metro Approach Grant	5	-	-	-	-	-	-	-	-	-	-
	Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
	<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>	<b>6</b>	<b>-</b>	<b>680</b>	<b>399</b>	<b>-</b>	<b>2 799</b>	<b>2 799</b>	<b>2 799</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL TRANSFERS AND GRANTS</b>	<b>6</b>	<b>-</b>	<b>680</b>	<b>399</b>	<b>-</b>	<b>2 799</b>	<b>2 799</b>	<b>2 799</b>	<b>-</b>	<b>-</b>	<b>-</b>

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DC3 Overberg - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		4 001	4 072	4 069	4 270	4 465	4 465	4 401	4 683	4 973
Pension and UIF Contributions		189	128	124	140	147	147	145	154	164
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 607	1 251	1 251	1 311	1 370	1 370	1 350	1 436	1 525
Cellphone Allowance		400	400	428	444	444	444	444	472	502
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>6 197</b>	<b>5 852</b>	<b>5 872</b>	<b>6 166</b>	<b>6 426</b>	<b>6 426</b>	<b>6 340</b>	<b>6 746</b>	<b>7 164</b>
% Increase	4		(5.6%)	0.3%	5.0%	4.2%	-	(1.3%)	6.4%	6.2%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		3 910	4 112	3 382	4 367	4 201	4 201	4 224	4 494	4 773
Pension and UIF Contributions		246	283	196	310	473	473	478	509	540
Medical Aid Contributions		23	36	12	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	180	148	148	151	160	170
Motor Vehicle Allowance	3	352	293	216	396	268	268	272	289	307
Cellphone Allowance	3	47	48	48	72	78	78	78	78	78
Housing Allowances	3	8	7	3	26	4	4	4	4	4
Other benefits and allowances	3	35	34	11	0	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	75	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 619</b>	<b>4 812</b>	<b>3 868</b>	<b>5 351</b>	<b>5 172</b>	<b>5 172</b>	<b>5 281</b>	<b>5 534</b>	<b>5 873</b>
% Increase	4		4.2%	(19.6%)	38.3%	(3.3%)	-	2.1%	4.8%	6.1%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		71 736	74 080	78 672	86 349	83 827	83 827	88 808	94 684	99 600
Pension and UIF Contributions		11 838	12 340	13 112	15 690	15 405	15 405	15 333	16 349	17 346
Medical Aid Contributions		4 398	4 432	4 526	5 688	5 643	5 643	5 428	5 781	6 076
Overtime		2 723	2 927	4 047	2 150	2 190	2 190	1 750	1 872	1 977
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	4 424	3 317	3 448	4 722	4 753	4 753	4 489	5 531	6 030
Cellphone Allowance	3	377	373	386	470	453	453	442	492	522
Housing Allowances	3	734	700	269	334	322	322	321	372	425
Other benefits and allowances	3	4 528	5 948	7 492	8 211	8 377	8 377	9 046	9 633	10 186
Payments in lieu of leave		2 033	1 307	722	220	220	220	200	214	229
Long service awards		618	358	502	744	744	744	804	909	982
Post-retirement benefit obligations	6	5 188	5 934	5 711	6 002	6 002	6 002	6 532	6 974	7 378
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	278	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>108 596</b>	<b>111 715</b>	<b>118 887</b>	<b>130 580</b>	<b>127 935</b>	<b>127 935</b>	<b>133 431</b>	<b>142 812</b>	<b>150 751</b>
% Increase	4		2.9%	6.4%	9.8%	(2.0%)	-	4.3%	7.0%	5.6%
<b>Total Parent Municipality</b>		<b>119 412</b>	<b>122 378</b>	<b>128 627</b>	<b>142 097</b>	<b>139 533</b>	<b>139 533</b>	<b>145 052</b>	<b>155 092</b>	<b>163 787</b>
			2.5%	5.1%	10.5%	(1.8%)	-	4.0%	6.9%	5.6%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>119 412</b>	<b>122 378</b>	<b>128 627</b>	<b>142 097</b>	<b>139 533</b>	<b>139 533</b>	<b>145 052</b>	<b>155 092</b>	<b>163 787</b>
% Increase	4		2.5%	5.1%	10.5%	(1.8%)	-	4.0%	6.9%	5.6%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>113 215</b>	<b>116 527</b>	<b>122 755</b>	<b>135 932</b>	<b>133 108</b>	<b>133 108</b>	<b>138 712</b>	<b>148 346</b>	<b>156 623</b>

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DC3 Overberg - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum								2.
<b>Councillors</b>	3							
Speaker	4		579 136	86 870	125 576			791 582
Chief Whip				-				-
Executive Mayor			700 868	-	277 622			978 490
Deputy Executive Mayor			560 687	-	230 895			791 582
Executive Committee			936 140	-	302 958			1 239 098
Total for all other councillors			1 624 319	57 864	856 822			2 539 005
<b>Total Councillors</b>	8	-	4 401 150	144 734	1 793 873			6 339 757
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		1	1 085 270	181 668	120 432	150 545		1 537 915
Chief Finance Officer		1	992 881	2 126	105 927	119 296		1 220 230
Executive (Corporate Services)		1	841 292	137 126	103 329	117 928		1 199 675
Executive (Community Services)		1	937 198	157 195	98 950	129 781		1 323 124
								-
								-
<i>List of each official with packages &gt;= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	4	3 856 641	478 115	428 638	517 550		5 280 944
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	4	8 257 791	622 849	2 222 511	517 550		11 620 701

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DC3 Overberg - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		21	-	21	23	-	23	23	-	23
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	4	2	2	4	2	2	4	2	2
Other Managers	7	7	-	-	7	-	-	9	8	-
Professionals		11	10	-	11	10	-	21	15	-
Finance		3	3	-	3	3	-	9	7	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	1	1	-
Roads		4	3	-	4	3	-	4	3	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		4	4	-	4	4	-	7	4	-
Technicians		77	64	-	77	65	-	164	126	6
Finance		10	10	-	10	10	-	16	13	2
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		2	2	-	2	2	-	1	1	-
Roads		30	29	-	30	29	-	57	53	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		35	23	-	35	24	-	90	59	4
Clerks (Clerical and administrative)		24	-	-	-	-	-	15	-	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		45	40	-	45	40	-	55	42	-
Elementary Occupations		217	182	-	217	182	-	220	182	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	406	298	23	384	299	25	511	375	31
% increase					(5.4%)	0.3%	8.7%	33.1%	25.4%	24.0%
<b>Total municipal employees headcount</b>	6, 10	-	377	8	-	377	8	-	375	8
Finance personnel headcount	8, 10	21	18	2	21	18	2	21	18	2
Human Resources personnel headcount	8, 10	10	5	3	10	5	3	10	5	3

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DC3 Overberg - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	R14	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity	17	17	17	17	17	17	17	17	17	17	17	17	17	200	210	220
Service charges - Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	30	30	30	30	30	30	30	30	30	30	30	30	30	420	450	480
Service charges - Waste Management	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	15 000	15 750	16 420
Sale of Goods and Rendering of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	1 054	12 770	13 428	14 086
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	4	4	4	4	4	4	4	4	4	4	4	4	4	50	55	60
Interest earned from Current and Non Current Assets	271	271	271	271	271	271	271	271	271	271	271	271	271	3 250	3 220	3 220
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental on Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	1 152	13 825	14 755	15 185
Licence and permits	83	83	83	83	83	83	83	83	83	83	83	83	83	1 000	1 000	1 000
Operational Revenue	845	845	845	845	845	845	845	845	845	845	845	845	845	10 142	10 137	10 201
<b>Non-Exchange Revenue</b>																
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences or permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	17 805	17 805	17 805	17 805	17 805	17 805	17 805	17 805	17 805	17 805	17 805	17 805	17 805	214 389	223 043	229 801
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	167	167	167	167	167	167	167	167	167	167	167	167	167	2 000	1 500	1 500
Other Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and grants)</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>22 789</b>	<b>273 238</b>	<b>275 758</b>	<b>282 353</b>
<b>Expenditure</b>																
Employee related costs	11 528	11 528	11 528	11 528	11 528	11 528	11 528	11 528	11 528	11 528	11 528	11 528	11 528	138 712	146 346	156 623
Reimbursement of employees	328	328	328	328	328	328	328	328	328	328	328	328	328	4 240	4 746	5 164
Bulk purchases - electricity	17	17	17	17	17	17	17	17	17	17	17	17	17	200	210	220
Inventory consumed	5 183	5 183	5 183	5 183	5 183	5 183	5 183	5 183	5 183	5 183	5 183	5 183	5 183	62 321	64 663	66 280
Debt impairment	8	8	8	8	8	8	8	8	8	8	8	8	8	100	100	100
Depreciation and amortisation	304	304	304	304	304	304	304	304	304	304	304	304	304	3 654	3 800	3 709
Interest	229	229	229	229	229	229	229	229	229	229	229	229	229	2 753	3 015	3 303
Contracted services	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	2 582	31 106	32 212	33 556
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs	7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	7 631	91 578	91 337	92 464
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>276 761</b>	<b>283 508</b>	<b>292 418</b>
<b>Surplus/(Deficit)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(3 523)</b>	<b>(7 748)</b>	<b>(1 065)</b>
Transfers and subsidies - capital (voluntary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (linked)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(3 523)	(7 748)	(1 065)
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(3 523)	(7 748)	(1 065)
Share of Surplus/(Deficit) attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Municipality	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(284)	(3 523)	(7 748)	(1 065)
Share of Surplus/(Deficit) attributable to Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(284)</b>	<b>(3 523)</b>	<b>(7 748)</b>	<b>(1 065)</b>

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DC3 Overberg - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue by Vote</b>																
Vote 1 - Municipal Manager		1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	15 270	14 929	15 386
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		2	2	2	2	2	2	2	2	2	2	2	25	25	25	
Vote 4 - Finance		7 875	7 875	7 875	7 875	7 875	7 875	7 875	7 875	7 875	7 875	7 875	94 496	97 468	99 845	
Vote 5 - Community Services		13 620	13 620	13 620	13 620	13 620	13 620	13 620	13 620	13 620	13 620	13 620	163 438	163 337	177 097	
<b>Total Revenue by Vote</b>		<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>273 229</b>	<b>275 759</b>	<b>292 353</b>	
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Municipal Manager		1 303	1 303	1 303	1 303	1 303	1 303	1 303	1 303	1 303	1 303	1 303	15 638	16 194	17 121	
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 3 - Corporate Services		1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	1 380	16 558	16 359	17 195	
Vote 4 - Finance		2 584	2 584	2 584	2 584	2 584	2 584	2 584	2 584	2 584	2 584	2 584	31 005	30 163	31 766	
Vote 5 - Community Services		17 797	17 797	17 797	17 797	17 797	17 797	17 797	17 797	17 797	17 797	17 797	213 559	220 793	230 335	
<b>Total Expenditure by Vote</b>		<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>276 761</b>	<b>283 508</b>	<b>296 418</b>	
<b>Surplus/(Deficit) before assoc.</b>		<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>	
Income Tax													-	-	-	
Share of Surplus/Deficit attributable to Minorities													-	-	-	
Intercompany/Parent subsidiary transactions													-	-	-	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(294)</b>	<b>(3 532)</b>	<b>(7 749)</b>	<b>(4 065)</b>	

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DC3 Overberg - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Revenue - Functional</b>																
Governance and administration		9 149	9 149	9 149	9 149	9 149	9 149	9 149	9 149	9 149	9 149	9 149	9 149	109 791	112 422	115 258
Executive and council		1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	1 272	15 270	14 929	15 388
Finance and administration		7 877	7 877	7 877	7 877	7 877	7 877	7 877	7 877	7 877	7 877	7 877	7 877	84 521	97 493	99 870
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		2 220	2 220	2 220	2 220	2 220	2 220	2 220	2 220	2 220	2 220	2 220	2 220	26 639	19 492	28 252
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	1 677	20 130	12 652	21 067
Public safety		442	442	442	442	442	442	442	442	442	442	442	442	5 308	5 627	5 959
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		100	100	100	100	100	100	100	100	100	100	100	100	1 202	1 214	1 226
Economic and environmental services		10 208	10 208	10 208	10 208	10 208	10 208	10 208	10 208	10 208	10 208	10 208	10 208	122 499	128 624	133 205
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		10 198	10 198	10 198	10 198	10 198	10 198	10 198	10 198	10 198	10 198	10 198	10 198	122 375	128 695	133 071
Environmental protection		10	10	10	10	10	10	10	10	10	10	10	10	124	129	134
Trading services		1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 300	15 020	15 640
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 300	15 020	15 640
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>		<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>22 769</b>	<b>273 229</b>	<b>275 759</b>	<b>292 353</b>
<b>Expenditure - Functional</b>																
Governance and administration		5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	63 754	63 281	66 677
Executive and council		879	879	879	879	879	879	879	879	879	879	879	879	10 550	10 830	11 445
Finance and administration		4 268	4 268	4 268	4 268	4 268	4 268	4 268	4 268	4 268	4 268	4 268	4 268	51 221	50 370	53 040
Internal audit		165	165	165	165	165	165	165	165	165	165	165	165	1 983	2 081	2 192
Community and public safety		6 289	6 289	6 289	6 289	6 289	6 289	6 289	6 289	6 289	6 289	6 289	6 289	75 470	75 353	78 384
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	17 150	16 087	16 712
Public safety		3 302	3 302	3 302	3 302	3 302	3 302	3 302	3 302	3 302	3 302	3 302	3 302	39 629	39 471	41 706
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		1 558	1 558	1 558	1 558	1 558	1 558	1 558	1 558	1 558	1 558	1 558	1 558	18 691	19 795	20 968
Economic and environmental services		10 616	10 616	10 616	10 616	10 616	10 616	10 616	10 616	10 616	10 616	10 616	10 616	127 394	134 004	138 701
Planning and development		135	135	135	135	135	135	135	135	135	135	135	135	1 618	1 711	1 816
Road transport		10 198	10 198	10 198	10 198	10 198	10 198	10 198	10 198	10 198	10 198	10 198	10 198	122 375	128 695	133 071
Environmental protection		283	283	283	283	283	283	283	283	283	283	283	283	3 401	3 697	3 814
Trading services		845	845	845	845	845	845	845	845	845	845	845	845	10 143	10 871	11 656
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		845	845	845	845	845	845	845	845	845	845	845	845	10 143	10 871	11 656
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>		<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>23 063</b>	<b>276 761</b>	<b>283 508</b>	<b>296 418</b>
Surplus/(Deficit) before assoc.		(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(3 532)	(7 749)	(4 065)
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(294)	(3 532)	(7 749)	(4 065)

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DC3 Overberg - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
<b>Multi-year expenditure to be appropriated</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																	
Vote 1 - Municipal Manager		3	3	3	3	3	3	3	3	3	3	3	3	3	30	20	-
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		124	124	124	124	124	124	124	124	124	124	124	124	124	1 485	180	230
Vote 4 - Finance		1	1	1	1	1	1	1	1	1	1	1	1	1	10	15	10
Vote 5 - Community Services		354	354	354	354	354	354	354	354	354	354	354	354	354	4 246	321	2 311
<b>Capital single-year expenditure sub-total</b>	2	481	481	481	481	481	481	481	481	481	481	481	481	481	5 771	536	2 551
<b>Total Capital Expenditure</b>	2	481	481	481	481	481	481	481	481	481	481	481	481	481	5 771	536	2 551

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DC3 Overberg - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital Expenditure - Functional</b>	1															
<i>Governance and administration</i>		125	125	125	125	125	125	125	125	125	125	125	125	1 495	195	240
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		125	125	125	125	125	125	125	125	125	125	125	125	1 495	195	240
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		353	353	353	353	353	353	353	353	353	353	353	353	4 240	315	2 305
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		58	58	58	58	58	58	58	58	58	58	58	58	700	-	-
Public safety		292	292	292	292	292	292	292	292	292	292	292	292	3 500	300	2 275
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		3	3	3	3	3	3	3	3	3	3	3	3	40	15	30
<i>Economic and environmental services</i>		3	3	3	3	3	3	3	3	3	3	3	3	36	26	6
Planning and development		3	3	3	3	3	3	3	3	3	3	3	3	30	20	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		1	1	1	1	1	1	1	1	1	1	1	1	6	6	6
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	481	481	481	481	481	481	481	481	481	481	481	481	5 771	536	2 551
<b>Funded by:</b>																
National Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		481	481	481	481	481	481	481	481	481	481	481	481	5 771	536	2 551
<b>Total Capital Funding</b>		481	481	481	481	481	481	481	481	481	481	481	481	5 771	536	2 551

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DC3 Overberg - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand													1		
<b>Cash Receipts By Source</b>															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	17	17	17	17	17	17	17	17	17	17	17	17	200	210	220
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	50	50	50	50	50	50	50	50	50	50	50	50	600	630	660
Service charges - refuse revenue	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	15 000	15 750	16 400
Rental of facilities and equipment	1 144	1 144	1 144	1 144	1 144	1 144	1 144	1 144	1 144	1 144	1 144	1 144	13 725	14 855	15 085
Interest earned - external investments	271	271	271	271	271	271	271	271	271	271	271	271	3 250	3 250	3 250
Interest earned - outstanding debtors	4	4	4	4	4	4	4	4	4	4	4	4	50	55	60
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	83	83	83	83	83	83	83	83	83	83	83	83	1 000	1 000	1 000
Agency services	1 064	1 064	1 064	1 064	1 064	1 064	1 064	1 064	1 064	1 064	1 064	1 064	12 770	13 429	13 886
Transfers and Subsidies - Operational	40 809	10 218	10 218	10 218	40 809	10 218	10 218	10 218	40 809	10 218	10 218	10 218	214 389	223 043	229 801
Other revenue	845	845	845	845	845	845	845	845	845	845	845	845	10 146	2 137	10 391
<b>Cash Receipts by Source</b>	<b>45 538</b>	<b>14 946</b>	<b>14 946</b>	<b>14 946</b>	<b>45 538</b>	<b>14 946</b>	<b>14 946</b>	<b>14 946</b>	<b>45 538</b>	<b>14 946</b>	<b>14 946</b>	<b>14 946</b>	<b>271 129</b>	<b>274 159</b>	<b>280 753</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	167	167	167	167	167	167	167	167	167	167	167	167	2 000	1 500	1 500
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>45 704</b>	<b>15 113</b>	<b>15 113</b>	<b>15 113</b>	<b>45 704</b>	<b>15 113</b>	<b>15 113</b>	<b>15 113</b>	<b>45 704</b>	<b>15 113</b>	<b>15 113</b>	<b>15 113</b>	<b>273 129</b>	<b>275 659</b>	<b>282 253</b>
<b>Cash Payments by Type</b>															
Employee related costs	10 510	10 510	10 510	10 510	21 020	10 510	10 510	10 510	10 510	10 510	10 510	10 510	136 628	146 119	154 243
Remuneration of councillors	528	528	528	528	528	528	528	528	528	528	528	528	6 340	6 746	7 164
Finance charges	153	153	153	153	153	153	153	153	153	153	153	153	1 834	2 041	2 272
Bulk purchases - electricity	17	17	17	17	17	17	17	17	17	17	17	17	200	210	220
Acquisitions - water & other inventory	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	62 321	64 863	66 280
Contracted services	2 592	2 592	2 592	2 592	2 592	2 592	2 592	2 592	2 592	2 592	2 592	2 592	31 106	25 212	26 556
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	2 631	2 631	2 631	2 631	2 631	2 631	2 631	2 631	2 631	2 631	2 631	2 631	31 575	31 337	32 464
<b>Cash Payments by Type</b>	<b>21 625</b>	<b>21 625</b>	<b>21 625</b>	<b>21 625</b>	<b>32 134</b>	<b>21 625</b>	<b>21 625</b>	<b>21 625</b>	<b>21 625</b>	<b>21 625</b>	<b>21 625</b>	<b>21 625</b>	<b>270 004</b>	<b>276 528</b>	<b>289 198</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	481	481	481	481	481	481	481	481	481	481	481	481	5 771	536	2 551
Repayment of borrowing	447	447	447	447	447	447	447	447	447	447	447	447	5 365	4 706	6 519
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>22 553</b>	<b>22 553</b>	<b>22 553</b>	<b>22 553</b>	<b>33 062</b>	<b>22 553</b>	<b>22 553</b>	<b>22 553</b>	<b>22 553</b>	<b>22 553</b>	<b>22 553</b>	<b>22 553</b>	<b>281 140</b>	<b>281 770</b>	<b>298 268</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>23 152</b>	<b>(7 440)</b>	<b>(7 440)</b>	<b>(7 440)</b>	<b>12 642</b>	<b>(7 440)</b>	<b>(7 440)</b>	<b>(7 440)</b>	<b>23 152</b>	<b>(7 440)</b>	<b>(7 440)</b>	<b>(7 440)</b>	<b>(8 011)</b>	<b>(6 111)</b>	<b>(6 015)</b>
Cash/cash equivalents at the month/year begin	43 585	68 737	59 297	51 858	44 418	57 060	49 621	42 181	34 742	57 893	50 454	43 014	43 585	35 575	28 454
Cash/cash equivalents at the month/year end	66 737	59 297	51 858	44 418	57 060	49 621	42 181	34 742	57 893	50 454	43 014	35 575	35 575	28 454	23 449

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DC3 Overberg - NOT REQUIRED - municipality does not have entities

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>Financial Performance</b>										
Property rates										
Service charges										
Investment revenue										
Transfer and subsidies - Operational										
Other own revenue										
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	-	-	-	-	-	-
Employee costs										
Remuneration of councillors										
Depreciation and amortisation										
Finance charges										
Inventory consumed and bulk purchases										
Transfers and subsidies										
Other expenditure										
<b>Total Expenditure</b>		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations)										
contributions		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions										
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	-	-	-
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure										
Transfers recognised - capital										
Borrowing										
Internally generated funds										
<b>Total sources of capital funds</b>		-	-	-	-	-	-	-	-	-
<b>Financial position</b>										
Total current assets										
Total current liabilities										
Total non current liabilities										
Community wealth/Equity										
<b>Cash flows</b>										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing										
Cash/cash equivalents at the year end										

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DC3 Overberg - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand

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DC3 Overberg - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Total Contract Value
		1,3	Total	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Parent Municipality:</b>														
<b>Revenue Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Operating Revenue Implication</b>			-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Operating Expenditure Implication</b>			-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Capital Expenditure Implication</b>			-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>			-	-	-	-	-	-	-	-	-	-	-	-
<b>Entities:</b>														
<b>Revenue Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Operating Revenue Implication</b>			-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Operating Expenditure Implication</b>			-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
<b>Total Capital Expenditure Implication</b>			-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Entity Expenditure Implication</b>			-	-	-	-	-	-	-	-	-	-	-	-

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DC3 Overberg - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>										
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sewerage Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Retreatment		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

OVERBERG DISTRICT MUNICIPALITY  
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<b>Community Assets</b>										
Community Facilities										
Halls										
Centres										
Clubs										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Addition Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
<b>Other assets</b>		2 298	85							
Operational Buildings										
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		2 298	85							
Staff Housing										
Social Housing		2 298	85							
Capital Spares										
<b>Biological or Cultivated Assets</b>										
Biological or Cultivated Assets										
<b>Intangible Assets</b>				6						
Services										
Licences and Rights				6						
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications				6						
Lead Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>		78	137	4 500	365	365				
Computer Equipment		78	137	4 500	365	365				
<b>Furniture and Office Equipment</b>	272	95	174	203	45	45	30	20		
Furniture and Office Equipment	272	95	174	203	45	45	30	20		
<b>Machinery and Equipment</b>	835	590	1 047	403	3 673	3 673	100	50		75
Machinery and Equipment	835	590	1 047	403	3 673	3 673	100	50		75
<b>Transport Assets</b>	752	934	3 512	7	4 250	4 250	2 500	250		2 200
Transport Assets	752	934	3 512	7	4 250	4 250	2 500	250		2 200
<b>Land</b>		668								
Land		668								
<b>Zoo's, Marine and Non-biological Animals</b>										
Zoo's, Marine and Non-biological Animals										
<b>Other Assets</b>										
Other Assets										
<b>Total Capital Expenditure on new assets</b>	1	1 069	4 662	4 925	5 119	8 332	8 332	2 630	320	2 275

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DC3 Overberg - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticalation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Tollet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-

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Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Rank/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	-	-	-	44	-	-	-	-	-	
Operational Buildings	-	-	-	-	-	-	-	-	-	
Municipal Offices	-	-	-	-	-	-	-	-	-	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	44	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	44	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licences	-	-	-	-	-	-	-	-	-	
Solid Waste Licences	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	-	171	136	450	270	270	260	100	100	
Computer Equipment	-	171	136	450	270	270	260	100	100	
<b>Furniture and Office Equipment</b>	16	35	2 898	2 057	440	440	881	116	176	
Furniture and Office Equipment	16	35	2 898	2 057	440	440	881	116	176	
<b>Machinery and Equipment</b>	625	-	321	-	40	40	900	-	-	
Machinery and Equipment	625	-	321	-	40	40	900	-	-	
<b>Transport Assets</b>	-	-	400	100	405	405	-	-	-	
Transport Assets	-	-	400	100	405	405	-	-	-	
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Intangible resources</b>	-	-	-	-	-	-	-	-	-	
Mobile	-	-	-	-	-	-	-	-	-	
Patenting and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Intangible	-	-	-	-	-	-	-	-	-	
Patenting and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure on renewal of existing assets</b>	1	841	206	3 755	2 651	1 155	1 155	2 141	216	276
<b>Renewal of Existing Assets as % of total capex</b>		21.4%	4.1%	39.4%	25.8%	7.5%	7.5%	37.1%	40.3%	10.8%
<b>Renewal of Existing Assets as % of deprecn"</b>		17.8%	5.4%	105.1%	73.1%	31.8%	31.8%	58.6%	5.9%	7.4%

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DC3 Overberg - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>					5 383	6 271	6 271	6 677	7 082	7 507
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure					30	30	30		5	5
Drainage Collection										
Storm water Conveyance										
Attenuation					30	30	30		5	5
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Reticalation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure					5 333	6 241	6 241	6 677	7 077	7 502
Landfill Sites					5 333	6 241	6 241	6 677	7 077	7 502
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pump										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>										
Community Facilities										
Halls										
Centres										
Clubs										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										

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Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	4748	5 414	8 003	855	654	654	942	673	703	
Operational Buildings	-	-	-	780	578	578	872	601	628	
Municipal Offices	-	-	-	780	578	578	872	601	628	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	4749	5 414	8 003	75	75	75	70	72	75	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	4749	5 414	8 003	75	75	75	70	72	75	
Capital Spares	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licences	-	-	-	-	-	-	-	-	-	
Solid Waste Licences	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
<b>Furniture and Office Equipment</b>	-	-	-	-	4	4	4	4	4	
Furniture and Office Equipment	-	-	-	-	4	4	4	4	4	
<b>Machinery and Equipment</b>	1 327	905	726	712	726	726	616	627	661	
Machinery and Equipment	1 327	905	726	712	726	726	616	627	661	
<b>Transport Assets</b>	2 475	3 005	1 934	1 521	1 852	1 852	1 437	1 508	1 592	
Transport Assets	2 475	3 005	1 934	1 521	1 852	1 852	1 437	1 508	1 592	
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	-	-	-	-	-	-	-	-	-	
Water	-	-	-	-	-	-	-	-	-	
Provision of Provision	-	-	-	-	-	-	-	-	-	
Design of provision and services	-	-	-	-	-	-	-	-	-	
Provision	-	-	-	-	-	-	-	-	-	
Provision of Provision	-	-	-	-	-	-	-	-	-	
Design of provision and services	-	-	-	-	-	-	-	-	-	
<b>Total Repairs and Maintenance Expenditure</b>	1	8 550	9 324	10 863	8 451	9 547	9 547	9 675	9 914	10 468

<b>R&amp;M as a % of PPE</b>	13.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>R&amp;M as % Operating Expenditure</b>	4.0%	3.9%	4.4%	3.3%	3.0%	3.0%	3.7%	3.0%		

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DC3 Overberg - Supporting Table SA34d Depreciation by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Infrastructure</b>	1	1 264	1 444	1 004	554	554	554	502	606	632
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Station										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Retreatment										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		1 264	1 444	1 004	554	554	554	502	606	632
Landfill Sites		308	518	94	254	254	254	202	306	332
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares Operational		656	826	910	300	300	300	300	300	300
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>			0	0						
Community Facilities										
Halls										
Centres										
Orches										
Clinical Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										

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Nature Reserves	-	-	-	-	-	-	-	-	-
Public Abolition Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abolition	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Rank/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	0	0	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	0	0	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment assets</b>	-	-	-	14	14	14	14	14	14
Revenue Generating	-	-	-	14	14	14	14	14	14
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	14	14	14	14	14	14
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	190	522	266	120	120	120	120	120	120
Operational Buildings	190	522	266	120	120	120	120	120	120
Municipal Offices	-	-	-	120	120	120	120	120	120
Play/Recreation Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	190	522	266	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	8	6	4	2	2	2	2	3	1
Services	-	-	-	-	-	-	-	-	-
Licences and Rights	8	6	4	2	2	2	2	3	1
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-
Computer Software and Applications	8	6	4	2	2	2	2	3	1
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	217	224	224	497	497	497	497	497	499
Computer Equipment	217	224	224	497	497	497	497	497	499
<b>Furniture and Office Equipment</b>	420	358	767	481	481	481	481	484	487
Furniture and Office Equipment	420	358	767	481	481	481	481	484	487
<b>Machinery and Equipment</b>	290	267	354	32	32	32	32	32	32
Machinery and Equipment	290	267	354	32	32	32	32	32	32
<b>Transport Assets</b>	1 185	1 010	957	1 925	1 925	1 925	1 925	1 925	1 925
Transport Assets	1 185	1 010	957	1 925	1 925	1 925	1 925	1 925	1 925
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-Biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Plant	-	-	-	-	-	-	-	-	-
Plant and Furniture	-	-	-	-	-	-	-	-	-
Computers and Applications	-	-	-	-	-	-	-	-	-
Patents	-	-	-	-	-	-	-	-	-
Plant and Furniture	-	-	-	-	-	-	-	-	-
Computers and Applications	-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	3 872	3 831	3 876	3 826	3 826	3 826	3 854	3 800

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DC3 Overberg - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>					39	4 900	4 900			
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
LV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Reticalation										
Waste Water Treatment Works										
Outfall Sewers										
Tollet Facilities										
Capital Spares										
Solid Waste Infrastructure					39	4 900	4 900			
Landfill Sites					39	4 900	4 900			
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>										
Community Facilities										
Halls										
Centres										
Circles										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										

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Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Abolition Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	84	169	316	315	633	633	320	-	-
Operational Buildings	-	-	-	15	283	283	320	-	-
Municipal Offices	-	-	-	15	283	283	320	-	-
Pay/Equity Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	84	169	316	300	650	650	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	84	169	316	300	650	650	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	384	-	-	-	-	-	680	-	-
Computer Equipment	384	-	-	-	-	-	680	-	-
<b>Furniture and Office Equipment</b>	19	-	38	-	-	-	-	-	-
Furniture and Office Equipment	19	-	38	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	503	-	-	-	-	-	-
Machinery and Equipment	-	-	503	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	2 150	-	-	-	-	-
Transport Assets	-	-	-	2 150	-	-	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Libraries</b>	0	0	-	-	-	-	-	-	-
Acquire	0	0	-	-	-	-	-	-	-
Policy and Protection	0	0	-	-	-	-	-	-	-
Zoological plants and animals	0	0	-	-	-	-	-	-	-
Introduce	-	-	-	-	-	-	-	-	-
Policy and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	488	169	858	2 504	5 833	5 833	1 000	-
<b>Upgrading of Existing Assets as % of total capex</b>		16.3%	3.3%	8.0%	24.4%	38.1%	38.1%	17.3%	0.0%
<b>Upgrading of Existing Assets as % of deprecn*</b>		12.7%	4.4%	24.0%	68.1%	160.8%	160.8%	27.4%	0.0%

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DC3 Overberg - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
<b>Capital expenditure</b>	1							
Vote 1 - Municipal Manager		30	20	-				
Vote 2 - Management Services		-	-	-				
Vote 3 - Corporate Services		1 485	180	230				
Vote 4 - Finance		10	15	10				
Vote 5 - Community Services		4 246	321	2 311				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>5 771</b>	<b>536</b>	<b>2 551</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - Municipal Manager								
Vote 2 - Management Services								
Vote 3 - Corporate Services								
Vote 4 - Finance								
Vote 5 - Community Services								
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		<b>5 771</b>	<b>536</b>	<b>2 551</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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DC2 Overberg - Supporting Table SA37 Projects delayed from previous financial years

Function	Project name	Project number	Type	MTDP Service Outcome	BSF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Projects target year to complete	Current Year 2022/23		2022/24 Medium Term Revenue & Expenditure Forecast		
													Original Budget	Full Year Forecast	Budget Year 2023/24	Budget Year+1 2024/25	Budget Year+2 2025/26
Forward municipality: List of capital projects grouped by function																	
Entities: List of capital projects grouped by entity																	
Entity Name Project name																	

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DC3 Overberg - Supporting Table SA38 Consolidated detailed operational projects

Function	Project Description	Project Number	Type	MTRF Service Category	BSRF	Dienstruigingsdoelstelling	Asset Class	Asset Sub-Class	Word Locasies	OPS Lengths	OPS Locations	Prior year outcomes		2023/24 Medium Term Revenue & Expenditure Framework			
												Actual Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Forecast			
														Budget Year 11 2024/25	Budget Year 12 2025/26		
<b>Parent municipality:</b>																	
List of operational projects grouped by Function																	
Environmental protection	Basic Services and Infrastructure												2 816	2 816	2 816	2 817	2 816
Executive and council	Local government and Community Participation												12 483	12 584	12 585	12 675	12 667
Finance and administration	Basic Services and Infrastructure												1 800	2 053	2 123	2 216	2 411
Finance and administration	Financial Viability												20 020	21 120	21 020	20 703	21 180
Finance and administration	Local government and Community Participation												1 200	1 242	1 403	1 372	1 527
Finance and administration	Municipal Transformation & Institutional Development												11 132	14 472	12 228	12 228	17 156
Health	Basic Services and Infrastructure												12 212	12 211	12 211	12 700	12 560
Internal audit	Local government and Community Participation												1 223	1 261	1 262	1 261	1 261
Planning and development	Local government and Community Participation												590	1 227	1 419	1 711	1 616
Public works	Basic Services and Infrastructure												24 729	26 079	26 068	26 071	41 726
Road transport	Basic Services and Infrastructure												111 811	112 427	121 172	124 440	122 271
Sport and recreation	Local Economic Development												15 812	17 362	17 126	16 997	18 712
Waste management	Basic Services and Infrastructure												12 622	9 942	12 142	12 271	11 228
<b>Parent Operational expenditure</b>													<b>244 642</b>	<b>244 818</b>	<b>276 781</b>	<b>283 518</b>	<b>288 478</b>
<b>Entity:</b>																	
List of Operational projects grouped by Entity																	
Entity A																	
Entity B																	
<b>Entity Operational expenditure</b>													<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operational expenditure</b>													<b>244 642</b>	<b>244 818</b>	<b>276 781</b>	<b>283 518</b>	<b>288 478</b>

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OVERBERG DISTRICT MUNICIPALITY  
 26 LONG STREET / PRIVATE BAG K22  
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27 MAR 2023

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