



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

BUDGET & TREASURY

2526 MTREF

FINAL BUDGET

ANNUAL BUDGET OF
HARRY GWALA
DISTRICT
MUNICIPALITY

2025/2026 TO 2027/2028
MEDIUM-TERM REVENUE AND EXPENDITURE
FRAMEWORK BUDGET

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Annexure B: SDBIP Summary

Abbreviations and Acronyms

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

1 Part 1 – Annual Budget

1.1 MAYOR’S REPORT

Honourable Speaker, Cllr Mdunge

The Deputy Mayor, Cllr Jojozi

Chief Whip: Cllr Mhatu

Chairperson of MPAC: Cllr Dladla

Chairperson of Women Caucus: Cllr Dlamini

Honorable Councilors,

Municipal Manager,

Senior Managers and Staff,

Our distinguished and special guest (Traditional leaders, Treasury, COGTA),

Our friends from the media

Ladies and gentlemen

It is a great honour and privilege for me to present the final budget for the 2025/26 financial year a budget crafted not in isolation but through ongoing engagement, reflection and commitment to the values of service, integrity and development as well as the accounting policies, the IDP and all other related strategic documents such as SDBIP and the by-laws.

2025/26 budget arrives at a time when our district faces a dual reality, a growing demand for improved service delivery on one hand, and the persistent constraints of a limited fiscal envelope on the other. However, guided by our principles of equity, sustainability, and transparency we have delivered a budget that responds to our unique rural challenges while laying the groundwork for long term impact.

This Budget comes after the tabling of the State of the Nation Address, the State of the Province Address and the National Budget Speech where President Cyril Ramaphosa, and Finance Minister Enoch Godongwana, respectively, articulated the complex challenges that face our country and provinces. The South African economy is in a difficult position, characterised by slow growth and the persistent triple challenge of inequality, unemployment, and poverty. And while we are seeing some slight improvements, the economy is projected to experience modest growth, with inflation also expected to moderate, potentially easing to levels within the target range of the Reserve Bank

The recently held Organizational Strategic Planning session has played an instrumental role in crafting this budget. During the session, we thoroughly examined our Municipality's vision, mission, and strategic priorities, ensuring alignment between our financial planning and long-term development goals. The insights gained from this planning exercise have strengthened our resolve to focus on the key areas that will foster sustainable growth and improve the well-being of our residents. However, we are fully aware of the fiscal constraints that we face.

The national economic environment continues to present challenges, with slow growth, high unemployment, and a heavy reliance on limited revenue streams. Given this reality, we have made difficult but necessary decisions to ensure that every rand is spent wisely. The 2025/2026 budget focuses on fiscal responsibility, prioritizing essential services and recovery initiatives, while also remaining mindful of the need for long-term sustainability.

Our budget is strategically aligned with our Integrated Development Plan (IDP), focusing on key areas that will drive our municipality forward in our vision of being the leading water service provider in the KZN province. When we look to infrastructure development one of our primary focuses are the upgrading and maintenance of our core infrastructure. In many ways our core infrastructure is what keeps our time going. The Integrated Development Plan is the principal plan for the Municipality that provides a comprehensive agenda for progress and improvement. It aims to coordinate the work of local and district in a coherent strategy to improve the quality of life for all the people of Harry Gwala District Municipality.

Water and Sanitation As our core Mandate

Honourable Councillors, the heartbeat of our district lies in water. Without it, there is no dignity. As water services authority our most sacred duty, is to ensure that every household, every school, clinics, and every business has access to safe and sustainable water. For 2025/26 financial year, we have allocated substantial funding to:

- Extend bulk water supply infrastructure,
- Refurbish aging and leaking pipelines,
- Drill and equip boreholes in underserved wards,
- Expand rural water schemes to reach remote households and
- Improve water treatment plant performance and capacity.

Through the utilization of the R 100 000 Water Services Infrastructure Grant allocation for the 2025/ 26 Financial Year, Harry Gwala District Municipality will stive towards the completion of its Multi-Years Projects. This includes Machunwini Water Supply Scheme, Refurbishment & Upgrade of Water Infrastructure for Shayamoya, Refurbishment & Upgrade of Water Infrastructure for Bhongweni, Mkhohlwa - Mdayane Water Supply Scheme. HGDM plans to procure one TLB; allocated to NDZ and

only one satellite area has got no TLB. The Municipality also plans to procure a jetting truck to minimise the sewer spillages and improve the time taken to unblock sewers. HGDM will intensify smart meter installation programme across the district. The Municipality is intensifying the recruitment of additional personnel within water services to improve the operations system in different treatment facilities and save on costs. Participation in SFD (Faecal / Shit Flow Diagram) program. HGDM as one of four municipality within KZN to participate in National SFD Program. This program assists the municipality with the improvement of wastewater quality.

PROJECTS	SANITATION BUDGET		
	2025/2026	2026/2027	2027/2028
MACHUNWINI WATER SUPPLY	R8 779 089	R2 337 662	R-
EMAZIZINI WATER SUPPLY	R2 500 000	R-	R-
HOSTELA-MNCWEBA WATER SUPPLY	R220 000	R-	R-
DULATHI - MARHEWINI WATER SUPPLY	R289 656	R23 000 000	R17 454 500
BHONGWENI WATER SUPPLY	R11 317 578	R3 517 000	R-
SHAYAMOYA WATER SUPPLY	R17 825 045	R3 245 693	R-
MKHOHLWA MDAYANE WATER SUPPLY	R11 475 583	R2 969 438	R-
CORINTH NYANISWENI WATER SUPPLY	R7 400 000	R5 430 390	R13 538 598
NJUNGA/BALBEL WATER SUPPLY	R7 677 339	R3 902 300	R9 865 233
MHLANGENI WATER INTERVENTION	R-	R-	R869 564
WATER CONSERVATION AND WATER DEMAND MANAGEMENT WCWDM	R434 782	R-	R-
MAMIESA OUTFALL SEWER	R434 782	R734 255	R1 590 250
REFURB & UPGR BHONGWENI PH2	R4 690 045	R20 894 449	R19 861 933
REFURB & UPGR SHAYAMOYA PH2	R5 445 994	R20 355 894	R21 589 666
WARD 19 & 21 UMZIMKHULU INTERVENTION	R3 915 477	R6 250 488	R11 900 346

NGWANGWANE WATER INTERVENTION	R434 782	R896 436	R3 555 840
MHLANGENI WATER INTERVENTION	R-	R-	R869 564
NAZARETH WATER SUPPLY	R3 681 588	R5 540 545	R2 668 450

INFRASTRUCTURE ASSETS, RENEWAL AND SUSTANAIBILITY

It is not enough to build new infrastructure; we must maintain what we already have. In the past, a major weakness has been underinvestment in the renewal and maintenance of water and sanitation assets. This budget corrects that. We have increased our funding towards the renewal of ageing and renewal of ageing infrastructure, in line with national guidance that at least 60 per cent of capital budget must be dedicated to asset renewal. Moreover. Our repairs and maintenance allocations, which have previously fallen short, have been enhanced to ensure we safeguard the value of our assets and prevent costly failures down the line.

This is not just technical compliance; it is about preserving access to water for the thousands of residents who depend on our system daily. For 2025/26 financial year the municipality has allocation of R239million from Municipal Infrastructure Grant. The municipality has also prioritized over 15% R 37, 6million of it towards addressing the challenges of aging infrastructure through Operations and Maintenance as well as Asset Management. R 41, 4million has been made available through internal funding to maintain the existing water and sanitation schemes across the district.

Through the utilization of the R168, 2million MIG Allocation for the 2025/ 26 Financial Year, Harry Gwala District Municipality will stive towards the completion of its Multi-Years Projects.This allocation will also fund the construction and refurbishment of boreholes, the expansion of water treatment plants and upgrading of our pipeline network.

Harry Gwala District Municipality will stive towards the completion of its Multi-Years Projects. This includes Raising of Kempdale Dam and Mahhagu Sanitation in Greater Kokstad, Mnqumeni Clear Water Rising Main, Greater Summerfield Water Rising Main, Kwa-Meyi Water Supply Scheme and Mbizweni Sewers in Umzimkhulu Local Municipality and Creighton Water Scheme, Khukhulela Clear Water Rising Main, Completion Gala Donneybrook Water Scheme and Underberg/ Himmeville Sewer Rehabilitation. Within this MIG Allocation, the municipality has also prioritized over 15% of it towards addressing the challenges of aging infrastructure through Operations and Maintenance as well as Asset Management. The planning processed for the completion of Ncakubane/ Mahhehle Water scheme and the

continuation of the District Wide VIP Sanitation Programme are now at an advanced stage. Through the Revenue Enhancement Strategy, the municipality has resolved reduce the over reliance on consultants. The municipality will be establishing new offices for the Infrastructure Services Department which will incorporate facilities for Internal Designs.

PROJECTS	SANITATION BUDGET		
	2025/2026	2026/2027	2027/2028
KEMPSDALE RAISING PROJECT DAMS & WEIRS	R53 063 327	R71 178 803	R-
CREIGHTON WATER SUPPLY_PIPES	R35 199 100	R18 763 867	R17 391 304
KHUKHULELA WATER SUPPLY_PIPES	R40 222 947	R-	R-
GALA DONNYBROOK WATER SUPPLY_PIPES	R86 957	R-	R-
GREATER SUMMERFIELD WTR SUPPLY PIPE LIN	R4 347 826	R26 086 957	R19 747 525
KWAMAYI-THEEKLOOF WATER S_PIPE LINE	R86 957	R-	R-
MNQUMENI / SANTOMBE WTR PHS 4 PIPE LIN	R30 434 783	R25 563 637	R17 391 304

In sanitation,

we are investing in the upgrade of pit latrine replacement programs in line with DWS norms and standards, the refurbishment of sanitation infrastructure in dense rural settlements, and hygiene awareness campaigns in partnership with local health stakeholders. We allocated R4, 3million for the 2025/2026 financial year budget.

PROJECTS	SANITATION BUDGET		
	2025/2026	2026/2027	2027/2028
HORSESHOE SANITATION PROJECT PUMP STATIO	R86 957	R-	R-
IBISI HOUSING RETICULATION_SEWER PIPES	R86 957	R-	R-
UMZIMKHULU UPGRADE PHASE 2 SEWER PIPES	R86 957	R-	R-
UNDERBERG HIMVILLE SEWER UPGRADE	R1 304 348	R9 589 831	R25 136 960

MAHHAGU SANITATION	R1 739 130	R8 695 652	R1 773 610
FAIRVIEW / IXOPO SEWER UPGRADE	R434 783	R8 530 038	R17 917 856
HGDM VIP TOILETS	R173 913	R4 347 826	R52 173 913
MAMIESA OUTFALL SEWER	R434 782	R734 255	R1 590 250

Economic Recovery and Local Development:

Economic hardship remains a reality for many in our communities. This budget recognises that service delivery alone is not enough, we must also ignite economic activity, especially among women, youth and rural entrepreneurs. The municipality allocated R6million to support Women and Youth activities or programmes. We are investing in support for small scale and subsistence farmers through water access and cooperative development, local procurement programmes that prioritise SMME's and community-based contractors, Training programmes to develop artisans and technical skills linked to our infrastructure projects, and the promotion of local tourism through heritage and environmental assets. The goal is not only to build people to empower residents with skills, jobs and purpose.

Payment for Services and Revenue improvement:

Colleagues and residents, if we are to succeed in delivering these services consistently and sustainably, we must confront the challenge of low payment levels for water and sanitation. We understand that times are tough, which is why we are not simply demanding payment, we are creating pathways to residents to catch up and keep up.

We have introduced a debt amnesty programme, allowing residents to settle long standing municipal accounts at a significantly discounted rates, this is a once off opportunity to clear the slate and regain good standing with the municipality. We urge all households and businesses to pay for the services they use. The revenue we collect today directly determines whether we can repair a broken pipe tomorrow or extend water supply to a new punishment it is a partnership.

To support fair and efficient billing our new smart meters will ensure that residents are only charged for what they use and help curb the high levels of non-revenue water we are currently experiencing.

Protecting the vulnerable free basic services:

The budget continues to reflect our deep commitment to pro poor policies. We are supporting 12800 registered indigent households with access to 2 kilolitres of free water per month in accordance with our indigent policy. This provision ensures that no family of Harry Gwal is left behind, regardless of income. It is our moral and constitutional obligation, and we will continue to honour it.

To support fair and efficient billing our new smart meters will ensure that residents are only charged for what they use and help curb the high levels of non-revenue water we are currently experiencing.

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Public participation and shared responsibility:

This budget was not written behind closed doors, it is the result of consultations, public engagement, and council deliberation, we thank the residents who made submissions raised concerns. And shared ideas. Your voice was heard. But consultation is only the first step. We now call on all residents to partner with us in bringing this budget to life.

- Report leaks and infrastructure vandalism,
- Use water responsibly,
- Support community projects and
- Pay your municipal accounts on time.

Together, we can build a culture of accountability that strengthening our municipality from the ground up.

DEVELOPMENT PLANNING

The Spatial Development Framework advocates for growth and expansion of urban centers. Ixopo Town is one of the prioritized urban centers which is an administrative center for most government institutions within the district. Through the approved budget, the HGDM has made the provision of funds to undertake preliminary designs for new district offices which will contribute towards the expansion of Ixopo town and align with national and provincial development priorities to transform urban spaces.

CLIMATE CHANGE AND DISASTER MANAGEMENT

As government we have a responsibility of creating a habitable environment for all our people. With the changing weather patterns that are direct results of global warming due to climate change, we felt it was proper to be proactive through our fully functional Disaster management centre and the programmes hereunder such as disaster management awareness campaigns that target the most vulnerable educating and equipping them on preventative measures they can take to protect their families and should a disaster / an incident strike who to contact and what steps to follow. Our District is known to be prone to strong winds,

heavy rains, storms, hailstorms, snow and lightning, which in many cases turn to displace many communities. The Municipality continues equipping the Disaster Management Centre with latest technological features that are able to communicate with our disaster management volunteers in our villages, local municipalities, neighbouring municipalities and all other relevant stakeholders in case there are major incidents or disasters that could occur.

The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) entrenches the right of all citizens to live in an environment that is not harmful to their health or well-being. Through our Municipal Health Services as a municipality, we strive to educate our communities on Environmental Health issues such as prevention of communicable diseases and proper food management in supporting our food industry to comply with the relevant legislations in order to ensure compliance.

SOCIAL COHESION

In terms of contributing to Social Cohesion as Local Government HGDM has made provisions for activities for recreational purposes which seek to support the various groups in society such as, Youth, Women, elderly, men's sector and disability sector. In the year 2025/2026 the Municipality has budgeted for the following Special Programmes senior citizens and disability sector where they participate in the provincial games the municipality has set aside funds to ensure and encourage participation. Amongst other things, Youth Development is an important factor in our country in quest to assist the most disadvantaged and also recognizing excellence and ensuring accessibility to education.

The municipality has a programme for financial assistance to students that are enrolled with recognized tertiary institutions, the municipality pays registration fees for the selected students, and full bursaries are also awarded to two students who are part of Matric Top 10 best performing students within the district. The unit also has plans for skills development programmes in the form of trainings for unemployed youth within the district. The Municipality set aside a budgeted over R1 300 000.00 for youth development programmes. Lastly Harry Gwala District Municipality hosts the HGD marathon on an annual basis, This Marathon is hosted in line with the spirit of promoting sport, social cohesion, tourism, and a healthy lifestyle. Moreover, it serves as a qualifier for the internationally recognized Comrades Marathon. The Municipality has budgeted an amount of R1 500 000.00 for this programme.

DEVELOPMENT AGENCY LED PRIORITIES

In order to create a vibrant local economy that is essential for the well being of our residents. We are investing R 8, 7million in initiatives designed to stimulate local economic growth. This includes support for small and medium sized enterprise, agricultural development programs and tourism promotion. We will provide training and resources to local entrepreneurs, helping them to start their businesses. Honourable speaker listed below is the few but not list.

Enterprise development Fund

Provision of funding support to small enterprises which contribute to economic development, through the creation and retention of jobs, poverty reduction specifically, among historically disadvantaged individuals to achieve inclusive growth and sustainability across priority sectors of the economy such as agriculture and Agri-processing, tourism, manufacturing, retail, automotive services, baking and confectionaries, clothing (sewing)etc.

Women in Business

Provision of business support to Women owned enterprises in recognition and in commemorating the significant role of women in society and the business.

Youth in Business

Provision of funding support to businesses led by youth entrepreneurs, focused on investing in economic upliftment, with special emphasis/attention on creating or retaining jobs to achieve sustainable economic growth in the entirety of the district.

People living with Disability in Business

Provision of business support to business owned individuals in celebrating diversity, removing barriers and encouraging inclusion of persons with developmental disabilities and creating inclusive community where everyone has a chance to thrive.

TARIFF INCREASES

The water & sanitation tariffs are proposed to increase by 10% considering economic viability of Harry Gwala District Municipality for the ensuing year.

In Conclusion

Honorable speaker, this is not a budget of luxury or waste. It is a budget of choices, crafted with care, shaped by necessity and driven by the dream of a better life for all. Despite fiscal constraint, we are choosing services over status, sustainability over short termism, partnership over politicking, and people over bureaucracy. Let us rise to this moment, let us turn plans into progress and budgets into transformation. Let us ensure that every rand spent in Harry Gwal is a step forward for our people. Thank you.

PURPOSE

To table to Council the 2025/26 Medium Term Revenue and Expenditure Framework final for adoption

BACKGROUND

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

DISCUSSION:

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

In terms of section 17 of the MFMA;

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

BUDGET SUMMARY:

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

- | | |
|---|-----------|
| • Government Grants and Subsidies – Capital | R 293, 4m |
| • Government Grants and Subsidies – Operational | R 596, 9m |
| • Own Revenue | R 126, 8m |

Allocated as follows;

- Operational budget R 819, 1m
- Capital budget R 302m

The 2025/2026 **Municipality only** Total Revenue is R 992, 8m broken down as follows;

- Government Grants and Subsidies – Capital R 293, 4m
- Government Grants and Subsidies – Operational R 573, 9m
- Own Revenue R 125, 3m

Allocated as follows;

- Operational budget R 794, 7m
- Capital budget R 296, 8m

The actual revenue is R996, 7million, however due to R23million for transfers and subsidies paid over to Harry Gwala Development Agency as revenue on their side this result on overstating the revenue by R23million on the consolidated budget. The revenue amount is supposed to be eliminated against the expenditure on parent books on consolidated however this is not happening due to system challenges.

The staff salaries budget for the consolidated has been budgeted at R291, 7m, representing 36% of the operational budget. Councilor’s allowances have been budgeted at R8m. Board members have been budgeted at R 320 000.

Local government equitable share

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

- ✓ Equitable share R 520 871 000

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

PROJECT TYPE	AMOUNT
Water	R 250 659 288
Sanitation	R 4 347 825
Other Assets	R 41 801 640
TOTAL	R 296 808 753

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

Budget or breakdown allocation per local Municipality is as follows:

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

Local Economic Development and Tourism

The Harry Gwala District Municipality has developed a number of local development related strategies and plans that seek to enhance its economic growth. These plans and strategies were circulated to all councilors. The Harry Gwala District Municipality has allocated R 23m towards LED projects in 2025/26 and a total of R46million in the MTREF in line with this National priority. We are hopeful that our partners, the first and second sphere of Government, in economic development will support in this Endeavour. We also intend to attract private sector investment to our district through the strengthening of our Harry Gwala Development Agency (HGDA). The Board of directors is now in place. To further strengthen the administrative capacity of the Agency, the HGDM LED unit was seconded to be part of the HGDA.

Promoting efficient revenue and expenditure management in local government

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

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

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

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

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

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

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

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

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

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

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

Other strategies documents to be linked with the budget are:

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

1.2 COUNCIL RESOLUTIONS

On 28 May 2025 the Council of Harry Gwala District Municipality met in the Mfundweni Community Hall in Umzimkhulu to consider the Final budget of the municipality for the financial year 2025/26. The Council approved the following resolutions:

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

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

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

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

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

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

1.1.5. Consolidated budget schedules A1 to A10.

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

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

1.2.1. Budgeted Financial Position as contained in Table A6;

1.2.2. Budgeted Cash Flows as contained in Table A7;

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

1.2.4. Asset management as contained in Table A9; and

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

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

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

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

3. The Council, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) notes 10 percent increase in tariffs and for other services, as set out in tariffs policy.
4. The council, acting in terms of section 24 of the Municipal Finance Management Act, notes the Final budget related policies as discussed above.
5. To give proper effect to the municipality's annual budget, the Council notes:
 - 5.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from water and sanitation to ensure that all capital reserves and provisions, and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 5.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the budget.
6. Noting the draft budget Provincial Treasury comments.⁶

1.3 EXECUTIVE SUMMARY

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

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

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

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

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

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

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

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

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

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

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

Table 1 Consolidated Overview of the 2025/26 MTREF

R thousand	Adjustments Budget 2024/25	Budget Year 2025/26	Budget Year + 1 2026/27	Budget Year +2 2027/28
Total Operating Revenue	R 654 551 613	R 723 814 646	R 761 926 537	R 797 460 157
Total Operating Expenditure	R 758 215 943	R 819 174 311	R 873 655 524	R 922 386 453
(Surplus)/ Deficit for the year	R -103 664 330	R -95 359 665	R -111 728 987	R - 124 926 296
Total Capital Expenditure	R 361 073 601	R 302 059 753	R324 167 828	R 339 429 774

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

Total operating expenditure for the 2025/26 financial year has been appropriated at R819, 1million. When compared to the 2024/25 Adjustments Budget, operational expenditure has increased by 8% per cent in the 2025/26 budget. However due to increase in allowance for doubtful debts then the operating expenditure amount also increased to R819, 1million. The operating deficit for 2025/26 decreased from R103, 6million in 2024/25 financial year to R 95, 3million in 2025/26 and increased for the outer years respectively by R111, 7million and R124, 8million. The non- cash item in 2025/26 financial year is at R 181, 9m. The amount for depreciation in 2025/26 financial year is at R108m, irrecoverable debts written off is at R42, 3million and provision for bad debts is R31, 5million.

The capital budget of R302million (Excl VAT) for 2025/26 is 15% per cent less when compared to the 2024/25 Adjustment Budget. The decrease is due to grants reduction gazzetted for the 2025/26 financial year and this is going to have a negative impact on the service delivery and water and sanitation backlogs will increase in the district. The capital budget is largely funded from the Government Grants and Subsidies in the MTREF.

Table 3 Parent Overview of the 2025/26 MTREF

R thousand	Adjustments Budget 2024/25	Budget Year 2025/26	Budget Year + 1 2026/27	Budget Year +2 2027/28
Total Operating Revenue	R 633 021 613	R 699 353 046	R 737 399 165	R 772 894 601
Total Operating Expenditure	R 736 685 943	R 794 726 552	R 848 107 622	R 893 982 609
(Surplus)/ Deficit for the year	R – 103 724 330	R -95 373 506	R -110 708 457	R -121 088 008
Total Capital Expenditure	R 359 560 601	R 296 808 735	R 318 680 533	R 333 805 296

Total operating revenue for the parent municipality has increased by 10% per cent or R66, 3million for the 2025/26 financial year when compared to the 2024/25 Adjustments Budget. For the two outer years, operational revenue increased by 5 % per cent and 5 per cent respectively, equating to a total revenue growth of R38million and R35, 4million respectively over the MTREF when compared to the 2025/26 financial year.

Total operating expenditure for the 2025/26 financial year has been appropriated at R794, 7million. When compared to the 2024/25 Adjustments Budget, operational expenditure has increased by 8% per cent in the 2025/26 budget. The operating deficit for 2025/26 decreased from R103, 7million in 2024/25 financial year to R95, 3million in 2025/26 and increased for the outer years respectively by R110, 6million and R123, 1million. The non- cash item in 2025/26 financial year is at R 180, 9m. The amount for depreciation in 2025/26 financial year is at R107m and provision for irrecoverable debt written off is at R42, 3million and provision for bad debts of R31, 5million.

The capital budget of R296, 8million (Excl VAT) for 2025/26 is 17% per cent less when compared to the 2024/25 Adjustment Budget. The decrease is due to decrease on grants that is gazzetted for the 2025/26 financial year and this is going to have a bad impact on the service delivery and water and sanitation backlogs will be impacted in the district. The capital budget is largely funded from the Government Grants and Subsidies in the MTREF.

1.4 OPERATING REVENUE FRAMEWORK

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

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

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

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

Table 2 Summary of revenue classified by main revenue source.

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	49 353	64 525	59 302	56 944	66 213	66 213	53 649	68 071	72 155	76 485
Service charges - Waste Water Management	12 207	13 149	13 256	14 252	12 995	12 995	10 638	13 518	14 329	15 189
Sale of Goods and Rendering of Services	417	741	178	663	746	746	137	791	839	889
Interest earned from Receivables	11 221	14 117	16 536	16 655	15 146	15 146	12 335	16 055	17 018	18 039
Interest earned from Current and Non Current Assets	5 104	10 858	21 988	17 435	24 590	24 590	23 507	26 043	27 584	29 185
Operational Revenue	402	810	1 241	404	666	666	637	706	748	793
Non-Exchange Revenue										
Fines, penalties and forfeits	2 453	-	478	-	1 572	1 572	786	1 643	-	-
Transfer and subsidies - Operational	453 939	452 460	477 532	532 623	532 623	532 623	514 058	596 989	629 254	656 881
Other Gains	688	3 755	1 374	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	638 975	654 552	654 552	615 746	723 815	761 927	797 460

Table 3 Percentage growth in revenue by main revenue source

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

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
Revenue								
Exchange Revenue								
Service charges - Electricity	-	-	-	-	-	-	-	-
Service charges - Water	66 213	10%	68 071	9%	72 155	9%	76 485	10%
Service charges - Waste Water Management	12 995	2%	13 518	2%	14 329	2%	15 189	2%
Sale of Goods and Rendering of Services	746	0%	791	0%	839	0%	889	0%
Interest earned from Receivables	15 146	2%	16 055	2%	17 018	2%	18 039	2%
Interest earned from Current and Non Current Assets	24 590	4%	26 043	4%	27 584	4%	29 185	4%
Operational Revenue	666	0%	706	0%	748	0%	793	0%
Non-Exchange Revenue								
Fines, penalties and forfeits	1 572	0%	1 643	0%	-	0%	-	0%
Licences or permits								
Transfer and subsidies - Operational	532 623	81%	596 989	82%	629 254	83%	656 881	82%
Total Revenue (excluding capital transfers and contributions)	654 552	100%	723 815	100%	761 927	100%	797 460	100%

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

Revenue generated from services charges forms a small percentage of the revenue basket for the district. Service charges revenue water and sanitation comprises a mere 10% of the total revenue mix. In the 2025/26 financial year, revenue from service charges totaled R 81, 5m or 9% per cent. This increases to R86, 4m, and then R91, 6m in the respective financial years of the MTREF. A notable trend is the constant pattern in the total percentage revenue generated from services charges which averaging 10% in the MTREF. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Revenue from service charges both water and sanitation increased from R79, 9million for 2024/25 to R81, 5million in 2025/26 due to proposed increase costs from Umngeni Uthukela of 13,5 per cent and SALGA suggested average increase of 6,1per cent which is still more than CPI. Therefore, Harry Gwala increased service charges with 6 per cent irrespectively. The 6 per cent increase is attributable to the municipal tariffs that are not cost reflective which led to the water per KL being lower than produced. The increase demands on water resources, rising of costs, challenges related to infrastructure maintenance and population growth.

Lastly the performance of three previous financial year starting from 2021/22 as per annual financial statements meaning the 6 per cent increase is agreed with the performance and it is not overstated. The interest rates have always been applied as applicable rate dependent in South African Reserve Bank announcement of increase/decrease in repo rate. If there is an increase or decrease in the repo rate this has an impact on interest rates and needs to be taken into account resulting in the interest rates amendments.

Interest earned on outstanding debtors: The interest rates have always been applied as applicable rate dependent in South African Reserve Bank announcement of increase/decrease in repo rate. If there is an increase or decrease in the repo rate this has an impact on interest rates and needs to be taken into account resulting in the interest rates amendments. The 6 per cent increase on interest earned on outstanding debtors is also triggered by the increase on outstanding debt as per age analysis due to non-payment of consumers or households therefore the budget is not overstated.

Interest earned on external investments, increases for 2025/26 financial year, due to slow spending during 2024/25 which is expected to be the case in 2025/26 financial year and the cash at the bank at the end of financial year ending 30 June 2025 will positive meaning there will be more funds to invest on Vat recovery and Retention held funds.

Own Revenue: Due to new tariffs as per tariff policy for sale of quotation document the increase of own revenue is bound to increase. Previously the municipality was requesting quotations if the tender is more than R 30 000- R200 000 and the service providers prepared quotation and request attachments from the municipality. In 2025/26 financial year there is a tariff of R160 for the sale of quotation document meaning the documents will be sold from the municipality.

Operating grants and transfers total R596, 9m in the 2025/26 financial year and increase to R629, 2m 2026/27 and R656, 8m in 2027/28 financial year. The above operating grants figures is including R23 million which is the transfer from the district to the Development Agency. Operating grants and transfers excluding transfer to Development Agency total R573, 9m in the 2025/26 financial year and increase to R606, 2m 2026/27 and R633, 8m in 2027/28 financial year.

Note that the year-on-year growth on the operational grants for the 2025/26 financial year is 12% percent and then increased to 5 % and 4 % percent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term, however due to R23million transfer to Harry Gwala Development Agency this results on overstating the operating grants and transfers by R23 million in 2025/26 financial year and in the outer years.

Table 4 Operating Transfers and Grant Receipts

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

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

TARIFFS: 2025/2026 FINANCIAL YEAR

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

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

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

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

Sale of Water and Impact of Tariff Increases

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

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

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

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

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

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

- Sale of Water and Impact of Tariff Increases

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

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

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

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

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

Table 5 Proposed Water Tariffs

Residential

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

Commercial & Industrial

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

Education institution												
Consumption Increments in R per KL	Public Service & Government Institutions						Agricultural			Geriatric Institutions, Religious organisations, NPO & recreational facilities.		
	2024/25	2025/26	Increase	2024/25	2025/26	Increase	2024/25	2025/26	Increase	2024/25	2025/26	Increase
0-100	R 16.92	R 18.61	R 1.69	R 16.92	R 18.61	R1.69	R 16.92	R 18.61	R 1.69	R 11.72	R 12.89	R 1.17
101- 200	R 22.73	R 25.00	R 2.27	R 22.73	R 25.00	R 2.27	R 22.73	R 25.00	R 2.27	R 12.41	R 13.65	R 1.24
201-300	R 37.74	R 41.51	R 3.77	R 37.74	R 41.51	R 3.77	R 37.74	R 41.51	R 3.77	R 22.73	R 25.00	R 2.27
301-400	R 40.32	R 44.35	R 4.03	R 40.32	R 44.35	R 4.03	R 40.32	R 44.35	R 4.03	R 37.71	R 41.48	R 3.77
401-500	R 42.92	R 47.21	R 4.29	R 42.92	R 47.21	R 4.29	R 42.92	R 47.21	R 4.29	R 42.92	R 47.21	R 4.29
500+	R 45.53	R 50.08	R 4.55	R 45.53	R 50.08	R 4.55	R 45.53	R 50.08	R 4.55	R 46.31	R 50.94	R 4.63

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

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

Deposit per meter				New water meter			Disconnection and Reconnection		
Misc. water related tariffs given in pipe diameter	2024/25	2025/26	Increase	2024/25	2025/26	Increase	2024/25	2025/26	Increase
20 mm	R 1 951.56	R 2 146.72	R 195.16	R 2 211.79	R 2 432.97	R 221.18	R 1 040.83	R 1 144.91	R 104.08
50 mm	R 2 601.88	R 2 862.07	R 260.19	R 2 732.28	R 3 005.51	R 273.23	R 1 951.56	R 2 146.72	R 195.16
100 mm	R 3 903.17	R 4 293.49	R 390.32	R 4 553.68	R 5 009.05	R 455.37	R 2 602.11	R 2 862.32	R 260.21
110 mm +	R 5 204.21	R 6 068.11	R 863.90	R 6 505.27	R 7 585.14	R 1 079.87	R 3 252.63	R 3 577.89	R 325.26

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

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

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

Sanitation and Impact of Tariff Increases

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

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

The total revenue expected to be generated from rendering this service amounts to R81, 5million for the 2025/26 financial year.

The following table compares the current and proposed tariffs:

Table 7 Comparison between current sanitation charges and increases

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

New connections

Disconnect/Reconnection IRO credit control

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

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

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

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

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

Overall impact of tariff increases on households.

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

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

Application and renewal of conducting a business within the municipality.

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

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

medical and surgical purposes.							
Issuing of a permit to conduct a childcare service					-	R 895.00	R 895.00
Issuing a permit for the keeping of poultry					-	R 895.00	R 895.00
Issuing a health certificate for a school.					-	R 500.00	R 500.00
Issuing a health certificate for a health establishment					-	R 1 450.00	R1 450.00
Issuing a health certificate for a childcare centre					-	R 625.00	R 625.00
Penalty for late payments shall be calculated at 10% of the application Sale of quotation document					%	%	%
							R160

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

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

Table 9 MBRR Table SA14 – Household bills

DC43 Harry Gwala - Supporting Table SA14 Household bills

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26 % incr.	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption	5,23	5,58	5,94	6,30	6,30	6,30	-	6,67	7,07	7,50
Sanitation	418,25	446,70	446,74	473,54	473,54	473,54	-	501,96	532,07	564,00
Refuse removal	187,90	200,68	213,72	226,54	226,54	226,54	-	240,14	254,54	269,82
Other										
sub-total	611,38	652,96	666,40	706,38	706,38	706,38	6,0%	748,77	793,69	841,31
VAT on Services										
Total large household bill:	611,38	652,96	666,40	706,38	706,38	706,38	6,0%	748,77	793,69	841,31
% increase/-decrease	-	6,8%	2,1%	6,0%	-	-	-	6,0%	6,0%	6,0%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption	5,23	5,59	5,95	6,31	6,31	6,31	-	6,69	7,09	7,51
Sanitation	348,55	372,25	396,45	420,24	420,24	420,24	-	445,45	472,18	500,51
Refuse removal	156,57	167,22	178,09	188,78	188,78	188,78	-	200,10	212,11	224,83
Other										
sub-total	510,35	545,06	580,49	615,32	615,32	615,32	6,0%	652,24	691,37	732,86
VAT on Services										
Total small household bill:	510,35	545,06	580,49	615,32	615,32	615,32	6,0%	652,24	691,37	732,86
% increase/-decrease		6,8%	6,5%	6,0%	-	-	-	6,0%	6,0%	6,0%
			- 0,04 -	0,08 -	1,00 -	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption	4,59		5,23	5,54	5,54	5,54	6,0%	5,88	6,23	6,60
Sanitation	305,58		348,55	369,46	369,46	369,46	6,0%	391,63	415,13	440,04
Refuse removal	137,27		156,57	165,96	165,96	165,96	6,0%	175,92	186,48	197,67
Other										
sub-total	447,44	-	510,35	540,97	540,97	540,97	6,0%	573,43	607,84	644,31
VAT on Services										
Total small household bill:	447,44	-	510,35	540,97	540,97	540,97	6,0%	573,43	607,84	644,31
% increase/-decrease		(100,0%)	-	6,0%	-	-	-	6,0%	6,0%	6,0%

1.5 OPERATING EXPENDITURE FRAMEWORK

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

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

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

Table 10 Summary of operating expenditure by standard classification item

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure										
Employee related costs	238 376	245 707	256 039	273 607	274 098	274 098	211 519	291 721	306 953	322 735
Remuneration of councillors	7 239	6 988	6 932	8 606	7 665	7 665	6 329	8 059	8 482	8 928
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	36 543	38 311	38 311	(7)	39 635	41 698	43 338
Debt impairment	7 533	(1 202)	10 796	-	-	-	-	31 530	30 383	32 206
Depreciation and amortisation	81 505	93 063	236 930	101 837	102 367	102 367	16 835	107 788	114 244	121 673
Interest	307	113	2	115	95	95	-	54	57	106
Contracted services	172 985	134 263	122 694	152 097	171 162	171 162	130 784	173 856	193 234	204 015
Transfers and subsidies	15 100	15 290	-	6 700	6 300	6 300	-	23 360	23 376	29 728
Irrecoverable debts written off	7 614	34 790	29 995	31 908	39 931	39 931	8 420	42 327	44 866	47 558
Operational costs	63 458	69 121	91 283	104 257	118 288	118 288	97 082	100 844	110 361	112 099
Losses on disposal of Assets	1 940	2 875	1 190	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	596 056	601 009	755 861	715 670	758 216	758 216	470 962	819 174	873 656	922 386

The consolidated budgeted allocation for employee-related costs for the 2025/26 financial year totals R291, 7m, which equals 36% per cent of the total operating expenditure. Harry Gwala District Municipality have factored an increase of 6 per cent for the 2025/2026 financial year. An annual increase of 6 per cent has been included in the next 2026/2027 MTREF. The increase of 6 per cent in the 2025/26 financial year is more than the CPI of 4, 4 per cent due to prioritization of key service delivery posts, The implementation of shift work to reduce overtime. Statutory annual increases in line with SALGBC. Although above inflation, the increase is strategic and aimed at cost containment over the medium term.

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

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

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

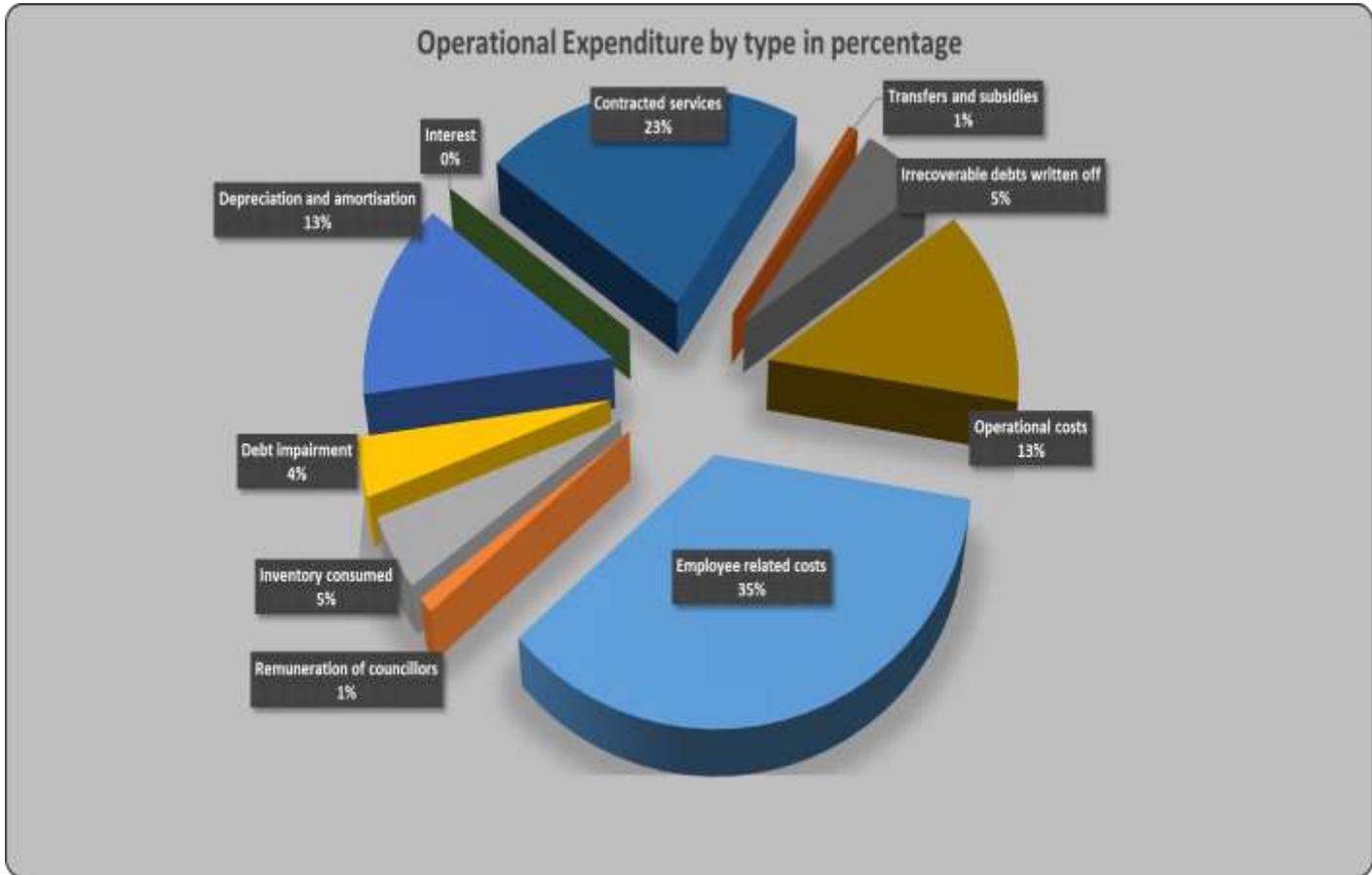
4. **Bulk purchases** are directly informed by the purchase of water from Umngeni-Uthukela Water in the Ubuhlebezwe area. The annual price increases of 6% have been factored into the budget appropriations and directly inform the revenue provisions as per CPI. The expenditures include distribution losses. The increase of bulk water purchases is due to increase in umngeni Uthukela and Ugu District Municipality. The increase from prior projections is also based on escalation in water treatment chemical costs, anticipated growth in service demand and Buffer stock procurement to ensure continuity during supply disruptions.

5. **Contracted services** have been identified as a cost saving area for the Municipality. As part of the compilation of the 2025/26 MTREF this group of expenditure was critically evaluated, and operational efficiencies were enforced. In the 2025/26 financial year, this group of expenditure totals R184, 1million showing an increase of 6% from 2024/25 due to increase in Maintenance and Infrastructure verification of assets funded by MIG under contracted Services R37million, clearly demonstrating that the municipality is committed to comply with cost containment measures since the increase is funded by grant. Furthermore, the increase is attributed to Long-term infrastructure maintenance contracts, outsourced technical services due to scarce internal capacity and necessary support for legal, compliance and monitoring services.

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

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

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



Priority given to repairs and maintenance

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

Table 11 Operational repairs and maintenance

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Inventory Consumed (Project Maintenance)	15 329	3 055	-	-	-	-	-	-	-	-
Contracted Services	29 960	49 412	43 781	48 009	68 553	68 553	47 784	45 192	52 227	55 502
Operational Costs										
Total Repairs and Maintenance Expenditure	45 289	52 468	43 781	48 009	68 553	68 553	47 784	45 192	52 227	55 502

During the compilation of the 2025/26 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the district infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased in the 2024/25 financial year original budget to Adjustments budget, from R48, 6 million to R68, 5million for the 2025/26 financial year repairs and maintenance decreased to R 45, 1m funded by Equitable share and there is a budget of R25, 7million funded by Municipal Infrastructure Grant, therefore the maintenance for 2025/26 amount to R70, 8million. Notwithstanding this decrease excluding funding from MIG as part of the 2025/26 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2025/26 equates to R45, 1million showing a decrease of 34 per cent in relation to the Adjustment Budget and grows at 16% and 6 per cent in the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 6 per cent for 2025/26 and 6 per cent for the respective financial years of the MTREF.

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

Table 12 Repairs and maintenance per asset class

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	246 557	257 265	289 670	299 437	325 184	325 184	260 534	227 699	163 662
<i>Roads Infrastructure</i>	1 242	–	–	–	–	–	–	–	–
<i>Storm water Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Water Supply Infrastructure</i>	196 052	203 327	219 163	270 019	276 040	276 040	239 910	212 448	148 495
<i>Sanitation Infrastructure</i>	37 950	44 534	64 965	12 204	28 988	28 988	261	–	–
Infrastructure	235 244	247 862	284 128	282 223	305 028	305 028	240 171	212 448	148 495
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Investment properties									
Operational Buildings	1 138	–	–	4 250	3 080	3 080	6 901	4 546	4 659
Housing	–	–	–	2 000	1 200	1 200	2 000	–	–
Other Assets	1 138	–	–	6 250	4 280	4 280	8 901	4 546	4 659
Biological or Cultivated Assets									
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	270	–	796	1 475	1 475	955	1 004	1 046
Intangible Assets		270	–	796	1 475	1 475	955	1 004	1 046
Computer Equipment	1 412	410	943	2 000	1 400	1 400	2 859	3 031	3 212
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	5 288	5 228	4 720
Machinery and Equipment	7 376	7 430	1 306	2 588	5 100	5 100	2 360	1 442	1 528
Transport Assets	–	–	986	600	–	–	–	–	–
Total Renewal of Existing Assets	42 411	6 259	4 802	22 007	26 006	26 006	21 973	26 587	74 032
<i>Water Supply Infrastructure</i>	9 560	–	2 245	970	10 883	10 883	7 764	3 902	9 865
<i>Sanitation Infrastructure</i>	28 455	–	–	16 075	9 085	9 085	1 739	8 696	1 774
Infrastructure	38 015	–	2 245	17 045	19 968	19 968	9 503	12 598	11 639
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Investment properties									
Operational Buildings	–	–	–	–	–	–	3 874	7 210	55 208
Housing	–	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	3 874	7 210	55 208
Machinery and Equipment	–	–	–	80	–	–	–	–	–
Transport Assets	4 396	6 259	2 557	4 883	6 039	6 039	8 595	6 779	7 186
Total Upgrading of Existing Assets	1 936	5 594	15 131	868	9 883	9 883	19 553	69 882	101 736
<i>Water Supply Infrastructure</i>	1 936	5 594	15 131	868	9 883	9 883	17 379	51 028	57 091
<i>Sanitation Infrastructure</i>	–	–	–	–	–	–	2 174	18 854	44 645
Infrastructure	1 936	5 594	15 131	868	9 883	9 883	19 553	69 882	101 736
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	290 905	269 118	309 604	322 312	361 074	361 074	302 060	324 168	339 430
<i>Roads Infrastructure</i>	1 242	–	–	–	–	–	–	–	–
<i>Storm water Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Water Supply Infrastructure</i>	207 548	208 921	236 539	271 856	296 806	296 806	265 054	267 379	215 451
<i>Sanitation Infrastructure</i>	66 405	44 534	64 965	28 279	38 073	38 073	4 174	27 550	46 419
Infrastructure	275 195	253 455	301 504	300 135	334 879	334 879	269 227	294 928	261 870
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Investment properties									
Operational Buildings	1 138	–	–	4 250	3 080	3 080	10 775	11 756	59 867
Housing	–	–	–	2 000	1 200	1 200	2 000	–	–
Other Assets	1 138	–	–	6 250	4 280	4 280	12 775	11 756	59 867
Licences and Rights	–	270	–	796	1 475	1 475	955	1 004	1 046
Intangible Assets		270	–	796	1 475	1 475	955	1 004	1 046
Computer Equipment	1 412	410	943	2 000	1 400	1 400	2 859	3 031	3 212
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	5 288	5 228	4 720
Machinery and Equipment	7 376	7 430	1 306	2 668	5 100	5 100	2 360	1 442	1 528
Transport Assets	4 396	6 259	3 543	5 483	6 039	6 039	8 595	6 779	7 186
TOTAL CAPITAL EXPENDITURE - Asset class	290 905	269 118	309 604	322 312	361 074	361 074	302 060	324 168	339 430

For the 2025/26 financial year R45, 1million of total repairs and maintenance will be spent on infrastructure assets. This signifies the implementation of the municipality’s plans of maintaining its infrastructure levels high to ensure uninterrupted service delivery.

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

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

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the district Indigent Policy. The target is to register 5 000 or more indigent households during the 2025/26 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

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

1.6 CAPITAL EXPENDITURE

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

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

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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	1 364	1 445	1 532
Vote 03 - Summary Budget And Treasury Office	-	275	-	-	-	-	-	2 279	2 416	2 316
Vote 04 - Summary Corporate Services	8 310	7 727	4 385	9 480	14 822	14 822	7 783	3 374	3 577	3 791
Vote 05 - Summary Social Services & Development Planning	47	408	986	5 640	1 513	1 513	-	7 101	5 487	5 624
Vote 06 - Summary Infrastructure Services	30 970	47 306	78 007	122 732	111 689	111 689	76 053	99 656	145 895	246 457
Vote 07 - Summary Water Services	251 578	213 402	226 226	184 460	231 350	231 350	166 974	177 670	155 472	69 242
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	290 905	269 118	309 604	322 312	359 374	359 374	250 810	291 443	314 292	328 962
Single-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	180	191	202
Vote 04 - Summary Corporate Services	-	-	-	-	1 700	1 700	18	5 136	5 445	5 771
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	-	-	-	-	-	-	-	2 000	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	3 300	4 240	4 494
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	1 700	1 700	18	10 616	9 875	10 468
Total Capital Expenditure - Vote	290 905	269 118	309 604	322 312	361 074	361 074	250 827	302 060	324 168	339 430

For 2025/26 an amount of R255, 1million has been appropriated for the development of infrastructure which represents 84% of the total capital budget. In the outer years this amount totals R283, 4million, 87% and R297, 2million, 88% respectively for each of the financial years. These expenditures are exclusive of VAT.

Total new assets represent R260, 5million of the total capital budget while asset renewal equates to R21, 9million. Further detail relating to asset classes and proposed capital expenditure is contained in Table MBRR A9 (Asset Management). In addition to the MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Refer to table MBRR SA36 for the detailed listing of the capital projects.

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



Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table MBRR SA35. This table shows that future operational costs associated with the capital programme totals R43, 5 million in 2025/26 and to R46, 1 by 2026/27. This associated to the operational expenditure and is expected to be reduced to nil by 2025/26 It needs to be noted that as part of the 2025/26 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 ANNUAL BUDGET TABLES – CONSOLIDATED BUDGET

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

Table 14 MBRR Table A1 - Budget Summary

DC43 Harry Gwala - Table A1 Consolidated Budget Summary										
Description	2022/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year	Budget Year +1	Budget Year +2
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	61 560	77 674	72 558	71 195	79 208	79 208	64 331	81 589	86 484	91 673
Investment revenue	5 104	10 858	21 988	17 435	24 590	24 590	23 507	26 043	27 584	29 185
Transfer and subsidies - Operational	453 939	452 460	477 532	532 623	532 623	532 623	514 058	596 989	629 254	656 881
Other own revenue	15 181	19 422	19 807	17 721	18 130	18 130	13 895	19 194	18 604	19 721
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	638 975	654 552	654 552	615 790	723 815	761 927	797 460
Employee costs	238 376	245 707	256 039	273 607	274 098	274 098	211 519	291 721	306 953	322 735
Remuneration of councillors	7 239	6 988	6 932	8 606	7 665	7 665	6 329	8 059	8 482	8 928
Depreciation and amortisation	81 505	93 063	236 930	101 837	102 367	102 367	16 835	107 788	114 244	121 673
Interest	307	113	2	115	95	95	-	54	57	106
Inventory consumed and bulk purchases	-	-	-	36 543	38 311	38 311	(7)	39 635	41 698	43 338
Transfers and subsidies	15 100	15 290	-	6 700	6 300	6 300	-	23 360	23 376	29 728
Other expenditure	253 530	239 848	255 958	288 262	329 381	329 381	236 286	348 556	378 845	395 878
Total Expenditure	596 056	601 009	755 861	715 670	758 216	758 216	470 962	819 174	873 656	922 386
Surplus(Deficit)	(60 272)	(40 595)	(163 976)	(76 695)	(103 664)	(103 664)	144 829	(95 360)	(111 729)	(124 926)
Transfers and subsidies - capital kind)	311 860	283 338	332 319	318 124	323 856	323 856	141 270	293 458	325 980	341 871
	12 781	3 888	-	-	-	-	-	-	-	-
Surplus(Deficit) after capital transfers & contributions	264 369	246 631	168 343	241 428	220 192	220 192	286 098	198 099	214 251	216 945
Share of Surplus/Deficit attributable to	-	-	-	-	-	-	-	-	-	-
Surplus(Deficit) for the year	264 369	246 631	168 343	241 428	220 192	220 192	286 098	198 099	214 251	216 945
Capital expenditure & funds sources										
Capital expenditure	290 905	269 118	309 604	322 312	361 074	361 074	250 827	302 060	324 168	339 430
Transfers recognised - capital	273 848	251 309	298 048	276 944	281 864	281 864	216 265	260 147	288 723	302 851
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	17 056	17 809	11 555	45 368	79 210	79 210	34 562	41 912	35 445	36 578
Total sources of capital funds	290 905	269 118	309 604	322 312	361 074	361 074	250 827	302 060	324 168	339 430
Financial position										
Total current assets	112 963	194 402	243 572	208 658	186 049	186 049	429 536	219 492	230 803	265 458
Total non current assets	2 759 748	2 927 288	2 997 178	3 446 319	3 258 932	3 258 932	3 231 155	3 446 443	3 651 733	3 870 413
Total current liabilities	114 341	151 972	135 087	124 097	121 273	121 273	295 271	121 261	120 861	119 761
Total non current liabilities	28 545	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
Community wealth/Equity	2 774 486	2 975 404	3 108 725	3 501 649	3 293 172	3 293 172	3 361 208	3 514 138	3 731 138	3 986 452
Cash flows										
Net cash from (used) operating	175 367	1 502 609	1 800 878	326 348	277 611	277 611	1 305 324	357 947	386 471	427 399
Net cash from (used) investing	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(229 494)	(346 012)	(371 355)	(388 819)
Net cash from (used) financing	-	-	(355)	(2 969)	(2 969)	(2 969)	-	(1 831)	(1 831)	(1 831)
Cash/cash equivalents at the year end	(63 676)	1 283 718	1 615 561	152 288	143 561	143 561	1 075 830	173 668	186 953	223 702
Cash backing/surplus reconciliation										
Cash and investments available	50 226	124 641	209 430	139 694	143 561	143 561	370 564	173 668	186 953	223 702
Application of cash and investments	(190 088)	(673 273)	(222 813)	20 302	54 515	54 515	(146 348)	46 758	51 516	58 477
Balance - surplus (shortfall)	240 314	797 914	432 243	119 392	89 046	89 046	516 912	126 909	135 437	165 225
Asset management										
Asset register summary (WDV)	1 949 818	2 209 283	2 357 654	2 728 314	2 619 408	2 619 408		2 806 919	3 012 209	3 230 889
Depreciation	81 505	93 063	236 930	101 837	102 367	102 367		107 788	114 244	121 673
Renewal and Upgrading of Existing Asset:	44 348	11 853	19 933	22 875	35 889	35 889		41 526	96 469	175 768
Repairs and Maintenance	45 289	52 468	43 781	48 009	68 553	68 553		45 192	52 227	55 502
Free services										
Cost of Free Basic Services provided	642	1 775	1 828	(724)	(724)	(724)		(768)	(814)	(863)
Revenue cost of free services provided	-	-	-	-	-	-		-	-	-
Households below minimum service level										
Water:	31	-	-	37	37	37		88	88	88
Sanitation/sewerage:	-	-	-	-	-	-		-	-	-
Energy:	-	-	-	-	-	-		-	-	-
Refuse:	-	-	-	-	-	-		-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

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

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

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

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

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

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

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

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

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

Functional Classification Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional									
Governance and administration	397 365	449 558	490 123	510 213	519 286	519 286	551 433	583 105	609 900
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	397 365	449 558	490 123	510 213	519 286	519 286	551 433	583 105	609 900
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	33	32	42	17	17	17	18	19	20
Community and social services	33	32	42	17	17	17	18	19	20
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	24 384	3 888	-	21 530	29 543	29 543	23 000	23 000	23 000
Planning and development	24 384	3 888	-	21 530	29 543	29 543	23 000	23 000	23 000
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	438 642	394 162	434 040	425 338	429 562	429 562	442 822	481 782	506 411
Energy sources	-	-	-	-	-	-	-	-	-
Water management	392 285	381 035	420 226	409 956	414 271	414 271	426 870	464 873	488 487
Waste water management	46 357	13 126	13 814	15 382	15 291	15 291	15 952	16 909	17 924
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	860 424	847 640	924 204	957 098	978 408	978 408	1 017 273	1 087 906	1 139 331
Expenditure - Functional									
Governance and administration	236 425	284 782	282 513	328 884	349 581	349 581	308 803	333 448	347 257
Executive and council	37 102	29 054	30 252	45 410	44 293	44 293	52 195	55 319	58 098
Finance and administration	189 223	244 498	243 702	271 416	295 947	295 947	246 716	267 711	278 187
Internal audit	10 100	11 230	8 559	12 058	9 342	9 342	9 892	10 418	10 972
Community and public safety	19 479	17 993	19 285	24 662	22 043	22 043	22 765	24 822	26 165
Community and social services	19 479	17 993	19 285	24 662	22 043	22 043	22 765	24 822	26 165
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	148 516	152 099	294 606	175 539	171 941	171 941	217 958	232 320	250 621
Planning and development	148 516	152 099	294 606	175 539	171 941	171 941	217 958	232 320	250 621
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	236 297	179 556	193 055	186 601	214 451	214 451	269 549	282 961	299 115
Energy sources	-	-	-	-	-	-	-	-	-
Water management	216 091	177 046	192 868	185 665	213 700	213 700	260 256	273 117	288 687
Waste water management	20 206	2 509	187	937	750	750	9 292	9 844	10 429
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	250	200	200	100	105	107
Total Expenditure - Functional	640 717	634 430	789 459	715 937	758 216	758 216	819 174	873 656	923 265
Surplus/(Deficit) for the year	219 708	213 210	134 745	241 161	220 192	220 192	198 099	214 251	216 066

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

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

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

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

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

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

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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue by Vote									
Vote 01 - Summary Council	–	–	–	–	–	–	–	–	–
Vote 02 - Summary Municipal Manager	–	–	–	–	–	–	–	–	–
Vote 03 - Summary Budget And Treasury Office	396 921	449 162	489 676	509 775	518 848	518 848	549 507	581 086	607 813
Vote 04 - Summary Corporate Services	359	372	418	387	387	387	410	435	461
Vote 05 - Summary Social Services & Development Planning	11 636	32	42	21 547	21 547	21 547	24 479	24 546	24 585
Vote 06 - Summary Infrastructure Services	318 640	308 606	348 937	343 279	347 846	347 846	350 081	383 477	402 207
Vote 07 - Summary Water Services	132 868	89 467	85 131	82 110	89 780	89 780	92 795	98 363	104 264
Vote 15 - Other	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	860 424	847 640	924 204	957 098	978 408	978 408	1 017 273	1 087 906	1 139 331
Expenditure by Vote to be appropriated									
Vote 01 - Summary Council	20 155	18 112	15 581	21 342	19 059	19 059	20 567	22 007	23 240
Vote 02 - Summary Municipal Manager	27 048	22 172	23 229	27 993	27 642	27 642	31 264	33 013	34 860
Vote 03 - Summary Budget And Treasury Office	64 433	94 176	97 677	105 423	100 993	100 993	64 749	68 651	72 449
Vote 04 - Summary Corporate Services	80 035	90 554	93 168	106 417	116 898	116 898	110 299	120 276	126 929
Vote 05 - Summary Social Services & Development Planning	51 282	50 486	56 417	88 372	84 364	84 364	97 924	104 549	110 707
Vote 06 - Summary Infrastructure Services	125 480	122 016	257 942	125 796	123 524	123 524	165 408	176 224	186 223
Vote 07 - Summary Water Services	272 284	236 914	245 444	240 594	285 735	285 735	328 964	348 937	368 856
Vote 15 - Other	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	640 717	634 430	789 459	715 937	758 216	758 216	819 174	873 656	923 265
Surplus/(Deficit) for the year	219 708	213 210	134 745	241 161	220 192	220 192	198 099	214 251	216 066

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

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

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

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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue by Vote									
Vote 06 - Summary Infrastructure Services	318 640	308 606	348 937	343 279	347 846	347 846	350 081	383 477	402 207
Vote 07 - Summary Water Services	132 868	89 467	85 131	82 110	89 780	89 780	92 795	98 363	104 264
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	860 424	847 640	924 204	957 098	978 408	978 408	1 017 273	1 087 906	1 139 331
Expenditure by Vote to be appropriated									
Vote 06 - Summary Infrastructure Services	125 480	122 016	257 942	125 796	123 524	123 524	165 408	176 224	186 223
Vote 07 - Summary Water Services	272 284	236 914	245 444	240 594	285 735	285 735	328 964	348 937	368 856
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	640 717	634 430	789 459	715 937	758 216	758 216	819 174	873 656	923 265
Surplus/(Deficit) for the year	219 708	213 210	134 745	241 161	220 192	220 192	198 099	214 251	216 066

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

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	49 353	64 525	59 302	56 944	66 213	66 213	53 692	68 071	72 155	76 485
Service charges - Waste Water Management	12 207	13 149	13 256	14 252	12 995	12 995	10 639	13 518	14 329	15 189
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	417	741	178	663	746	746	137	791	839	889
Agency services										
Interest										
Interest earned from Receivables	11 221	14 117	16 536	16 655	15 146	15 146	12 335	16 055	17 018	18 039
Interest earned from Current and Non Current Assets	5 104	10 858	21 988	17 435	24 590	24 590	23 507	26 043	27 584	29 185
Operational Revenue	402	810	1 241	404	666	666	637	706	748	793
Non-Exchange Revenue										
Fines, penalties and forfeits	2 453	-	478	-	1 572	1 572	786	1 643	-	-
Licences or permits										
Transfer and subsidies - Operational	453 939	452 460	477 532	532 623	532 623	532 623	514 058	596 989	629 254	656 881
Other Gains	688	3 755	1 374	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	638 975	654 552	654 552	615 790	723 815	761 927	797 460
Expenditure										
Employee related costs	238 376	245 707	256 039	273 607	274 098	274 098	211 519	291 721	306 953	322 735
Remuneration of councillors	7 239	6 988	6 932	8 606	7 665	7 665	6 329	8 059	8 482	8 928
Inventory consumed	-	-	-	36 543	38 311	38 311	(7)	39 635	41 698	43 338
Debt impairment	7 533	(1 202)	10 796	-	-	-	-	31 530	30 383	32 206
Depreciation and amortisation	81 505	93 063	236 930	101 837	102 367	102 367	16 835	107 788	114 244	121 673
Interest	307	113	2	115	95	95	-	54	57	106
Contracted services	172 985	134 263	122 694	152 097	171 162	171 162	130 784	173 856	193 234	204 015
Transfers and subsidies	15 100	15 290	-	6 700	6 300	6 300	-	23 360	23 376	29 728
Irrecoverable debts written off	7 614	34 790	29 995	31 908	39 931	39 931	8 420	42 327	44 866	47 558
Operational costs	63 458	69 121	91 283	104 257	118 288	118 288	97 082	100 844	110 361	112 099
Losses on disposal of Assets	1 940	2 875	1 190	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	596 056	601 009	755 861	715 670	758 216	758 216	470 962	819 174	873 656	922 386
Surplus/(Deficit)	(60 272)	(40 595)	(163 976)	(76 695)	(103 664)	(103 664)	144 829	(95 360)	(111 729)	(124 926)
Transfers and subsidies - capital (monetary allocations)	311 860	283 338	332 319	318 124	323 856	323 856	141 270	293 458	325 980	341 871
Transfers and subsidies - capital (in-kind)	12 781	3 888	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	264 369	246 631	168 343	241 428	220 192	220 192	286 098	198 099	214 251	216 945
Income Tax										
Surplus/(Deficit) after income tax	264 369	246 631	168 343	241 428	220 192	220 192	286 098	198 099	214 251	216 945
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality	264 369	246 631	168 343	241 428	220 192	220 192	286 098	198 099	214 251	216 945
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	264 369	246 631	168 343	241 428	220 192	220 192	286 098	198 099	214 251	216 945

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

Total operating revenue is R723, 8million in 2025/26 and escalates to R761, 9million by 2026/27. This represents an increase of 11 per cent for the 2025/26 financial year and an increase of 5 per cent for the 2026/27 and 5 % in 2027/28 financial year.

The operating revenue on the system generated A Schedule is R703, 3million which is R23million higher than the actual FINAL budget. The R23 million relates to the transfers to Harry Gwala Development Agency from the parent municipality as shown on the entity's D schedule. This amount should be eliminated on consolidation; however, the system is not eliminating the revenue against the transfers from the parent side resulting in the overstatement of both the consolidated revenue and expenditure by the same amount.

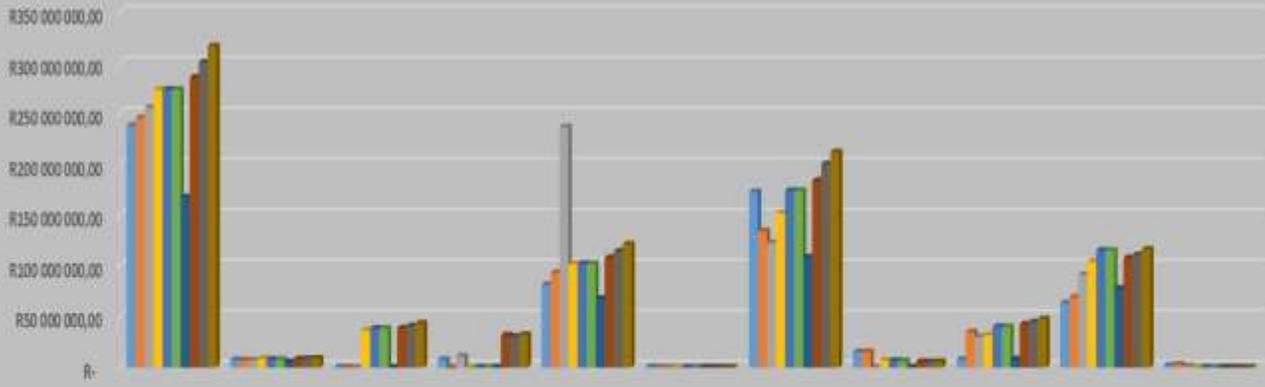
Services charges relating to water and sanitation constitutes the biggest component of the own revenue basket of the district totaling R81, 5million for the 2025/26 financial year and increasing to R86, 4million by 2026/27. For the 2025/26 financial year services charges amount to 6% of the total revenue and 6 per cent in the MTREF. The increase is more than the CPI due to the increase in Umngeni Water and the increase in tariffs and as per the community of Harry Gwala affordability, the municipality increase the service charges with 6 per cent as the maximum of CPI and per the communities affordability.

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government increased by R 69, 2m or 11% in 2025/2026 and by 5 per cent in 2026/2027 and 5 per cent in the 2027/2028 financial year. There is a R 23m operating transfers and grants transferred to Development agency that appears under district municipality which overstate grants by R23m.

The following graph illustrates the major expenditure items per type.

Figure 2 Expenditure by major type

EXPENDITURE BY TYPE



	Employee related costs	Remuneration of councillors	Inventory consumed	Debt impairment	Depreciation and amortisation	Interest	Contracted services	Transfers and subsidies	Irrecoverable debts written off	Operational costs	Losses on disposal of Assets
2021/22	R238 375 670,24	R7 236 604,13	R-	R7 533 315,81	R81 304 774,40	R306 519,75	R172 985 077,31	R15 100 000,00	R7 613 552,95	R63 457 778,96	1940 404
2022/23	R245 707 454,66	R6 987 876,07	R-	-R1 201 543,23	R93 063 085,03	R112 875,21	R134 262 758,65	R15 290 000,00	R34 789 639,19	R69 121 388,90	2875 378
2023/24	R256 038 761,24	R6 931 900,21	R-	R10 795 684,96	R236 930 110,17	R2 152,72	R122 694 378,85	R-	R29 994 815,51	R91 282 954,47	1190 315
2024/25 Original Budget	R273 607 186,00	R8 605 929,00	R36 542 625,00	R-	R101 836 822,00	R114 983,00	R152 096 965,00	R6 700 000,00	R31 908 435,00	R104 256 806,00	-
Adjusted Budget	R274 097 880,00	R7 684 609,00	R38 310 700,00	R-	R102 367 259,00	R94 963,00	R174 172 161,00	R6 300 000,00	R39 930 817,00	R115 277 554,00	-
Full Year Forecast	R274 097 880,00	R7 684 609,00	R38 310 700,00	R-	R102 367 259,00	R94 963,00	R174 172 161,00	R6 300 000,00	R39 930 817,00	R115 277 554,00	-
Pre-audit outcome	R167 777 213,98	R5 113 990,30	-R7 438,53	R-	R67 891 214,50	R-	R108 524 718,07	R-	R8 025 620,43	R77 745 108,31	-
Budget Year 2025/26	R285 878 547,00	R8 059 353,00	R38 571 493,00	R31 529 666,00	R108 049 609,00	R97 882,00	R184 187 156,00	R5 500 000,00	R42 326 967,00	R107 891 596,00	-
Budget Year +1 2026/27	R300 808 082,00	R8 482 465,00	R40 884 799,00	R30 383 140,00	R114 517 502,00	R102 501,00	R200 502 407,00	R5 329 500,00	R44 866 267,00	R110 843 935,00	-
Budget Year +2 2027/28	R316 683 141,00	R8 927 798,00	R43 337 887,00	R32 206 129,00	R121 388 548,00	R108 650,00	R212 180 334,00	R5 649 270,00	R47 558 343,00	R116 294 566,00	-

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

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

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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Capital expenditure - Vote										
Multi-year expenditure, to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	1 364	1 445	1 532
Vote 03 - Summary Budget And Treasury Office	-	275	-	-	-	-	-	2 279	2 416	2 316
Vote 04 - Summary Corporate Services	8 310	7 727	4 385	9 480	14 822	14 822	7 783	3 374	3 577	3 791
Vote 05 - Summary Social Services & Development Planning	47	408	986	5 640	1 513	1 513	-	7 101	5 487	5 624
Vote 06 - Summary Infrastructure Services	30 970	47 306	78 007	122 732	111 689	111 689	76 053	99 656	145 895	246 457
Vote 07 - Summary Water Services	251 578	213 402	226 226	184 460	231 350	231 350	166 974	177 670	155 472	69 242
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	290 905	269 118	309 604	322 312	359 374	359 374	250 810	291 443	314 292	328 962
Single-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	180	191	202
Vote 04 - Summary Corporate Services	-	-	-	-	1 700	1 700	18	5 136	5 445	5 771
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	-	-	-	-	-	-	-	2 000	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	3 300	4 240	4 494
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	1 700	1 700	18	10 616	9 875	10 468
Total Capital Expenditure - Vote	290 905	269 118	309 604	322 312	361 074	361 074	250 827	302 060	324 168	339 430
Capital Expenditure - Functional										
Governance and administration	8 310	8 002	4 385	14 205	17 785	17 785	7 800	17 434	18 404	19 076
Executive and council	-	-	-	-	-	-	-	-	-	-
Finance and administration	8 310	8 002	4 385	14 205	17 785	17 785	7 800	16 071	16 958	17 544
Internal audit	-	-	-	-	-	-	-	1 364	1 445	1 532
Community and public safety	47	270	986	600	-	-	-	-	-	-
Community and social services	47	270	986	600	-	-	-	-	-	-
Economic and environmental services	21 376	41 851	60 631	121 210	106 023	106 023	72 543	95 891	142 150	236 752
Planning and development	21 376	41 851	60 631	121 210	106 023	106 023	72 543	95 891	142 150	236 752
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	261 172	218 995	243 602	186 297	237 266	237 266	170 484	188 734	163 614	83 601
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	223 223	174 461	178 637	176 093	210 556	210 556	149 726	188 473	163 614	83 601
Waste water management	37 950	44 534	64 965	10 204	26 711	26 711	20 758	261	-	-
Waste management	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	290 905	269 118	309 604	322 312	361 074	361 074	250 827	302 060	324 168	339 430
Funded by:										
National Government	232 612	247 421	298 048	276 629	274 647	274 647	216 265	259 997	288 666	302 691
Provincial Government	41 236	3 888	-	-	6 967	6 967	-	-	-	-
District Municipality	-	-	-	315	250	250	-	150	157	161
Transfers recognised - capital	273 848	251 309	298 048	276 944	281 864	281 864	216 265	260 147	288 723	302 851
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	17 056	17 809	11 555	45 368	79 210	79 210	34 562	41 912	35 445	36 578
Total Capital Funding	290 905	269 118	309 604	322 312	361 074	361 074	250 827	302 060	324 168	339 430

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

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

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2025/26 R296, 3million (Excl VAT) has been allocated of the total R302million infrastructural budget, which totals 100 per cent. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the district. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

The capital programme is funded mainly from national and provincial grants and subsidies. For 2025/26 capital transfers totals R302million and R324, 1million by 2026/27 and then in 2026/27 increase to R339, 4million. No borrowing applications are expected to result in the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 20 MBRR Table A6 - Budgeted Financial Position

DC43 Harry Gwala - Table A6 Consolidated Budgeted Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents	50 226	124 641	209 430	139 694	143 561	143 561	370 564	173 668	186 953	223 702
Trade and other receivables from exchange transactions	27 668	32 136	12 036	29 605	20 680	20 680	20 909	23 719	21 744	19 650
Receivables from non-exchange transactions	2 336	2 318	2 312	2 311	2 312	2 312	2 312	2 312	2 312	2 312
Current portion of non-current receivables	-	-	-	-	-	-	-	-	-	-
Inventory	513	716	858	858	858	858	866	858	858	858
VAT	32 158	34 596	19 164	36 188	18 867	18 867	35 101	19 165	19 165	19 165
Other current assets	62	(5)	(229)	2	(229)	(229)	(216)	(229)	(229)	(229)
Total current assets	112 963	194 402	243 572	208 658	186 049	186 049	429 536	219 492	230 803	265 458
Non current assets										
Investments										
Investment property	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	2 759 364	2 926 773	2 996 864	3 444 846	3 256 494	3 256 494	3 230 877	3 443 615	3 648 580	3 866 966
Biological assets										
Living and non-living resources										
Heritage assets										
Intangible assets	384	515	313	1 473	2 438	2 438	278	2 827	3 152	3 447
Trade and other receivables from exchange transactions										
Non-current receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total non current assets	2 759 748	2 927 288	2 997 178	3 446 319	3 258 932	3 258 932	3 231 155	3 446 443	3 651 733	3 870 413
TOTAL ASSETS	2 872 711	3 121 690	3 240 750	3 654 977	3 444 982	3 444 982	3 660 690	3 665 935	3 882 535	4 135 870
LIABILITIES										
Current liabilities										
Bank overdraft										
Financial liabilities	12 794	12 806	12 806	8 006	10 406	10 406	12 806	8 006	5 606	3 206
Consumer deposits	2 175	2 415	3 179	3 522	3 748	3 748	3 417	3 748	3 748	3 748
Trade and other payables from exchange transactions	77 578	91 868	86 935	86 542	83 968	83 968	74 654	86 356	88 356	89 656
Trade and other payables from non-exchange transactions	(0)	21 177	10 500	1 483	1 483	1 483	175 557	1 483	1 483	1 483
Provision	15 194	16 171	16 385	17 142	16 385	16 385	16 385	16 385	16 385	16 385
VAT	6 600	7 535	5 282	7 402	5 282	5 282	12 451	5 282	5 282	5 282
Other current liabilities										
Total current liabilities	114 341	151 972	135 087	124 097	121 273	121 273	295 271	121 261	120 861	119 761
Non current liabilities										
Financial liabilities	1 299	(0)	(0)	-	-	-	(0)	-	-	-
Provision	27 246	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
Long term portion of trade payables	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities										
Total non current liabilities	28 545	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
TOTAL LIABILITIES	142 886	179 707	165 623	153 496	151 809	151 809	325 807	151 797	151 397	150 297
NET ASSETS	2 729 825	2 941 983	3 075 127	3 501 481	3 293 172	3 293 172	3 334 884	3 514 138	3 731 138	3 985 573
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	2 774 486	2 975 404	3 108 725	3 501 649	3 293 172	3 293 172	3 361 208	3 514 138	3 731 138	3 986 452
Reserves and funds	-	-	-	-	-	-	-	-	-	-
Other										
TOTAL COMMUNITY WEALTH/EQUITY	2 774 486	2 975 404	3 108 725	3 501 649	3 293 172	3 293 172	3 361 208	3 514 138	3 731 138	3 986 452

Explanatory notes to Table A6 - Budgeted Financial Position

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

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

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

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

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

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

Table 21 MBRR Table A7 - Budgeted Cash Flow Statement

DC43 Harry Gwala - Table A7 Consolidated Budgeted Cash Flows

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	-	18	6	-	-	-	-	-	-	-
Service charges	70 345	51 062	62 324	62 194	69 750	69 750	58 288	71 563	78 372	83 074
Other revenue	608 032	1 823 061	1 805 797	68 324	67 270	67 270	1 168 803	70 300	71 098	66 402
Transfers and Subsidies - Operational	8 071	128 367	473 045	512 493	512 493	512 493	499 995	573 989	606 254	633 881
Transfers and Subsidies - Capital	369 601	316 011	326 130	318 124	323 856	323 856	320 389	293 458	325 980	341 871
Interest	4 547	10 858	21 988	18 053	24 590	24 590	23 507	26 046	27 586	29 242
Dividends								-	-	-
Payments										
Suppliers and employees	(885 094)	(826 768)	(888 412)	(652 698)	(720 334)	(720 334)	(765 658)	(677 355)	(722 762)	(727 055)
Interest	-	-	-	(142)	(15)	(15)	-	(54)	(57)	(16)
Transfers and Subsidies	(135)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	175 367	1 502 609	1 800 878	326 348	277 611	277 611	1 305 324	357 947	386 471	427 399
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments								-	-	-
Payments										
Capital assets	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(229 494)	(346 012)	(371 355)	(388 819)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(229 494)	(346 012)	(371 355)	(388 819)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing								-	-	-
Increase (decrease) in consumer deposits	-	-	(355)	(569)	(569)	(569)	-	569	569	569
Payments										
Repayment of borrowing	-	-	-	(2 400)	(2 400)	(2 400)	-	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	(355)	(2 969)	(2 969)	(2 969)	-	(1 831)	(1 831)	(1 831)
NET INCREASE/ (DECREASE) IN CASH HELD	(115 538)	1 233 491	1 490 920	1 067	(86 432)	(86 432)	1 075 830	10 105	13 286	36 749
Cash/cash equivalents at the year begin:	51 862	50 226	124 641	151 221	229 993	229 993	-	163 562	173 668	186 953
Cash/cash equivalents at the year end:	(63 676)	1 283 718	1 615 561	152 288	143 561	143 561	1 075 830	173 668	186 953	223 702

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

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

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

The 2025/26 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. Cash and cash equivalents totals R183, 6million as at the end of the 2025/26

financial year and escalates to R186, 9million by 2026/27 and R223, 7m at the end of 2027/2028 financial year.

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	(63 676)	1 283 718	1 615 561	152 288	143 561	143 561	1 075 830	173 668	186 953	223 702
Other current investments > 90 days	113 902	(1 159 077)	(1 406 130)	(12 595)	-	-	(705 266)	-	-	-
Non current investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	50 226	124 641	209 430	139 694	143 561	143 561	370 564	173 668	186 953	223 702
Application of cash and investments										
Unspent conditional transfers	(0)	21 177	10 500	1 483	1 483	1 483	175 557	1 483	1 483	1 483
Unspent borrowing										
Statutory requirements	(25 557)	(27 061)	(13 883)	(28 787)	(13 585)	(13 585)	(22 650)	(13 883)	(13 883)	(13 883)
Other working capital requirements	(179 724)	(683 560)	(235 816)	30 463	50 231	50 231	(315 641)	42 772	47 530	54 491
Other provisions	15 194	16 171	16 385	17 142	16 385	16 385	16 385	16 385	16 385	16 385
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	(190 088)	(673 273)	(222 813)	20 302	54 515	54 515	(146 348)	46 758	51 516	58 477
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	119 392	89 046	89 046	516 912	126 909	135 437	165 225
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	119 392	89 046	89 046	516 912	126 909	135 437	165 225

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

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

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

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded. From the table it can be seen that for the period 2025/26 the budget is sitting on a surplus of R126, 9million then R 135, 4million in 2026/27 then a surplus of R165, 2million and in 2027/28. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2025/26 FINAL Budget MTREF is funded.

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

Table 23 MBRR Table A9 - Asset Management

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	246 557	257 265	289 670	299 437	325 184	325 184	260 534	227 699	163 662
<i>Roads Infrastructure</i>	1 242	–	–	–	–	–	–	–	–
<i>Storm water Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Water Supply Infrastructure</i>	196 052	203 327	219 163	270 019	276 040	276 040	239 910	212 448	148 495
<i>Sanitation Infrastructure</i>	37 950	44 534	64 965	12 204	28 988	28 988	261	–	–
Infrastructure	235 244	247 862	284 128	282 223	305 028	305 028	240 171	212 448	148 495
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	1 138	–	–	4 250	3 080	3 080	6 901	4 546	4 659
Housing	–	–	–	2 000	1 200	1 200	2 000	–	–
Other Assets	1 138	–	–	6 250	4 280	4 280	8 901	4 546	4 659
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	270	–	796	1 475	1 475	955	1 004	1 046
Intangible Assets	–	270	–	796	1 475	1 475	955	1 004	1 046
Computer Equipment	1 412	410	943	2 000	1 400	1 400	2 859	3 031	3 212
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	5 288	5 228	4 720
Machinery and Equipment	7 376	7 430	1 306	2 588	5 100	5 100	2 360	1 442	1 528
Transport Assets	–	–	986	600	–	–	–	–	–
Total Renewal of Existing Assets	42 411	6 259	4 802	22 007	26 006	26 006	21 973	26 587	74 032
<i>Water Supply Infrastructure</i>	9 560	–	2 245	970	10 883	10 883	7 764	3 902	9 865
<i>Sanitation Infrastructure</i>	28 455	–	–	16 075	9 085	9 085	1 739	8 696	1 774
Infrastructure	38 015	–	2 245	17 045	19 968	19 968	9 503	12 598	11 639
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	–	–	–	–	–	–	3 874	7 210	55 208
Housing	–	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	3 874	7 210	55 208
Machinery and Equipment	–	–	–	80	–	–	–	–	–
Transport Assets	4 396	6 259	2 557	4 883	6 039	6 039	8 595	6 779	7 186
Total Upgrading of Existing Assets	1 936	5 594	15 131	868	9 883	9 883	19 553	69 882	101 736
<i>Water Supply Infrastructure</i>	1 936	5 594	15 131	868	9 883	9 883	17 379	51 028	57 091
<i>Sanitation Infrastructure</i>	–	–	–	–	–	–	2 174	18 854	44 645
Infrastructure	1 936	5 594	15 131	868	9 883	9 883	19 553	69 882	101 736
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	290 905	269 118	309 604	322 312	361 074	361 074	302 060	324 168	339 430
<i>Roads Infrastructure</i>	1 242	–	–	–	–	–	–	–	–
<i>Storm water Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Water Supply Infrastructure</i>	207 548	208 921	236 539	271 856	296 806	296 806	265 054	267 379	215 451
<i>Sanitation Infrastructure</i>	66 405	44 534	64 965	28 279	38 073	38 073	4 174	27 550	46 419
Infrastructure	275 195	253 455	301 504	300 135	334 879	334 879	269 227	294 928	261 870
Community Facilities	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	1 138	–	–	4 250	3 080	3 080	10 775	11 756	59 867
Housing	–	–	–	2 000	1 200	1 200	2 000	–	–
Other Assets	1 138	–	–	6 250	4 280	4 280	12 775	11 756	59 867
Licences and Rights	–	270	–	796	1 475	1 475	955	1 004	1 046
Intangible Assets	–	270	–	796	1 475	1 475	955	1 004	1 046
Computer Equipment	1 412	410	943	2 000	1 400	1 400	2 859	3 031	3 212
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	5 288	5 228	4 720
Machinery and Equipment	7 376	7 430	1 306	2 668	5 100	5 100	2 360	1 442	1 528
Transport Assets	4 396	6 259	3 543	5 483	6 039	6 039	8 595	6 779	7 186
TOTAL CAPITAL EXPENDITURE - Asset class	290 905	269 118	309 604	322 312	361 074	361 074	302 060	324 168	339 430

DC43 Harry Gwala - Table A9 Consolidated Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
ASSET REGISTER SUMMARY - PPE (MDV)	1 949 818	2 209 283	2 357 654	2 728 314	2 619 408	2 619 408	2 806 919	3 012 209	3 230 889
<i>Roads Infrastructure</i>	193	188	184	184	184	184	180	175	169
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>	9 250	7 586	5 806	4 213	4 083	4 083	2 257	322	322
<i>Water Supply Infrastructure</i>	1 672 212	1 946 095	2 093 781	2 387 255	2 324 904	2 324 904	2 504 815	2 688 884	2 815 284
<i>Sanitation Infrastructure</i>	197 959	190 739	195 156	260 508	216 591	216 591	209 401	228 464	265 886
<i>Information and Communication Infrastructure</i>	101	296	224	222	185	185	693	182	690
Infrastructure	1 879 714	2 144 905	2 295 152	2 652 382	2 545 947	2 545 947	2 717 346	2 918 027	3 082 353
Community Assets	2 998	1 759	1 520	1 428	1 383	1 383	1 380	5 540	57 515
Other Assets	37 577	36 372	35 178	39 434	38 182	38 182	48 781	48 404	50 032
Biological or Cultivated Assets									
Intangible Assets	384	515	313	1 473	2 438	2 438	2 827	3 152	3 447
Computer Equipment	6 322	4 392	3 660	1 985	2 321	2 321	4 811	6 270	7 818
Furniture and Office Equipment	1 603	1 739	3 342	10 004	11 450	11 450	15 784	19 806	23 254
Machinery and Equipment	2 238	1 772	2 449	11 876	6 953	6 953	8 685	10 370	12 156
Transport Assets	18 981	17 831	16 039	9 730	10 734	10 734	7 306	640	(5 684)
TOTAL ASSET REGISTER SUMMARY - PPE (MDV)	1 949 818	2 209 283	2 357 654	2 728 314	2 619 408	2 619 408	2 806 919	3 012 209	3 230 889
EXPENDITURE OTHER ITEMS	126 793	145 531	280 712	149 845	170 921	170 921	152 980	166 471	177 175
<u>Depreciation</u>	81 505	93 063	236 930	101 837	102 367	102 367	107 788	114 244	121 673
<u>Repairs and Maintenance by Asset Class</u>	45 289	52 468	43 781	48 009	68 553	68 553	45 192	52 227	55 502
<i>Water Supply Infrastructure</i>	28 248	45 120	39 357	41 300	63 641	63 641	40 241	46 944	49 811
Infrastructure	28 248	45 120	39 357	41 300	63 641	63 641	40 241	46 944	49 811
<i>Community Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>	78	63	87	77	117	117	273	289	306
Community Assets	78	63	87	77	117	117	273	289	306
<i>Operational Buildings</i>	1 548	4 008	4 272	6 212	4 061	4 061	4 269	4 525	4 887
<i>Housing</i>	-	-	-	-	-	-	-	-	-
Other Assets	1 548	4 008	4 272	6 212	4 061	4 061	4 269	4 525	4 887
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	9	17	16	70	82	82	77	81	86
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	15 329	3 055	-	-	-	-	-	-	-
Transport Assets	78	204	49	350	653	653	332	387	411
TOTAL EXPENDITURE OTHER ITEMS	126 793	145 531	280 712	149 845	170 921	170 921	152 980	166 471	177 175
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	15,2%	4,4%	6,4%	7,1%	9,9%	9,9%	13,7%	29,8%	51,8%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	54,4%	12,7%	8,4%	22,5%	35,1%	35,1%	38,5%	84,4%	144,5%
<i>R&M as a % of PPE & Investment Property</i>	2,3%	2,4%	1,9%	1,8%	2,6%	2,6%	1,6%	1,7%	1,7%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	4,6%	2,9%	2,7%	2,6%	4,0%	4,0%	3,1%	4,9%	7,2%

Explanatory notes to Table A9 - Asset Management

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

National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. Due to the extremely high infrastructure backlogs that exists in our district a huge allocation of the conditional funding arising from prior years multi- year capital budget appropriations has been committed towards new water and sanitation infrastructure. However, the revised infrastructure plan will

see a shift of more funds being allocated towards the refurbishment of assets as advised by National Treasury.

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

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

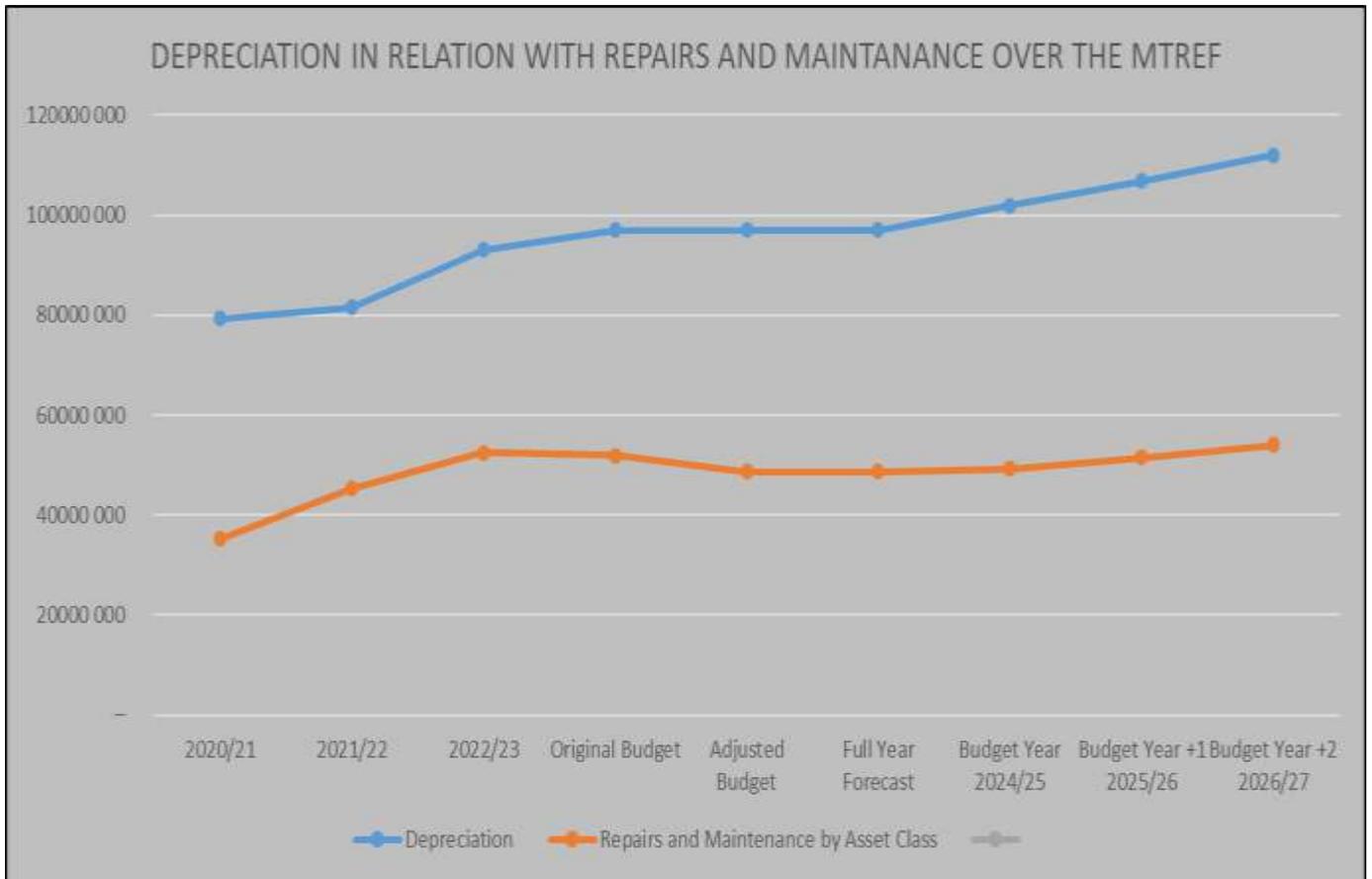


Table 24 MBRR Table A10 - Basic Service Delivery Measurement

DC43 Harry Gwala - Table A10 Consolidated basic service delivery measurement

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

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

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

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

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

1.8 ANNUAL BUDGET TABLES- PARENT MUNICIPALITY

Table 25 MBRR Table A1 - Budget Summary

DC43 Harry Gwala - Table A1 Budget Summary										
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year	Budget Year +1	Budget Year +2
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	61 560	77 674	72 558	71 195	79 208	79 208	64 331	81 589	86 484	91 673
Investment revenue	5 104	10 858	21 988	16 035	23 190	23 190	23 507	24 581	26 056	27 620
Transfer and subsidies - Operational	453 939	452 460	477 532	512 493	512 493	512 493	514 058	573 989	606 254	633 881
Other own revenue	15 181	19 422	19 807	17 721	18 130	18 130	13 895	19 194	18 604	19 721
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	617 445	633 022	633 022	615 790	699 353	737 399	772 895
Employee costs	238 376	245 707	256 039	265 764	265 764	265 764	211 519	279 996	294 700	310 177
Remuneration of councillors	7 239	6 988	6 932	8 606	7 665	7 665	6 329	8 059	8 482	8 928
Depreciation and amortisation	81 505	93 063	236 930	101 010	101 010	101 010	16 835	107 044	113 467	120 275
Interest	307	113	2	15	15	15	-	14	15	16
Inventory consumed and bulk purchases	-	-	-	36 543	38 311	38 311	(7)	39 635	41 698	43 338
Transfers and subsidies	15 100	15 290	-	-	-	-	-	23 000	23 000	23 000
Other expenditure	253 530	239 848	255 958	283 312	323 982	323 982	236 286	336 978	366 745	388 250
Total Expenditure	596 056	601 009	755 861	695 250	736 746	736 746	470 962	794 727	848 108	893 983
Surplus/(Deficit)	(60 272)	(40 595)	(163 976)	(77 805)	(103 724)	(103 724)	144 829	(95 374)	(110 708)	(121 088)
Transfers and subsidies - capital kind)	311 860	283 338	332 319	318 124	323 856	323 856	141 270	293 458	325 980	341 871
	12 781	3 888	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	264 369	246 631	168 343	240 318	220 132	220 132	286 098	198 085	215 271	220 783
Share of Surplus/Deficit attributable to	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	264 369	246 631	168 343	240 318	220 132	220 132	286 098	198 085	215 271	220 783
Capital expenditure & funds sources										
Capital expenditure	290 905	269 118	309 604	317 272	359 561	359 561	250 827	296 809	318 681	333 805
Transfers recognised - capital	273 848	251 309	298 048	276 629	281 614	281 614	216 265	259 997	288 566	302 691
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	17 056	17 809	11 556	40 643	77 947	77 947	34 562	36 811	30 115	31 115
Total sources of capital funds	290 905	269 118	309 604	317 272	359 561	359 561	250 827	296 809	318 681	333 805
Financial position										
Total current assets	112 963	194 402	243 572	193 675	152 054	152 054	429 536	190 605	204 239	242 558
Total non current assets	2 759 748	2 927 288	2 997 178	3 440 486	3 256 627	3 256 627	3 231 155	3 440 399	3 645 453	3 863 995
Total current liabilities	114 341	151 972	135 087	120 580	117 266	117 266	295 271	117 744	117 344	116 244
Total non current liabilities	28 545	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
Community wealth/Equity	2 774 486	2 975 404	3 108 725	3 487 234	3 259 546	3 259 546	3 361 208	3 482 714	3 701 801	3 960 609
Cash flows										
Net cash from (used) operating	175 367	1 502 609	1 800 878	344 742	296 005	296 005	1 305 324	363 853	388 795	431 064
Net cash from (used) investing	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(229 494)	(346 012)	(371 355)	(388 819)
Net cash from (used) financing	-	-	(355)	(2 969)	(2 969)	(2 969)	-	(1 831)	(1 831)	(1 831)
Cash/cash equivalents at the year end	(63 676)	1 283 718	1 615 561	156 316	128 578	128 578	1 075 830	144 795	160 405	200 818
Cash backing/surplus reconciliation										
Cash and investments available	50 226	124 641	209 430	124 710	109 566	109 566	370 564	144 781	160 390	200 802
Application of cash and investments	(190 088)	(673 273)	(222 813)	16 785	50 508	50 508	(146 348)	49 428	53 501	59 701
Balance - surplus (shortfall)	240 314	797 914	432 243	107 925	59 058	59 058	516 912	95 353	106 889	141 102
Asset management										
Asset register summary (WDV)	1 949 818	2 209 283	2 357 654	2 722 481	2 617 103	2 617 103	-	2 800 875	3 005 929	3 224 471
Depreciation	81 505	93 063	236 930	101 010	101 010	101 010	107 044	113 467	120 275	
Renewal and Upgrading of Existing Asset	44 348	11 853	19 933	22 875	35 889	35 889	41 526	96 469	175 768	
Repairs and Maintenance	45 289	52 468	43 781	47 797	68 435	68 435	45 187	52 222	55 406	
Free services										
Cost of Free Basic Services provided	642	1 775	1 828	(724)	(724)	(724)	-	(768)	(814)	(863)
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	31	-	-	37	37	37	-	88	88	88
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

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

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

Functional Classification Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue - Functional									
Governance and administration	397 365	449 558	490 123	510 213	519 286	519 286	549 971	581 578	608 335
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	397 365	449 558	490 123	510 213	519 286	519 286	549 971	581 578	608 335
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	33	32	42	17	17	17	18	19	20
Community and social services	33	32	42	17	17	17	18	19	20
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	24 384	3 888	-	-	8 013	8 013	-	-	-
Planning and development	24 384	3 888	-	-	8 013	8 013	-	-	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	438 642	394 162	434 040	425 338	429 562	429 562	442 822	481 782	506 411
Energy sources	-	-	-	-	-	-	-	-	-
Water management	392 285	381 035	420 226	409 956	414 271	414 271	426 870	464 873	488 487
Waste water management	46 357	13 126	13 814	15 382	15 291	15 291	15 952	16 909	17 924
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	860 424	847 640	924 204	935 568	956 878	956 878	992 811	1 063 379	1 114 765
Expenditure - Functional									
Governance and administration	236 425	284 782	282 513	315 547	334 743	334 743	286 912	310 572	327 904
Executive and council	37 102	29 054	30 252	37 277	35 638	35 638	41 939	44 601	47 128
Finance and administration	189 223	244 498	243 702	266 211	289 763	289 763	235 082	255 553	269 804
Internal audit	10 100	11 230	8 559	12 058	9 342	9 342	9 892	10 418	10 972
Community and public safety	19 479	17 993	19 285	24 662	22 043	22 043	22 765	24 822	26 165
Community and social services	19 479	17 993	19 285	24 662	22 043	22 043	22 765	24 822	26 165
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	148 516	152 099	294 606	168 636	165 449	165 449	215 491	229 742	241 633
Planning and development	148 516	152 099	294 606	168 636	165 449	165 449	215 491	229 742	241 633
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	236 297	179 556	193 055	186 601	214 451	214 451	269 549	282 961	299 115
Energy sources	-	-	-	-	-	-	-	-	-
Water management	216 091	177 046	192 868	185 665	213 700	213 700	260 256	273 117	288 687
Waste water management	20 206	2 509	187	937	750	750	9 292	9 844	10 429
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	640 717	634 430	789 459	695 447	736 686	736 686	794 717	848 097	894 818
Surplus/(Deficit) for the year	219 708	213 210	134 745	240 121	220 192	220 192	198 095	215 282	219 947

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

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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue by Vote									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	396 921	449 162	489 676	509 775	518 848	518 848	549 507	581 086	607 813
Vote 04 - Summary Corporate Services	359	372	418	387	387	387	410	435	461
Vote 05 - Summary Social Services & Development Planning	11 636	32	42	17	17	17	18	19	20
Vote 06 - Summary Infrastructure Services	318 640	308 606	348 937	343 279	347 846	347 846	350 081	383 477	402 207
Vote 07 - Summary Water Services	132 868	89 467	85 131	82 110	89 780	89 780	92 795	98 363	104 264
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	860 424	847 640	924 204	935 568	956 878	956 878	992 811	1 063 379	1 114 765
Expenditure by Vote to be appropriated									
Vote 01 - Summary Council	20 155	18 112	15 581	21 342	19 059	19 059	20 567	22 007	23 240
Vote 02 - Summary Municipal Manager	27 048	22 172	23 229	27 993	27 642	27 642	31 264	33 013	34 860
Vote 03 - Summary Budget And Treasury Office	64 433	94 176	97 677	105 423	100 993	100 993	64 749	68 651	72 449
Vote 04 - Summary Corporate Services	80 035	90 554	93 168	106 417	116 898	116 898	110 299	120 276	126 929
Vote 05 - Summary Social Services & Development Planning	51 282	50 486	56 417	67 882	62 834	62 834	73 467	78 990	82 261
Vote 06 - Summary Infrastructure Services	125 480	122 016	257 942	125 796	123 524	123 524	165 408	176 224	186 223
Vote 07 - Summary Water Services	272 284	236 914	245 444	240 594	285 735	285 735	328 964	348 937	368 856
Vote 15 - Other	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	640 717	634 430	789 459	695 447	736 686	736 686	794 717	848 097	894 818
Surplus/(Deficit) for the year	219 708	213 210	134 745	240 121	220 192	220 192	198 095	215 282	219 947

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue										
Exchange Revenue										
Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
Service charges - Water	49 353	64 525	59 302	56 944	66 213	66 213	53 692	68 071	72 155	76 485
Service charges - Waste Water Management	12 207	13 149	13 256	14 252	12 995	12 995	10 639	13 518	14 329	15 189
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	417	741	178	663	746	746	137	791	839	889
Agency services										
Interest										
Interest earned from Receivables	11 221	14 117	16 536	16 655	15 146	15 146	12 335	16 055	17 018	18 039
Interest earned from Current and Non Current Assets	5 104	10 858	21 988	16 035	23 190	23 190	23 507	24 581	26 056	27 620
Operational Revenue	402	810	1 241	404	666	666	637	706	748	793
Non-Exchange Revenue										
Property rates	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes										
Fines, penalties and forfeits	2 453	-	478	-	1 572	1 572	786	1 643	-	-
Licences or permits										
Transfer and subsidies - Operational	453 939	452 460	477 532	512 493	512 493	512 493	514 058	573 989	606 254	633 881
Other Gains	688	3 755	1 374	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	617 445	633 022	633 022	615 790	699 353	737 399	772 895
Expenditure										
Employee related costs	238 376	245 707	256 039	265 764	265 764	265 764	211 519	279 996	294 700	310 177
Remuneration of councillors	7 239	6 988	6 932	8 606	7 665	7 665	6 329	8 059	8 482	8 928
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	-	-	-	36 543	38 311	38 311	(7)	39 635	41 698	43 338
Debt impairment	7 533	(1 202)	10 796	-	-	-	-	31 530	30 383	32 206
Depreciation and amortisation	81 505	93 063	236 930	101 010	101 010	101 010	16 835	107 044	113 467	120 275
Interest	307	113	2	15	15	15	-	14	15	16
Contracted services	172 985	134 263	122 694	149 165	168 344	168 344	130 784	171 585	190 860	201 491
Transfers and subsidies	15 100	15 290	-	-	-	-	-	23 000	23 000	23 000
Irrecoverable debts written off	7 614	34 790	29 995	31 908	39 931	39 931	8 420	42 327	44 866	47 558
Operational costs	63 458	69 121	91 283	102 239	115 707	115 707	97 082	91 537	100 635	106 995
Losses on disposal of Assets	1 940	2 875	1 190	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-	-
Total Expenditure	596 056	601 009	755 861	695 250	736 746	736 746	470 962	794 727	848 108	893 983
Surplus/(Deficit)	(60 272)	(40 595)	(163 976)	(77 805)	(103 724)	(103 724)	144 829	(95 374)	(110 708)	(121 088)
Transfers and subsidies - capital (monetary allocations)	311 860	283 338	332 319	318 124	323 856	323 856	141 270	293 458	325 980	341 871
Transfers and subsidies - capital (in-kind)	12 781	3 888	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	264 369	246 631	168 343	240 318	220 132	220 132	286 098	198 085	215 271	220 783
Income Tax										
Surplus/(Deficit) after income tax	264 369	246 631	168 343	240 318	220 132	220 132	286 098	198 085	215 271	220 783
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality	264 369	246 631	168 343	240 318	220 132	220 132	286 098	198 085	215 271	220 783
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	264 369	246 631	168 343	240 318	220 132	220 132	286 098	198 085	215 271	220 783

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

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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	1 364	1 445	1 532
Vote 03 - Summary Budget And Treasury Office	-	275	-	-	-	-	-	2 279	2 416	2 316
Vote 04 - Summary Corporate Services	8 310	7 727	4 385	9 480	14 822	14 822	7 783	3 374	3 577	3 791
Vote 05 - Summary Social Services & Development Planning	47	408	986	600	-	-	-	1 850	-	-
Vote 06 - Summary Infrastructure Services	30 970	47 306	78 007	122 732	111 689	111 689	76 053	99 656	145 895	246 457
Vote 07 - Summary Water Services	251 578	213 402	226 226	184 460	231 350	231 350	166 974	177 670	155 472	69 242
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	290 905	269 118	309 604	317 272	357 861	357 861	250 810	286 192	308 805	323 337
Single-year expenditure to be appropriated										
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	-	-	-	-	-	-	180	191	202
Vote 04 - Summary Corporate Services	-	-	-	-	1 700	1 700	18	5 136	5 445	5 771
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	-	-	-	-	-	-	-	2 000	-	-
Vote 07 - Summary Water Services	-	-	-	-	-	-	-	3 300	4 240	4 494
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	1 700	1 700	18	10 616	9 875	10 468
Total Capital Expenditure - Vote	290 905	269 118	309 604	317 272	359 561	359 561	250 827	296 809	318 681	333 805
Capital Expenditure - Functional										
Governance and administration	8 310	8 002	4 385	9 480	16 522	16 522	7 800	12 333	13 073	13 613
Executive and council	-	-	-	-	-	-	-	-	-	-
Finance and administration	8 310	8 002	4 385	9 480	16 522	16 522	7 800	10 970	11 628	12 080
Internal audit	-	-	-	-	-	-	-	1 364	1 445	1 532
Community and public safety	47	270	986	600	-	-	-	-	-	-
Community and social services	47	270	986	600	-	-	-	-	-	-
Economic and environmental services	21 376	41 851	60 631	120 895	105 773	105 773	72 543	95 741	141 993	236 592
Planning and development	21 376	41 851	60 631	120 895	105 773	105 773	72 543	95 741	141 993	236 592
Road transport	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	261 172	218 995	243 602	186 297	237 266	237 266	170 484	188 734	163 614	83 601
Energy sources	-	-	-	-	-	-	-	-	-	-
Water management	223 223	174 461	178 637	176 093	210 556	210 556	149 726	188 473	163 614	83 601
Waste water management	37 950	44 534	64 965	10 204	26 711	26 711	20 758	261	-	-
Waste management	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	290 905	269 118	309 604	317 272	359 561	359 561	250 827	296 809	318 681	333 805
Funded by:										
National Government	232 612	247 421	298 048	276 629	274 647	274 647	216 265	259 997	288 566	302 691
Provincial Government	41 236	3 888	-	-	6 967	6 967	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	273 848	251 309	298 048	276 629	281 614	281 614	216 265	259 997	288 566	302 691
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	17 056	17 809	11 555	40 643	77 947	77 947	34 562	36 811	30 115	31 115
Total Capital Funding	290 905	269 118	309 604	317 272	359 561	359 561	250 827	296 809	318 681	333 805

MBRR Table A6 - Budgeted Financial Position

DC43 Harry Gwala - Table A6 Budgeted Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents	50 226	124 641	209 430	124 710	109 566	109 566	370 564	144 781	160 390	200 802
Trade and other receivables from exchange transactions	27 668	32 136	12 036	29 605	20 680	20 680	20 909	23 719	21 744	19 650
Receivables from non-exchange transactions	2 336	2 318	2 312	2 311	2 312	2 312	2 312	2 312	2 312	2 312
Current portion of non-current receivables	-	-	-	-	-	-	-	-	-	-
Inventory	513	716	858	858	858	858	866	858	858	858
VAT	32 158	34 586	19 164	36 188	18 867	18 867	35 101	19 165	19 165	19 165
Other current assets	62	(5)	(229)	2	(229)	(229)	(216)	(229)	(229)	(229)
Total current assets	112 963	194 402	243 572	193 675	152 054	152 054	429 536	190 605	204 239	242 558
Non current assets										
Investments										
Investment property	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	2 759 364	2 926 773	2 996 864	3 439 263	3 254 513	3 254 513	3 230 877	3 438 072	3 642 823	3 861 084
Biological assets										
Living and non-living resources										
Heritage assets										
Intangible assets	384	515	313	1 223	2 113	2 113	278	2 327	2 630	2 911
Trade and other receivables from exchange transactions										
Non-current receivables from non-exchange transactions										
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total non current assets	2 759 748	2 927 288	2 997 178	3 440 486	3 256 627	3 256 627	3 231 155	3 440 399	3 645 453	3 863 995
TOTAL ASSETS	2 872 711	3 121 690	3 240 750	3 634 161	3 408 681	3 408 681	3 660 690	3 631 004	3 849 692	4 106 554
LIABILITIES										
Current liabilities										
Bank overdraft										
Financial liabilities	12 794	12 806	12 806	8 006	10 406	10 406	12 806	8 006	5 606	3 206
Consumer deposits	2 175	2 415	3 179	3 522	3 748	3 748	3 417	3 748	3 748	3 748
Trade and other payables from exchange transactions	77 578	91 868	86 935	84 509	81 444	81 444	74 654	84 323	86 323	87 623
Trade and other payables from non-exchange transactions	(0)	21 177	10 500	-	-	-	175 557	-	-	-
Provision	15 194	16 171	16 385	17 142	16 385	16 385	16 385	16 385	16 385	16 385
VAT	6 600	7 535	5 282	7 402	5 282	5 282	12 451	5 282	5 282	5 282
Other current liabilities										
Total current liabilities	114 341	151 972	135 087	120 580	117 266	117 266	295 271	117 744	117 344	116 244
Non current liabilities										
Financial liabilities	1 299	(0)	(0)	-	-	-	(0)	-	-	-
Provision	27 246	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
Long term portion of trade payables	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities										
Total non current liabilities	28 545	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
TOTAL LIABILITIES	142 886	179 707	165 623	149 979	147 802	147 802	325 807	148 280	147 880	146 780
NET ASSETS	2 729 825	2 941 983	3 075 127	3 484 182	3 260 879	3 260 879	3 334 884	3 482 724	3 701 811	3 959 773
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	2 774 486	2 975 404	3 108 725	3 487 234	3 259 546	3 259 546	3 361 208	3 482 714	3 701 801	3 960 609
Reserves and funds	-	-	-	-	-	-	-	-	-	-
Other										
TOTAL COMMUNITY WEALTH/EQUITY	2 774 486	2 975 404	3 108 725	3 487 234	3 259 546	3 259 546	3 361 208	3 482 714	3 701 801	3 960 609

MBRR Table A7 - Budgeted Cash Flow Statement

DC43 Harry Gwala - Table A7 Budgeted Cash Flows

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	-	18	6	-	-	-	-	-	-	-
Service charges	70 345	51 062	62 324	62 194	69 750	69 750	58 288	71 563	78 372	83 074
Other revenue	608 032	1 823 061	1 805 797	68 324	67 270	67 270	1 168 803	50 164	50 956	46 253
Transfers and Subsidies - Operational	8 071	128 367	473 045	512 493	512 493	512 493	499 995	573 989	606 254	633 881
Transfers and Subsidies - Capital	369 601	316 011	326 130	318 124	323 856	323 856	320 389	293 458	325 980	341 871
Interest	4 547	10 858	21 988	17 435	23 972	23 972	23 507	24 581	26 056	27 620
Dividends										
Payments										
Suppliers and employees	(885 094)	(826 768)	(888 412)	(633 686)	(701 323)	(701 323)	(765 658)	(649 849)	(698 765)	(701 619)
Interest	-	-	-	(142)	(15)	(15)	-	(54)	(57)	(16)
Transfers and Subsidies	(135)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	175 367	1 502 609	1 800 878	344 742	296 005	296 005	1 305 324	363 853	388 795	431 064
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-	-	-
Decrease (increase) in non-current receivables								-	-	-
Decrease (increase) in non-current investments								-	-	-
Payments										
Capital assets	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(229 494)	(346 012)	(371 355)	(388 819)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(229 494)	(346 012)	(371 355)	(388 819)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing								-	-	-
Increase (decrease) in consumer deposits	-	-	(355)	(569)	(569)	(569)	-	569	569	569
Payments										
Repayment of borrowing	-	-	-	(2 400)	(2 400)	(2 400)	-	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	(355)	(2 969)	(2 969)	(2 969)	-	(1 831)	(1 831)	(1 831)
NET INCREASE/ (DECREASE) IN CASH HELD	(115 538)	1 233 491	1 490 920	19 461	(68 038)	(68 038)	1 075 830	16 010	15 610	40 414
Cash/cash equivalents at the year begin:	51 862	50 226	124 641	136 856	196 616	196 616	-	128 784	144 795	160 405
Cash/cash equivalents at the year end:	(63 676)	1 283 718	1 615 561	156 316	128 578	128 578	1 075 830	144 795	160 405	200 818

MBRR Table A8 – Cash Backed reserves

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	(63 676)	1 283 718	1 615 561	156 316	128 578	128 578	1 075 830	144 795	160 405	200 818
Other current investments > 90 days	113 902	(1 159 077)	(1 406 130)	(31 606)	(19 011)	(19 011)	(705 266)	(14)	(15)	(16)
Non current Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	50 226	124 641	209 430	124 710	109 566	109 566	370 564	144 781	160 390	200 802
Application of cash and investments										
Unspent conditional transfers	(0)	21 177	10 500	-	-	-	175 557	-	-	-
Unspent borrowing										
Statutory requirements	(25 557)	(27 061)	(13 883)	(28 787)	(13 585)	(13 585)	(22 650)	(13 883)	(13 883)	(13 883)
Other working capital requirements	(179 724)	(683 560)	(235 816)	28 430	47 707	47 707	(315 641)	46 925	50 998	57 198
Other provisions	15 194	16 171	16 385	17 142	16 385	16 385	16 385	16 385	16 385	16 385
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	(190 088)	(673 273)	(222 813)	16 785	50 508	50 508	(146 348)	49 428	53 501	59 701
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	107 925	59 058	59 058	516 912	95 353	106 889	141 102
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	107 925	59 058	59 058	516 912	95 353	106 889	141 102

MBRR Table A9 - Asset Management

DC43 Harry Gwala - Table A9 Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	246 557	257 265	289 670	294 397	323 671	323 671	255 283	222 211	158 037
<i>Roads Infrastructure</i>	1 242	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	196 052	203 327	219 163	266 019	276 040	276 040	239 910	212 448	148 495
<i>Sanitation Infrastructure</i>	37 950	44 534	64 965	12 204	28 988	28 988	261	-	-
Infrastructure	235 244	247 862	284 128	278 223	305 028	305 028	240 171	212 448	148 495
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 138	-	-	4 000	2 430	2 430	2 551	-	-
Housing	-	-	-	2 000	1 200	1 200	2 000	-	-
Other Assets	1 138	-	-	6 000	3 630	3 630	4 551	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	270	-	546	1 150	1 150	455	482	511
Intangible Assets	-	270	-	546	1 150	1 150	455	482	511
Computer Equipment	1 412	410	943	2 000	1 400	1 400	2 859	3 031	3 212
Furniture and Office Equipment	1 387	1 293	2 306	4 505	7 363	7 363	4 887	4 809	4 291
Machinery and Equipment	7 376	7 430	1 306	2 523	5 100	5 100	2 360	1 442	1 528
Transport Assets	-	-	986	600	-	-	-	-	-
Total Renewal of Existing Assets	42 411	6 259	4 802	22 007	26 006	26 006	21 973	26 587	74 032
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	9 560	-	2 245	970	10 883	10 883	7 764	3 902	9 865
<i>Sanitation Infrastructure</i>	28 455	-	-	16 075	9 085	9 085	1 739	8 696	1 774
Infrastructure	38 015	-	2 245	17 045	19 968	19 968	9 503	12 598	11 639
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	3 874	7 210	55 208
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	3 874	7 210	55 208
Transport Assets	4 396	6 259	2 557	4 883	6 039	6 039	8 595	6 779	7 186
Total Upgrading of Existing Assets	1 936	5 594	15 131	868	9 883	9 883	19 553	69 882	101 736
<i>Water Supply Infrastructure</i>	1 936	5 594	15 131	868	9 883	9 883	17 379	51 028	57 091
Infrastructure	1 936	5 594	15 131	868	9 883	9 883	19 553	69 882	101 736
Total Capital Expenditure	290 905	269 118	309 604	317 272	359 561	359 561	296 809	318 681	333 805
<i>Roads Infrastructure</i>	1 242	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	207 548	208 921	236 539	267 856	296 806	296 806	265 054	267 379	215 451
<i>Sanitation Infrastructure</i>	66 405	44 534	64 965	28 279	38 073	38 073	4 174	27 550	46 419
Infrastructure	275 195	253 455	301 504	296 135	334 879	334 879	269 227	294 928	261 870
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 138	-	-	4 000	2 430	2 430	6 425	7 210	55 208
Housing	-	-	-	2 000	1 200	1 200	2 000	-	-
Other Assets	1 138	-	-	6 000	3 630	3 630	8 425	7 210	55 208
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	270	-	546	1 150	1 150	455	482	511
Intangible Assets	-	270	-	546	1 150	1 150	455	482	511
Computer Equipment	1 412	410	943	2 000	1 400	1 400	2 859	3 031	3 212
Furniture and Office Equipment	1 387	1 293	2 306	4 505	7 363	7 363	4 887	4 809	4 291
Machinery and Equipment	7 376	7 430	1 306	2 603	5 100	5 100	2 360	1 442	1 528
Transport Assets	4 396	6 259	3 543	5 483	6 039	6 039	8 595	6 779	7 186
TOTAL CAPITAL EXPENDITURE - Asset class	290 905	269 118	309 604	317 272	359 561	359 561	296 809	318 681	333 805

DC43 Harry Gwala - Table A9 Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	1 949 818	2 209 283	2 357 654	2 722 481	2 617 103	2 617 103	2 800 875	3 005 929	3 224 471
<i>Roads Infrastructure</i>	193	188	184	184	184	184	180	175	169
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>	9 250	7 586	5 806	4 213	4 083	4 083	2 257	322	322
<i>Water Supply Infrastructure</i>	1 672 212	1 946 095	2 093 781	2 383 255	2 324 904	2 324 904	2 504 815	2 688 884	2 815 284
<i>Sanitation Infrastructure</i>	197 959	190 739	195 156	260 508	216 591	216 591	209 401	228 464	265 886
<i>Information and Communication Infrastructure</i>	101	296	224	222	185	185	693	182	690
Infrastructure	1 879 714	2 144 905	2 295 152	2 648 382	2 545 947	2 545 947	2 717 346	2 918 027	3 082 353
Community Assets	2 998	1 759	1 520	1 428	1 383	1 383	1 380	5 540	57 515
Heritage Assets									
Other Assets	37 577	36 372	35 178	39 184	37 532	37 532	44 431	43 859	45 373
Biological or Cultivated Assets									
Intangible Assets	384	515	313	1 223	2 113	2 113	2 327	2 630	2 911
Computer Equipment	6 322	4 392	3 660	1 985	2 321	2 321	4 811	6 270	7 818
Furniture and Office Equipment	1 603	1 739	3 342	8 737	10 120	10 120	14 590	18 594	22 031
Machinery and Equipment	2 238	1 772	2 449	11 811	6 953	6 953	8 685	10 370	12 156
Transport Assets	18 981	17 831	16 039	9 730	10 734	10 734	7 306	640	(5 684)
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 949 818	2 209 283	2 357 654	2 722 481	2 617 103	2 617 103	2 800 875	3 005 929	3 224 471
EXPENDITURE OTHER ITEMS	126 793	145 531	280 712	148 806	169 445	169 445	152 231	165 688	175 680
<u>Depreciation</u>	81 505	93 063	236 930	101 010	101 010	101 010	107 044	113 467	120 275
<u>Repairs and Maintenance by Asset Class</u>	45 289	52 468	43 781	47 797	68 435	68 435	45 187	52 222	55 406
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	28 248	45 120	39 357	41 300	63 641	63 641	40 241	46 944	49 811
Infrastructure	28 248	45 120	39 357	41 300	63 641	63 641	40 241	46 944	49 811
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	78	63	87	77	117	117	273	289	306
Community Assets	78	63	87	77	117	117	273	289	306
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 548	4 008	4 272	6 000	3 943	3 943	4 264	4 520	4 791
Housing	-	-	-	-	-	-	-	-	-
Other Assets	1 548	4 008	4 272	6 000	3 943	3 943	4 264	4 520	4 791
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	9	17	16	70	82	82	77	81	86
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	15 329	3 055	-	-	-	-	-	-	-
Transport Assets	78	204	49	350	653	653	332	387	411
TOTAL EXPENDITURE OTHER ITEMS	126 793	145 531	280 712	148 806	169 445	169 445	152 231	165 688	175 680
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	15,2%	4,4%	6,4%	7,2%	10,0%	10,0%	14,0%	30,3%	52,7%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	54,4%	12,7%	8,4%	22,6%	35,5%	35,5%	38,8%	85,0%	146,1%
<i>R&M as a % of PPE & Investment Property</i>	2,3%	2,4%	1,9%	1,8%	2,6%	2,6%	1,6%	1,7%	1,7%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	4,6%	2,9%	2,7%	2,6%	4,0%	4,0%	3,1%	5,0%	7,2%

MBRR Table A10 – Basic Service Delivery Measurement

DC43 Harry Gwala - Table A10 Basic service delivery measurement

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

Part 2 – Supporting Documentation

1.9 OVERVIEW OF THE ANNUAL BUDGET PROCESS

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

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

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

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

Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2024) a time schedule that sets out the process to revise the IDP and prepare the budget.

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

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

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

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

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

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

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

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

Financial Modeling and Key Planning Drivers

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

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

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

Community Consultation

The final 2025/26 MTREF as tabled before Council on 28 May 2025 for community consultation was published on the municipality's website, and hard copies were made available at satellite offices, municipal notice boards and various libraries. In addition, E-mail notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business. The opportunity to give electronic feedback was also communicated on the Harry Gwala district municipality's website, and the district call centre was engaged in collecting inputs via e-mail, fax and SMS.

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

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

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

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

1.10 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

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

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

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

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

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

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

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

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

Table 26 IDP Strategic Objectives

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

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

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

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

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

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

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

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

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

Integrated Social Services for empowered and sustainable communities.

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

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

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

Promote sound governance through:

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

Ensure financial sustainability through:

- b) Reviewing the use of contracted services
- c) Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

- d) Optimal institutional transformation to ensure capacity to achieve set objectives
- e) Review of the organizational structure to optimize the use of personnel;

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

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

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

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

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

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

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

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

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

Strategic Objective	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
GOOD GOVERNANCE	-	-	-	-	-	-	-	-	-
FINANCIAL VIABILITY AND MANAGEMENT	396 921	449 162	489 676	509 775	518 848	518 848	549 507	581 086	607 813
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	11 603	-	-	21 530	21 530	21 530	24 462	24 527	24 566
BASIC SERVICE DELIVERY	126 868	110 848	101 749	107 266	113 770	113 770	149 418	155 860	164 601
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	359	372	418	387	387	387	410	435	461
CROSS-CUTTING	33	32	42	17	17	17	18	19	20
Allocations to other priorities									
Total Revenue (excluding capital transfers and contributions)	535 784	560 414	591 885	638 975	654 552	654 552	723 815	761 927	797 460

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

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

Strategic Objective	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
GOOD GOVERNANCE	50 163	43 975	43 449	52 741	48 245	48 245	55 264	58 633	61 904
FINANCIAL VIABILITY AND MANAGEMENT	64 433	94 176	97 677	105 423	100 993	100 993	64 749	68 651	72 449
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	24 991	24 533	27 946	55 035	54 434	54 434	65 514	68 756	72 982
BASIC SERVICE DELIVERY	397 765	358 930	503 386	366 389	410 981	410 981	494 371	525 161	555 079
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	80 035	90 554	93 168	106 417	116 898	116 898	110 299	120 276	126 929
CROSS-CUTTING	23 331	22 263	23 833	29 932	26 665	26 665	28 977	32 178	33 921
Allocations to other priorities									
Total Expenditure	640 717	634 430	789 459	715 937	758 216	758 216	819 174	873 656	923 265

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

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

Strategic Objective	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
GOOD GOVERNANCE	-	-	-	-	-	-	1 364	1 445	1 532
FINANCIAL VIABILITY AND MANAGEMENT	-	275	-	-	-	-	2 459	2 607	2 518
LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT	-	138	-	5 040	1 513	1 513	7 101	5 487	5 624
BASIC SERVICE DELIVERY	282 548	260 708	304 233	307 192	343 039	343 039	282 625	305 607	320 193
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	8 310	7 727	4 385	9 480	16 522	16 522	8 511	9 021	9 562
CROSS-CUTTING	47	270	986	600	-	-	-	-	-
Allocations to other priorities									
Total Capital Expenditure	290 905	269 118	309 604	322 312	361 074	361 074	302 060	324 168	339 430

1.11 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

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

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

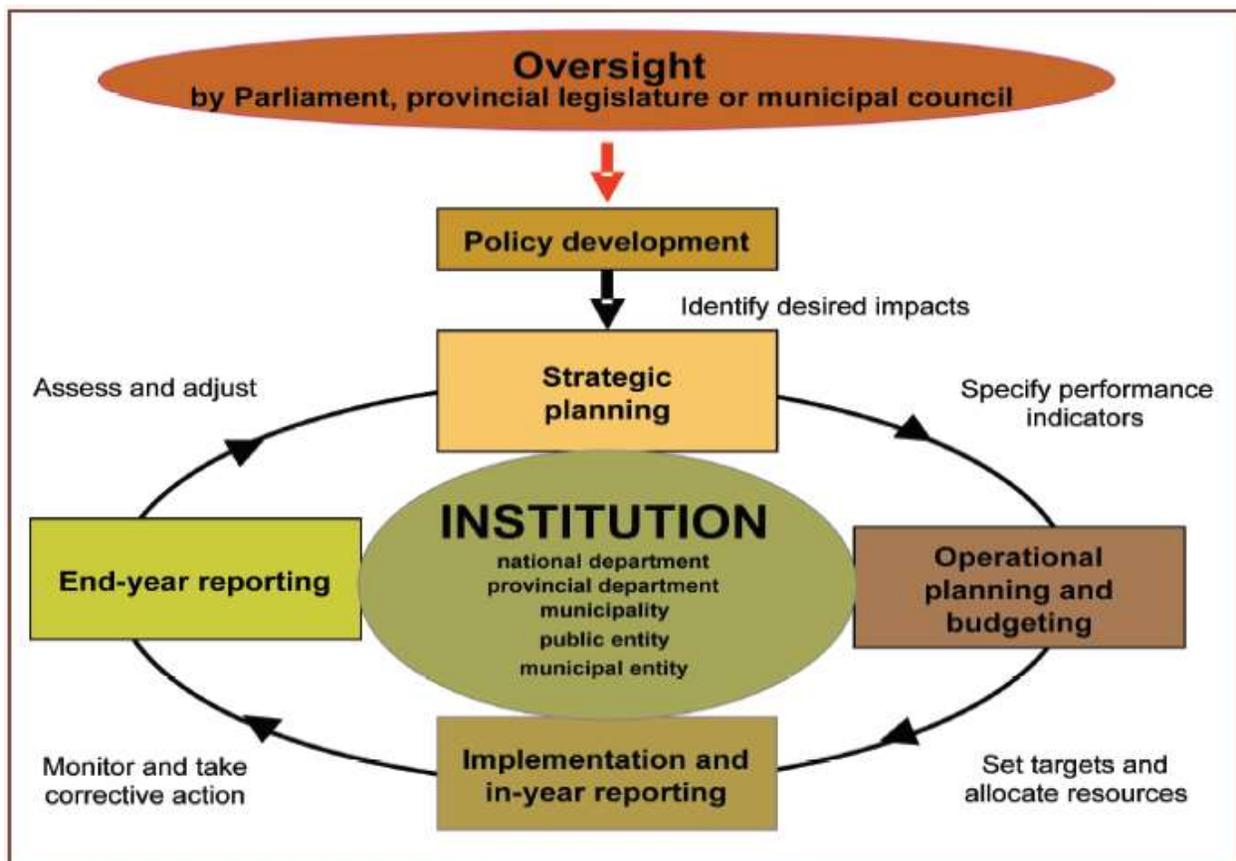


Figure 4 Planning, budgeting and reporting cycle

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

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

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

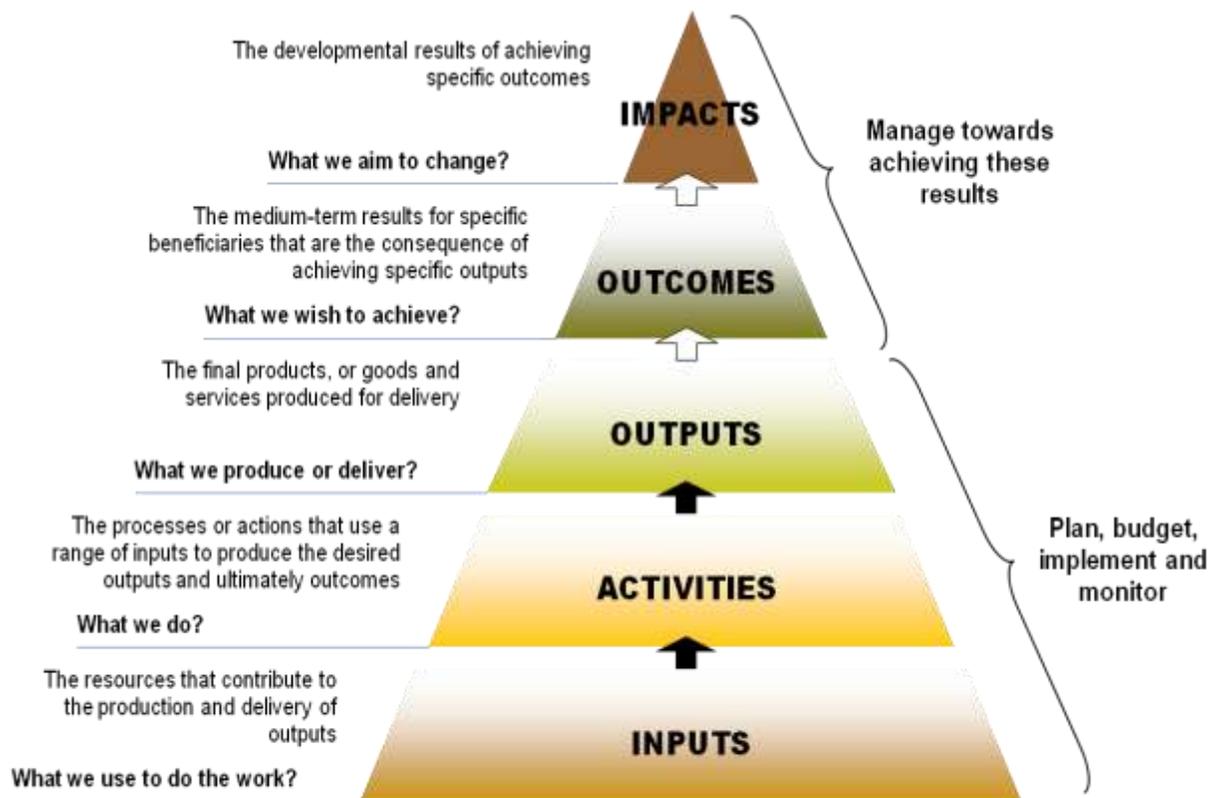


Figure 5 Definition of performance information concepts

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

Table 30 MBRR Table SA7- Measurable Performance Objectives

DC43 Harry Gwala - Supporting Table SA7 Measureable performance objectives

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

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

Table 31 MBRR Table SA8- Performance indicators and benchmarks

DC43 Harry Gwala - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing Management											
Credit Rating					0	0,6%	0,6%	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,1%	0,0%	0,0%	0,4%	0,3%	0,3%	0,0%	0,3%	0,3%	0,3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,1%	0,0%	0,0%	0,4%	0,4%	0,4%	0,0%	0,3%	0,3%	0,3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital											
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%
Liquidity											
Current Ratio	Current assets/current liabilities	1,0	1,3	1,8	1,7	1,5	1,5	1,5	1,8	1,9	2,2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,0	1,3	1,8	1,7	1,5	1,5	1,5	1,8	1,9	2,2
Liquidity Ratio	Monetary Assets/Current Liabilities	0,7	1,0	1,6	1,4	1,4	1,4	1,3	1,6	1,7	2,0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0,0%	113,5%	65,1%	85,7%	86,6%	87,2%	87,2%	90,4%	86,9%	89,7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		113,5%	65,1%	85,7%	86,6%	87,2%	87,2%	90,4%	86,9%	89,7%	89,7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6,5%	6,7%	3,8%	6,2%	3,4%	3,4%	6,2%	3,1%	2,9%	2,8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		-121,8%	7,2%	5,4%	56,8%	58,5%	58,5%	6,9%	49,7%	47,3%	40,1%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Water Volumes :System input	Bulk Purchase	24 010	200000000,0%	0,0%	2093538700,0%	2093538700,0%	2093538700,0%	0,0%	2191935000,0%	2191935000,0%	2191935000,0%
	Water treatment works	4 792	682903800,0%	0,0%	681200000,0%	681200000,0%	681200000,0%	0,0%	713216400,0%	713216400,0%	713216400,0%
	Natural sources	-	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Total Volume Losses (kℓ)	2 995	-	-	2 996	2 996	2 996	-	2 995	2 995	2 995
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	0	0	0	6561224	6561224	6561224	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	0,0%	0,0%	5100,0%	5100,0%	5100,0%	0,0%	0,0%	0,0%	0,0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	44,5%	43,8%	43,3%	42,8%	41,9%	41,9%	34,3%	40,3%	40,3%	40,5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	45,7%	44,8%	44,2%	44,0%	42,9%	42,9%	48,5%	41,3%	41,2%	41,4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8,5%	9,4%	7,4%	7,5%	10,5%	10,5%	7,3%	6,2%	6,9%	7,0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15,3%	16,6%	40,0%	16,0%	15,7%	15,7%	2,7%	14,9%	15,0%	15,3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	49,3	25,5	28,9	23,7	24,3	27,8	21,6	24,1	24,1	25,2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	56,5%	48,0%	30,7%	54,8%	27,6%	27,6%	59,4%	27,1%	25,6%	24,1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(1,8)	31,1	37,3	3,5	4,4	3,0	20,8	3,2	-	-

PERFORMANCE INDICATORS AND BENCHMARKS

Borrowing Management

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

No projects are funded from Borrowing in the MTREF

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

Liquidity (reference SA8)

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the district has set a limit of 1.5, hence at no point in time should this ratio be less than 1. For the 2025/26 MTREF the current ratio is 1.8 and 1.9, 2.2 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2025/26 financial year the ratio was 1.6 and it has been sitting to 1.7 in the 2026/27 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the district. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

Revenue Management

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

Creditors Management

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

Other Indicators

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

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

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

Free Basic Services: basic social services package for indigent households

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

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

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

Providing clean water and managing wastewater

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

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

The following is briefly the main challenges facing the district:

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

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

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

1.12 OVERVIEW OF BUDGET RELATED-POLICIES

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

Review of credit control and debt collection procedures/policies

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

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

Asset Management, Infrastructure Investment and Funding Policy

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

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

Budget Adjustment Policy

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

Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in May 2024 after taking into consideration the amendments of PPPFA. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

Budget and Virement Policy

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

Cash Management and Investment Policy

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

Tariff Policies

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

Financial Modelling and Scenario Planning Policy

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

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

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

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

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

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

1.13 OVERVIEW OF BUDGET ASSUMPTIONS

External factors

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

General inflation outlook and its impact on the municipal activities

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

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

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

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

Growth or decline in tax base of the municipality.

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

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

Salary increases.

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

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

Impact of national, provincial and local policies

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

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

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

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

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

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

1.14 OVERVIEW OF BUDGET FUNDING

Medium-term outlook: operating revenue

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

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

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

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
Revenue								
Exchange Revenue								
Service charges - Electricity	-	-	-		-		-	
Service charges - Water	66 213	10%	68 071	9%	72 155	9%	76 485	10%
Service charges - Waste Water Management	12 995	2%	13 518	2%	14 329	2%	15 189	2%
Sale of Goods and Rendering of Services	746	0%	791	0%	839	0%	889	0%
Interest earned from Receivables	15 146	2%	16 055	2%	17 018	2%	18 039	2%
Interest earned from Current and Non Current Assets	24 590	4%	26 043	4%	27 584	4%	29 185	4%
Operational Revenue	666	0%	706	0%	748	0%	793	0%
Non-Exchange Revenue								
Fines, penalties and forfeits	1 572	0%	1 643	0%	-	0%	-	0%
Licences or permits								
Transfer and subsidies - Operational	532 623	81%	596 989	82%	629 254	83%	656 881	82%
Total Revenue (excluding capital transfers and contributions)	654 552	100%	723 815	100%	761 927	100%	797 460	100%

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

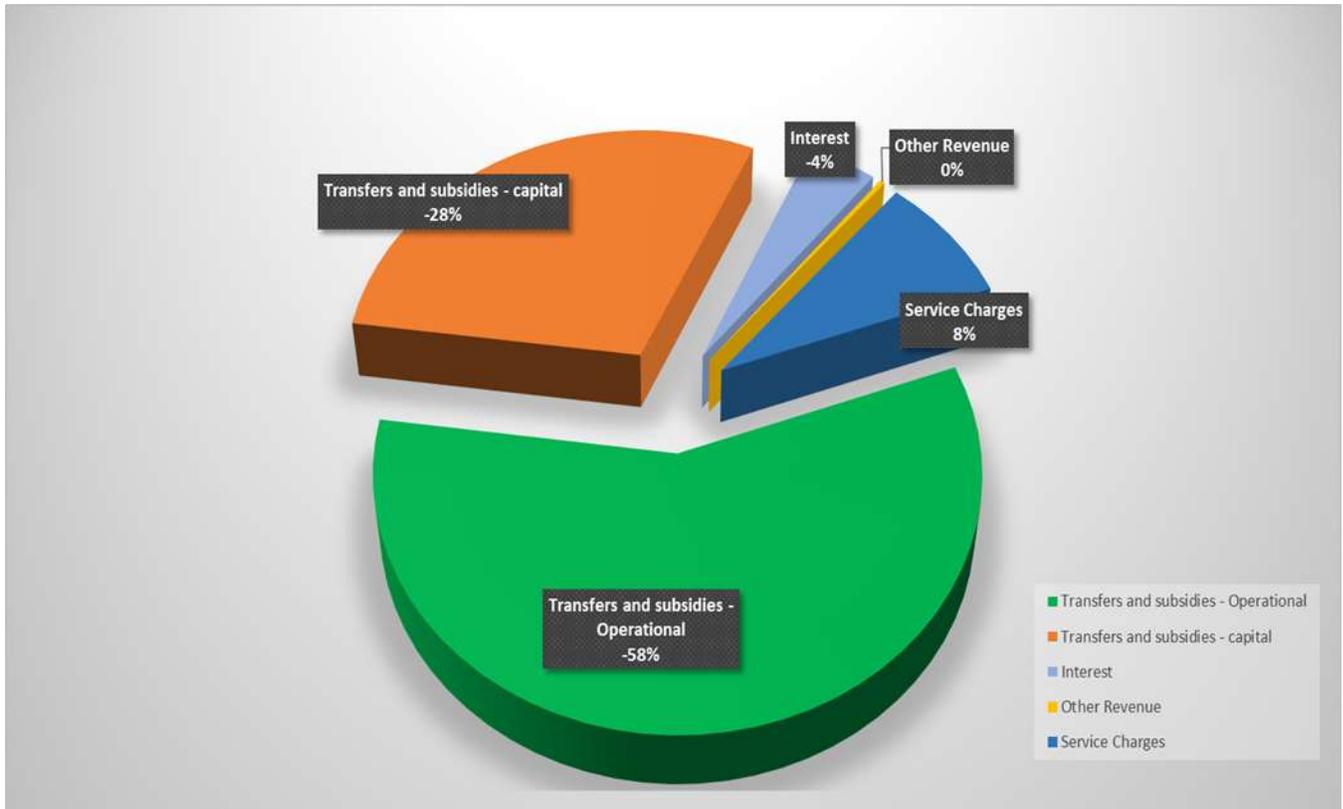


Figure 6 Breakdown of operating revenue over the 2025/26 MTREF

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

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

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

7. Determining tariff escalation rate by establishing/calculating revenue requirements;
8. And the ability to extend new services and obtain cost recovery levels.

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

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

Table 31 Proposed tariff increases over the medium-term

Operational grants and subsidies amount to R596, 9million, R629, 2million and R656, 8million for each of the respective financial years of the MTREF, or 12%, 5% and 4 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges. The actual operational grants and subsidies amount to R 573, 9million for the 2025/2026 financial year, R606, 2m in 2026/27 and R633, 8m in 2027/28 however due to transfers and subsidies paid over to Harry Gwala Development Agency the amount of R23 million and R46m for the outer years as per the attached SA18.

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

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

Table 32 MBRR SA15 – Detail Investment Information

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

DC43 Harry Gwala - Supporting Table SA15 Investment particulars by type

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

Table 33 MBRR SA16 – Investment particulars by maturity

DC43 Harry Gwala - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate
	Yrs/Months				
Parent municipality					
First National Bank-Salaries	12	Call account	No	Fixed	9,25
First National Bank-Mig	12	Call account	No	Fixed	9,25
First National Bank-Admin Call	12	ADMIN CALLt	No	Fixed	9,25
First National Bank-Epwp	12	Call account	No	Fixed	9,25
First National Bank-Cogta Water Interven	12	Call account	No	Fixed	9,25
First National Bank-Fmg	12	FIXED DEPOSIT	No	Fixed	9,25
Fnb New 76204521754	12	FIXED DEPOSIT	No	Fixed	9,25
First National Bank-Rbig	12	CALL ACCOUNT	No	Fixed	9,25
First National Bank-Mw-	12	CALL ACCOUNT	No	Fixed	9,25
Nedbank -37,881,166,592	12	FIXED ACCOUNT	No	Fixed	9,25
Nedbank	12	Fixed	No	Fixed	9,25
Fnb 76205904082	12	FIXED ACCOUNT	No	Fixed	9,25
Fnb 76206443237	12	FIXED ACCOUNT	No	Fixed	9,25
Fnb 76206443310	12	FIXED ACCOUNT	No	Fixed	9,25
Fnb 76206443162	12	FIXED ACCOUNT	No	Fixed	9,25
Fnb 76206443196	12	FIXED ACCOUNT	No	Fixed	9,25
Fnb 76206443112	12	FIXED ACCOUNT	No	Fixed	9,25
Fnb 76207829907	12	CALL ACCOUNT	No	Fixed	9,25
Fnb 76207829858	12	CALL ACCOUNT	No	Fixed	9,25
Standard Bank - 268610053-001	12	FIXED	No	Fixed	9,25
Fnb 76207829882	12	CALL ACCOUNT	No	Fixed	9,25
Municipality sub-total					
TOTAL INVESTMENTS AND INTEREST					

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

Medium-term outlook: capital revenue

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

Table 34 Sources of capital revenue over the MTREF

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

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funded by:										
National Government	232 612	247 421	298 048	276 629	274 647	274 647	216 265	259 997	288 566	302 691
Provincial Government	41 236	3 888	-	-	6 967	6 967	-	-	-	-
District Municipality	-	-	-	315	250	250	-	150	157	161
Transfers recognised - capital	273 848	251 309	298 048	276 944	281 864	281 864	216 265	260 147	288 723	302 851
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	17 056	17 809	11 555	45 368	79 210	79 210	34 562	41 912	35 445	36 578
Total Capital Funding	290 905	269 118	309 604	322 312	361 074	361 074	250 827	302 060	324 168	339 430

Capital grants and receipts equates to 85 per cent of the total funding source which represents R260, 1 million for the 2025/26 financial year and no improvement still sitting to 88 per cent which represents R288, 7million and increase to R302, 8million for 2026/27.

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

Table 35 MBRR Table SA 17 - Detail of borrowings

DC43 Harry Gwala - Supporting Table SA17 Borrowing

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

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

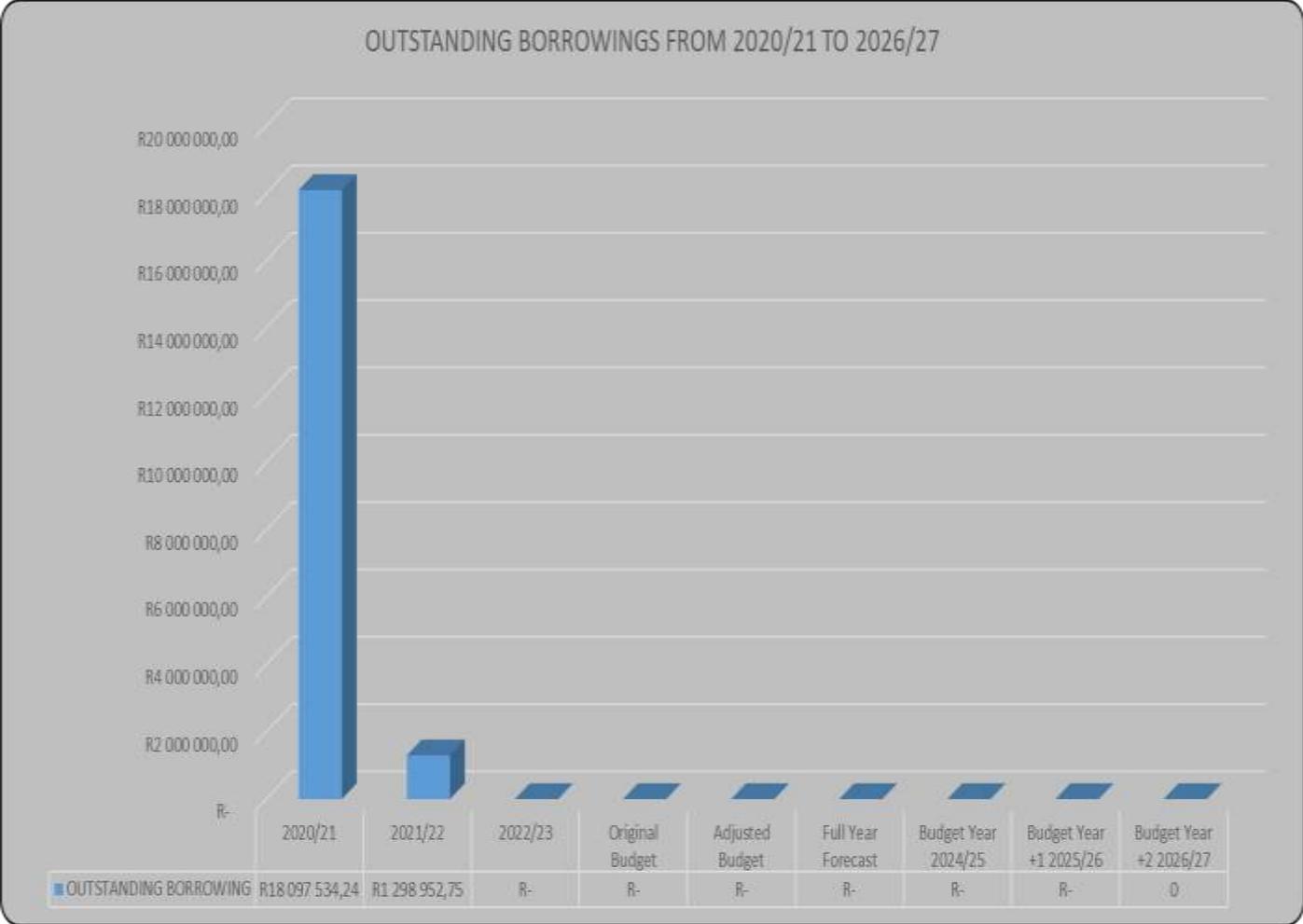


Figure 7 Growth in outstanding borrowing (long-term liabilities)

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

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

DC43 Harry Gwala - Supporting Table SA18 Transfers and grant receipts

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:									
Operating Transfers and Grants									
National Government:	453 804	452 460	477 532	512 493	512 493	512 493	573 989	606 254	633 881
Local Government Equitable Share	387 013	432 161	463 631	491 837	491 837	491 837	520 871	552 451	577 444
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant	4 596	5 221	5 823	4 460	4 460	4 460	3 660	-	-
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 200	1 200	1 200	1 200	1 200	1 300	1 400	1 500
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	28 958	9 479	4 487	12 498	12 498	12 498	45 548	49 673	52 085
Rural Road Asset Management Systems Grant	2 275	2 381	2 391	2 498	2 498	2 498	2 610	2 730	2 852
Water Services Infrastructure Grant	29 762	2 018	-	-	-	-	-	-	-
Provincial Government:	135	-	-	130	130	130	-	-	-
Capacity Building and Other Grants	135	-	-	130	130	130	-	-	-
District Municipality:	-	-	-	20 000	20 000	20 000	23 000	23 000	23 000
<i>Specify (Add grant description)</i>	-	-	-	20 000	20 000	20 000	23 000	23 000	23 000
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>Chemical Industry Seta</i>	-	-	-	-	-	-	-	-	-
<i>Parent Municipality</i>	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	453 939	452 460	477 532	532 623	532 623	532 623	596 989	629 254	656 881
Capital Transfers and Grants									
National Government:	277 860	283 338	332 319	318 124	315 844	315 844	293 458	325 980	341 871
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	191 922	200 355	242 319	218 124	215 844	215 844	193 458	210 980	221 121
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	85 938	82 982	90 000	100 000	100 000	100 000	100 000	115 000	120 750
Provincial Government:	46 781	3 888	-	-	8 013	8 013	-	-	-
Infrastructure Grant	46 781	3 888	-	-	8 013	8 013	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
<i>Specify (Add grant description)</i>	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>Human Settlement Re-development Programme</i>	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	324 641	287 226	332 319	318 124	323 856	323 856	293 458	325 980	341 871
TOTAL RECEIPTS OF TRANSFERS & GRANTS	778 580	739 685	809 852	850 747	856 480	856 480	890 447	955 234	998 752

Cash Flow Management

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

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

Table 37 MBRR Table A7 - Budget cash flow statement

DC43 Harry Gwala - Table A7 Consolidated Budgeted Cash Flows

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	-	18	6	-	-	-	-	-	-	-
Service charges	70 345	51 062	62 324	62 194	69 750	69 750	58 288	71 563	78 372	83 074
Other revenue	608 032	1 823 061	1 805 797	68 324	67 270	67 270	1 168 803	70 300	71 098	66 402
Transfers and Subsidies - Operational	8 071	128 367	473 045	512 493	512 493	512 493	499 995	573 989	606 254	633 881
Transfers and Subsidies - Capital	369 601	316 011	326 130	318 124	323 856	323 856	320 389	293 458	325 980	341 871
Interest	4 547	10 858	21 988	18 053	24 590	24 590	23 507	26 046	27 586	29 242
Dividends								-	-	-
Payments										
Suppliers and employees	(885 094)	(826 768)	(888 412)	(652 698)	(720 334)	(720 334)	(765 658)	(677 355)	(722 762)	(727 055)
Interest	-	-	-	(142)	(15)	(15)	-	(54)	(57)	(16)
Transfers and Subsidies	(135)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	175 367	1 502 609	1 800 878	326 348	277 611	277 611	1 305 324	357 947	386 471	427 399
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments								-	-	-
Payments										
Capital assets	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(229 494)	(346 012)	(371 355)	(388 819)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(290 905)	(269 118)	(309 604)	(322 312)	(361 074)	(361 074)	(229 494)	(346 012)	(371 355)	(388 819)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-	-	-
Borrowing long term/refinancing								-	-	-
Increase (decrease) in consumer deposits	-	-	(355)	(569)	(569)	(569)	-	569	569	569
Payments										
Repayment of borrowing	-	-	-	(2 400)	(2 400)	(2 400)	-	(2 400)	(2 400)	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	(355)	(2 969)	(2 969)	(2 969)	-	(1 831)	(1 831)	(1 831)
NET INCREASE/ (DECREASE) IN CASH HELD	(115 538)	1 233 491	1 490 920	1 067	(86 432)	(86 432)	1 075 830	10 105	13 286	36 749
Cash/cash equivalents at the year begin:	51 862	50 226	124 641	151 221	229 993	229 993	-	163 562	173 668	186 953
Cash/cash equivalents at the year end:	(63 676)	1 283 718	1 615 561	152 288	143 561	143 561	1 075 830	173 668	186 953	223 702

With the 2024/25 adjustments budget various cost efficiencies and savings had to be realised to ensure the district could meet its operational expenditure commitments. These interventions have translated into a surplus for the district, and it is projected that the closing balance for cash and cash equivalents for the 2025/26 financial year will be R173, 6million. For the 2025/26 MTREF the budget has been prepared to continue ensuring high levels of cash and cash equivalents over the medium-term with cash levels anticipated to be R173, 6million and steadily increasing to R186, 9million by 2026/27 and 2027/2028 decrease to R 223, 7million.

Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

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

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	(63 676)	1 283 718	1 615 561	152 288	143 561	143 561	1 075 830	173 668	186 953	223 702
Other current investments > 90 days	113 902	(1 159 077)	(1 406 130)	(12 595)	-	-	(705 266)	-	-	-
Non current Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	50 226	124 641	209 430	139 694	143 561	143 561	370 564	173 668	186 953	223 702
Application of cash and investments										
Unspent conditional transfers	(0)	21 177	10 500	1 483	1 483	1 483	175 557	1 483	1 483	1 483
Unspent borrowing										
Statutory requirements	(25 557)	(27 061)	(13 883)	(28 787)	(13 585)	(13 585)	(22 650)	(13 883)	(13 883)	(13 883)
Other working capital requirements	(179 724)	(683 560)	(235 816)	30 463	50 231	50 231	(315 641)	42 772	47 530	54 491
Other provisions	15 194	16 171	16 385	17 142	16 385	16 385	16 385	16 385	16 385	16 385
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments										
Total Application of cash and investments:	(190 088)	(673 273)	(222 813)	20 302	54 515	54 515	(146 348)	46 758	51 516	58 477
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	119 392	89 046	89 046	516 912	126 909	135 437	165 225
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	240 314	797 914	432 243	119 392	89 046	89 046	516 912	126 909	135 437	165 225

From the above table it can be seen that the cash and investments available total R173, 6million in the 2025/26 financial year and progressively increase to R186, 9million by 2026/27, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

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

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

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

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

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

2.6.5 Funding compliance measurement

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

Table 39 MBRR SA10 – Funding compliance measurement

DC43 Harry Gwala Supporting Table SA10 Funding measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures										
Cash/cash equivalents at the year end - R'000	(63 676)	1 283 718	1 615 561	152 288	143 561	143 561	1 075 830	173 668	186 953	223 702
Cash + investments at the yr end less applications - R'000	240 314	797 914	432 243	119 392	89 046	89 046	516 912	126 909	135 437	165 225
Cash year end/monthly employee/supplier payments	(1,8)	31,1	37,3	3,5	4,4	3,0	20,8	3,2	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	264 369	246 631	168 343	241 428	220 192	220 192	286 098	198 099	214 251	216 945
Service charge rev % change - macro CPIX target exclusive	N.A.	20,2%	(12,6%)	(7,9%)	5,3%	(6,0%)	(24,8%)	(3,0%)	(0,0%)	0,0%
Cash receipts % of Ratepayer & Other revenue	857,6%	2250,6%	2249,4%	175,7%	146,7%	146,7%	1680,8%	167,4%	169,7%	160,1%
Debt impairment expense as a % of total billable revenue	12,2%	(1,5%)	14,9%	0,0%	0,0%	0,0%	0,0%	38,6%	35,1%	35,1%
Capital payments % of capital expenditure	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	91,5%	114,6%	114,6%	114,6%
Borrowing receipts % of capital expenditure (excl. transfers)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	N.A.	14,8%	(58,4%)	122,4%	(28,0%)	0,0%	1,0%	12,1%	(7,6%)	(8,7%)
Long term receivables % change - incr(decr)	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	2,3%	2,4%	1,9%	1,8%	2,6%	2,6%	1,6%	1,7%	1,7%	0,0%
Asset renewal % of capital budget	14,6%	2,3%	1,6%	6,8%	7,2%	7,2%	0,0%	7,3%	8,2%	21,8%

DC43 Harry Gwala Supporting Table SA10 Funding measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Supporting indicators										
% incr total service charges (incl prop rates)	0,0%	26,2%	(6,6%)	(1,9%)	11,3%	0,0%	(18,8%)	3,0%	6,0%	6,0%
% incr Property Tax	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Electricity	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr Service charges - Water	0,0%	30,7%	(8,1%)	(4,0%)	16,3%	0,0%	(18,9%)	2,8%	6,0%	6,0%
% incr Service charges - Waste Water Management	0,0%	7,7%	0,8%	7,5%	(8,8%)	0,0%	(18,1%)	4,0%	6,0%	6,0%
% incr Service charges - Waste Management	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% incr in Sale of Goods and Rendering of Services	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	61 560	77 674	72 558	71 195	79 208	79 208	64 331	81 589	86 484	91 673
Service charges	61 560	77 674	72 558	71 195	79 208	79 208	64 331	81 589	86 484	91 673
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	49 353	64 525	59 302	56 944	66 213	66 213	53 692	68 071	72 155	76 485
Service charges - sanitation revenue	12 207	13 149	13 256	14 252	12 995	12 995	10 639	13 518	14 329	15 189
Service charges - refuse removal	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding	17 056	17 809	11 555	45 368	79 210	79 210	34 562	41 912	35 445	36 578
Cash receipts from ratepayers	678 378	1 874 141	1 868 127	130 519	137 021	137 021	1 227 091	141 863	149 469	149 476
Ratepayer & Other revenue	79 104	83 272	83 051	74 280	93 380	93 380	73 006	84 728	88 071	93 355
Change in consumer debtors (current and non-current)	N/A	4 450	(20 105)	17 567	(8 924)	-	229	2 810	(1 975)	(2 093)
Operating and Capital Grant Revenue	765 799	735 797	809 852	850 747	856 480	856 480	655 327	890 447	955 234	998 752
Capital expenditure - total	290 905	269 118	309 604	322 312	361 074	361 074	250 827	302 060	324 168	339 430
Capital expenditure - renewal	42 411	6 259	4 802	22 007	26 006	26 006	-	21 973	26 587	74 032
Supporting benchmarks										
Growth guideline maximum	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline	4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY										
DoRA capital grants total MFY										
Provincial operating grants										
Provincial capital grants										
District Municipality grants										
Total gazetted/advised national, provincial and district grants								-	-	-
Average annual collection rate (arrears inclusive)										

DC43 Harry Gwala Supporting Table SA10 Funding measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue										
% Increase in Total Operating Revenue		4,6%	5,6%	8,0%	2,4%	0,0%	(5,9%)	10,6%	5,3%	4,7%
% Increase in Property Rates Revenue		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% Increase in Electricity Revenue		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
% Increase in Property Rates & Services Charges		26,2%	(6,6%)	(1,9%)	11,3%	0,0%	(18,8%)	3,0%	6,0%	6,0%
Expenditure										
% Increase in Total Operating Expenditure	0,0%	0,8%	25,8%	(5,3%)	5,9%	0,0%	(37,9%)	8,0%	6,7%	5,6%
% Increase in Employee Costs	0,0%	3,1%	4,2%	6,9%	0,2%	0,0%	(22,8%)	6,4%	5,2%	5,1%
% Increase in Electricity Bulk Purchases	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average Cost Per Budgeted Employee Position (Remuneration)	0	289067,5937	580586,7602	538596,8228	649521,0427	5481957,6	416376,8938	574254,3327	617611,1288	6454706,86
Average Cost Per Councillor (Remuneration)	0	0	266611,5465	268935,2813	0	239519,0313	197770,9938	251853,7813	0	278993,1875
R&M % of PPE	2,3%	2,4%	1,9%	1,8%	2,6%	2,6%	1,6%	1,6%	1,7%	1,7%
Asset Renewal and R&M as a % of PPE	4,6%	2,9%	2,7%	2,6%	4,0%	4,0%	3,1%	3,1%	4,9%	7,2%
Debt Impairment % of Total Billable Revenue	12,2%	(1,5%)	14,9%	0,0%	0,0%	0,0%	0,0%	38,6%	35,1%	35,1%
Capital Revenue										
Internally Funded & Other (R'000)	17 056	17 809	11 555	45 368	79 210	79 210	34 562	41 912	35 445	36 578
Borrowing (R'000)	-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)	273 848	251 309	298 048	276 944	281 864	281 864	216 265	260 147	288 723	302 851
Internally Generated funds % of Non Grant Funding	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding	94,1%	93,4%	96,3%	85,9%	78,1%	78,1%	86,2%	86,1%	89,1%	89,2%
Capital Expenditure										
Total Capital Programme (R'000)	290 905	269 118	309 604	322 312	361 074	361 074	250 827	302 060	324 168	339 430
Asset Renewal	44 348	11 853	19 933	22 875	35 889	35 889	-	41 526	96 469	175 768
Asset Renewal % of Total Capital Expenditure	15,2%	4,4%	6,4%	7,1%	9,9%	9,9%	0,0%	13,7%	29,8%	51,8%
Cash										
Cash Receipts % of Rate Payer & Other	857,6%	2250,6%	2249,4%	175,7%	146,7%	146,7%	1680,8%	167,4%	169,7%	160,1%
Cash Coverage Ratio	(0)	0	0	0	0	0	0	0	-	-
Borrowing										
Most recent Credit Rating								0		
Capital Charges to Operating	0,1%	0,0%	0,0%	0,4%	0,3%	0,3%	0,0%	0,3%	0,3%	0,3%
Borrowing Receipts % of Capital Expenditure	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reserves										
Uncommitted reserves after application of cash and investments	240 314	797 914	432 243	119 392	89 046	89 046	516 912	126 909	135 437	165 225
Free Services										
Free Basic Services as a % of Equitable Share	0,2%	0,4%	0,4%	(0,1%)	(0,1%)	(0,1%)	(0,1%)	(0,1%)	(0,1%)	(0,1%)
Free Services as a % of Operating Revenue (excl operational transfers)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
High Level Outcome of Funding Compliance										
Total Operating Revenue	535 784	560 414	591 885	638 975	654 552	654 552	615 790	723 815	761 927	797 460
Total Operating Expenditure	596 056	601 009	755 861	715 670	758 216	758 216	470 962	819 174	873 656	922 386
Surplus/(Deficit) Budgeted Operating Statement	(60 272)	(40 595)	(163 976)	(76 695)	(103 664)	(103 664)	144 829	(95 360)	(111 729)	(124 926)
Surplus/(Deficit) Considering Reserves and Cash Backing	240 314	797 914	432 243	119 392	89 046	89 046	516 912	126 909	135 437	165 225
MTREF Funded (1) / Unfunded (0)	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✖	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Cash/cash equivalent position

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

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

Cash plus investments less application of funds

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

Monthly average payments covered by cash or cash equivalents

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

Operating surplus/deficit excluding non-cash items offsets

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

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

Service charge revenue as a percentage increase less macro inflation target

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

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

Cash receipts as a percentage of ratepayer and other revenue

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

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 35 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

Capital payments percentage of capital expenditure

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

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

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

Consumer debtors change (Current and Non-current)

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

Repairs and maintenance expenditure level

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

Asset renewal/rehabilitation expenditure level

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

1.15 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

Table 40 MBRR SA19 - Expenditure on transfers and grant programmes

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	573 921	560 559	680 056	632 656	639 714	639 714	656 013	699 558	761 778
Local Government Equitable Share	517 753	536 551	662 032	608 896	614 176	614 176	597 681	636 221	695 325
Energy Efficiency and Demand Side Management Grant	–	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant	6 578	9 729	7 177	7 751	8 215	8 215	8 988	9 463	9 962
Local Government Financial Management Grant	995	847	1 200	1 012	1 257	1 257	1 120	1 402	1 481
Municipal Disaster Relief Grant	–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant	20 737	9 606	7 569	12 498	13 567	13 567	45 613	49 743	52 159
Rural Road Asset Management Systems Grant	1 978	2 070	2 079	2 498	2 498	2 498	2 610	2 730	2 852
Water Services Infrastructure Grant	25 880	1 755	–	–	–	–	–	–	–
Provincial Government:	–	–	–	1 400	1 000	1 000	228	238	2 326
Capacity Building and Other Grants	–	–	–	1 400	1 000	1 000	228	238	2 326
District Municipality:	–	–	–	5 587	5 602	5 602	4 869	5 088	7 156
<i>Specify (Add grant description)</i>	–	–	–	5 587	5 602	5 602	4 869	5 088	7 156
Other grant providers:	–	–	–	–	–	–	–	–	–
<i>Chemical Industry Seta</i>	–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:	573 921	560 559	680 056	639 643	646 316	646 316	661 110	704 885	771 260
Capital expenditure of Transfers and Grants									
National Government:	232 612	247 421	298 048	276 629	274 647	274 647	261 497	290 141	387 593
Local Government Financial Management Grant	–	275	–	–	–	–	6 316	6 680	7 065
Municipal Infrastructure Grant	156 293	171 657	214 739	189 673	187 690	187 690	168 224	183 461	263 458
Regional Bulk Infrastructure Grant	–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant	76 319	75 489	83 310	86 957	86 957	86 957	86 957	100 000	117 070
Provincial Government:	41 236	3 888	–	–	6 967	6 967	–	–	–
Infrastructure Grant	41 236	3 888	–	–	6 967	6 967	–	–	–
District Municipality:	–	–	–	315	250	250	150	157	161
<i>Specify (Add grant description)</i>	–	–	–	315	250	250	150	157	161
Other grant providers:	–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants	273 848	251 309	298 048	276 944	281 864	281 864	261 647	290 298	387 754
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	847 770	811 868	978 105	916 587	928 180	928 180	922 757	995 182	1 159 014

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

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

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

Councilor and Employee benefits

Table 44 MBRR SA22-Summary of councilor and staff benefits

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

Summary of Employee and Councillor remuneration R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	4 470	3 902	4 586	4 658	5 087	5 087	5 349	5 630	5 926
Pension and UIF Contributions	473	469	133	578	54	54	56	59	63
Medical Aid Contributions	54	153	33	197	3	3	3	3	4
Cellphone Allowance	516	491	547	566	518	518	545	574	604
Other benefits and allowances	1 726	1 973	1 633	2 607	2 002	2 002	2 105	2 216	2 332
Sub Total - Councillors	7 239	6 988	6 932	8 606	7 665	7 665	8 059	8 482	8 928
% increase		(3,5%)	(0,8%)	24,1%	(10,9%)	-	5,1%	5,2%	5,3%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 927	4 029	5 777	4 759	5 430	5 430	5 710	6 010	6 325
Pension and UIF Contributions	13	15	-	4	4	4	4	4	5
Medical Aid Contributions	170	66	48	51	51	51	54	56	59
Performance Bonus	106	81	55	181	158	158	166	175	184
Motor Vehicle Allowance	1 028	813	1 056	918	1 179	1 179	1 240	1 305	1 374
Cellphone Allowance	115	105	110	119	120	120	126	133	140
Housing Allowances	152	212	394	336	398	398	418	440	463
Other benefits and allowances	454	246	259	299	312	312	328	345	363
Payments in lieu of leave	25	332	-	384	104	104	109	115	121
Acting and post related allowance	42	53	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 030	5 950	7 699	7 052	7 756	7 756	8 156	8 584	9 034
% increase		(1,3%)	29,4%	(8,4%)	10,0%	-	5,1%	5,2%	5,3%
Other Municipal Staff									
Basic Salaries and Wages	136 625	142 683	148 363	154 317	157 293	157 293	177 508	186 831	196 644
Pension and UIF Contributions	22 037	21 654	22 634	24 096	23 721	23 721	26 745	28 149	29 627
Medical Aid Contributions	9 953	10 412	10 905	11 412	10 860	10 860	14 199	14 944	15 729
Overtime	18 500	19 197	21 207	22 092	22 942	22 942	7 174	7 551	7 947
Performance Bonus	11 195	10 259	10 668	10 909	10 789	10 789	12 138	12 775	13 445
Motor Vehicle Allowance	20 487	20 410	19 940	23 900	20 795	20 795	21 865	23 013	24 222
Cellphone Allowance	984	1 132	1 086	1 316	1 129	1 129	1 187	1 249	1 315
Housing Allowances	585	636	652	784	646	646	679	715	752
Other benefits and allowances	5 788	6 003	6 044	7 716	6 116	6 116	6 437	6 775	7 130
Payments in lieu of leave	1 581	1 418	1 020	657	2 215	2 215	2 329	2 451	2 580
Long service awards	1 023	1 547	1 312	1 277	1 146	1 146	1 205	1 268	1 335
Post-retirement benefit obligations	3 386	4 244	4 175	-	-	-	-	-	-
Acting and post related allowance	200	163	335	235	357	357	376	396	416
Sub Total - Other Municipal Staff	232 346	239 757	248 340	258 713	258 008	258 008	271 841	286 117	301 142
% increase		3,2%	3,6%	4,2%	(0,3%)	-	5,4%	5,3%	5,3%
Total Parent Municipality	245 614	252 695	262 971	274 370	273 429	273 429	288 056	303 183	319 104
		2,9%	4,1%	4,3%	(0,3%)	-	5,3%	5,3%	5,3%
Board Members of Entities									
Basic Salaries and Wages	-	-	-	320	525	525	320	334	343
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities	-	-	-	320	525	525	320	334	343
% increase		-	-	-	63,9%	-	(39,0%)	4,5%	2,5%
Other Staff of Entities									
Basic Salaries and Wages	-	-	-	7 400	7 604	7 604	9 108	9 518	9 740
Pension and UIF Contributions	-	-	-	23	29	29	1 165	1 218	1 248
Medical Aid Contributions	-	-	-	-	-	-	418	437	448
Performance Bonus	-	-	-	-	-	-	429	448	475
Payments in lieu of leave	-	-	-	50	50	50	153	160	164
Acting and post related allowance	-	-	-	50	126	126	132	138	141
Sub Total - Other Staff of Entities	-	-	-	7 523	7 809	7 809	11 405	11 918	12 216
% increase		-	-	-	3,8%	-	46,0%	4,5%	2,5%
Total Municipal Entities	-	-	-	7 843	8 334	8 334	11 725	12 253	12 559
TOTAL SALARY, ALLOWANCES & BENEFITS	245 614	252 695	262 971	282 213	281 762	281 762	299 781	315 435	331 663
% increase		2,9%	4,1%	7,3%	(0,2%)	-	6,4%	5,2%	5,1%
TOTAL MANAGERS AND STAFF	238 376	245 707	256 039	273 287	273 573	273 573	291 401	306 618	322 393

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

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

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

Table 46 MBRR SA24- Summary of personnel numbers

DC43 Harry Gwala - Supporting Table SA24 Summary of personnel numbers

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

2.8 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table 47 MBRR SA25-Budgeted monthly revenue and expenditure

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

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27
Cash Receipts By Source													1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue													-		
Service charges - water revenue	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	59 632	65 452	69 379
Service charges - sanitation revenue	994	994	994	994	994	994	994	994	994	994	994	994	11 932	12 920	13 695
Interest earned - external investments	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	26 046	27 586	29 242
Fines, penalties and forfeits	137	137	137	137	137	137	137	137	137	137	137	137	1 643	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	573 989	606 254	633 881
Other revenue	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	68 657	71 098	66 402
Cash Receipts by Source	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	741 898	783 310	812 599
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	293 458	325 980	341 871
Increase (decrease) in consumer deposits	47	47	47	47	47	47	47	47	47	47	47	47	569	569	569
Total Cash Receipts by Source	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	1 035 926	1 109 859	1 155 039
Cash Payments by Type															
Employee related costs	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 210	290 541	305 719	318 018
Remuneration of councillors	672	672	672	672	672	672	672	672	672	672	672	671	8 059	8 482	8 928
Interest	5	5	5	5	5	5	5	5	5	5	5	4	54	57	16
Acquisitions - water & other inventory	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	33 828	35 858	38 009
Contracted services	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 812	177 752	195 927	207 775
Other expenditure	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 097	157 174	163 776	140 125
Cash Payments by Type	55 618	55 618	55 618	55 618	55 618	55 618	55 618	55 618	55 618	55 618	55 618	55 614	667 409	709 819	712 871
Other Cash Flows/Payments by Type															
Capital assets	25 073	25 073	25 073	25 073	25 073	25 073	25 073	25 073	25 073	25 073	25 073	70 205	346 012	371 355	388 819
Repayment of borrowing	200	200	200	200	200	200	200	200	200	200	200	200	2 400	2 400	2 400
Other Cash Flows/Payments	833	833	833	833	833	833	833	833	833	833	833	833	10 000	13 000	14 200
Total Cash Payments by Type	81 724	81 724	81 724	81 724	81 724	81 724	81 724	81 724	81 724	81 724	81 724	126 852	1 025 821	1 096 574	1 118 291
NET INCREASE/(DECREASE) IN CASH HELD	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	(40 525)	10 105	13 286	36 749
Cash/cash equivalents at the month/year begin:	163 562	168 165	172 768	177 371	181 973	186 576	191 179	195 782	200 384	204 987	209 590	214 192	163 562	173 668	186 953
Cash/cash equivalents at the month/year end:	168 165	172 768	177 371	181 973	186 576	191 179	195 782	200 384	204 987	209 590	214 192	173 668	173 668	186 953	223 702

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

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

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Revenue by Vote															
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	45 792	45 792	45 792	45 792	45 792	45 792	45 792	45 792	45 792	45 792	45 792	45 792	549 507	581 086	607 813
Vote 04 - Summary Corporate Services	34	34	34	34	34	34	34	34	34	34	34	34	410	435	461
Vote 05 - Summary Social Services & Development Planning	2 040	2 040	2 040	2 040	2 040	2 040	2 040	2 040	2 040	2 040	2 040	2 040	24 479	24 546	24 585
Vote 06 - Summary Infrastructure Services	29 173	29 173	29 173	29 173	29 173	29 173	29 173	29 173	29 173	29 173	29 173	29 173	350 081	383 477	402 207
Vote 07 - Summary Water Services	7 733	7 733	7 733	7 733	7 733	7 733	7 733	7 733	7 733	7 733	7 733	7 733	92 795	98 363	104 264
Vote 15 - Other													-	-	-
Total Revenue by Vote	84 773	84 773	84 773	84 773	84 773	84 773	84 773	84 773	84 773	84 773	84 773	84 773	1 017 273	1 087 906	1 139 331
Expenditure by Vote to be appropriated															
Vote 01 - Summary Council	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	1 714	20 567	22 007	23 240
Vote 02 - Summary Municipal Manager	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	2 605	31 264	33 013	34 860
Vote 03 - Summary Budget And Treasury Office	5 396	5 396	5 396	5 396	5 396	5 396	5 396	5 396	5 396	5 396	5 396	5 396	64 749	68 651	72 449
Vote 04 - Summary Corporate Services	9 192	9 192	9 192	9 192	9 192	9 192	9 192	9 192	9 192	9 192	9 192	9 191	110 299	120 276	126 929
Vote 05 - Summary Social Services & Development Planning	8 160	8 160	8 160	8 160	8 160	8 160	8 160	8 160	8 160	8 160	8 160	8 160	97 924	104 549	110 707
Vote 06 - Summary Infrastructure Services	13 784	13 784	13 784	13 784	13 784	13 784	13 784	13 784	13 784	13 784	13 784	13 784	165 408	176 224	186 223
Vote 07 - Summary Water Services	27 414	27 414	27 414	27 414	27 414	27 414	27 414	27 414	27 414	27 414	27 414	27 413	328 964	348 937	368 856
Vote 15 - Other													-	-	-
Total Expenditure by Vote	68 265	68 265	68 265	68 265	68 265	68 265	68 265	68 265	68 265	68 265	68 265	68 261	819 174	873 656	923 265
Surplus/(Deficit) before assoc.	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 512	198 099	214 251	216 066
Income Tax													-	-	-
Share of Surplus/Deficit attributable to Minorities Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 512	198 099	214 251	216 066

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

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

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Revenue - Functional															
<i>Governance and administration</i>	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	551 433	583 105	609 900
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	45 953	551 433	583 105	609 900
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	1	1	1	1	1	1	1	1	1	1	1	1	18	19	20
Community and social services	1	1	1	1	1	1	1	1	1	1	1	1	18	19	20
<i>Economic and environmental services</i>	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	23 000	23 000	23 000
Planning and development	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	23 000	23 000	23 000
Road transport													-	-	-
Environmental protection													-	-	-
<i>Trading services</i>	36 902	36 902	36 902	36 902	36 902	36 902	36 902	36 902	36 902	36 902	36 902	36 902	442 822	481 782	506 411
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management	35 573	35 573	35 573	35 573	35 573	35 573	35 573	35 573	35 573	35 573	35 573	35 573	426 870	464 873	488 487
Waste water management	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	1 329	15 952	16 909	17 924
Total Revenue - Functional	84 773	84 773	84 773	84 773	84 773	84 773	84 773	84 773	84 773	84 773	84 773	84 773	1 017 273	1 087 906	1 139 331
Expenditure - Functional															
<i>Governance and administration</i>	25 734	25 734	25 734	25 734	25 734	25 734	25 734	25 734	25 734	25 734	25 734	25 731	308 803	333 448	347 257
Executive and council	4 350	4 350	4 350	4 350	4 350	4 350	4 350	4 350	4 350	4 350	4 350	4 349	52 195	55 319	58 098
Finance and administration	20 560	20 560	20 560	20 560	20 560	20 560	20 560	20 560	20 560	20 560	20 560	20 558	246 716	267 711	278 187
Internal audit	824	824	824	824	824	824	824	824	824	824	824	824	9 892	10 418	10 972
<i>Community and public safety</i>	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	22 765	24 822	26 165
Community and social services	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	1 897	22 765	24 822	26 165
<i>Economic and environmental services</i>	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 162	217 958	232 320	250 621
Planning and development	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 163	18 162	217 958	232 320	250 621
<i>Trading services</i>	22 462	22 462	22 462	22 462	22 462	22 462	22 462	22 462	22 462	22 462	22 462	22 462	269 549	282 961	299 115
Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management	21 688	21 688	21 688	21 688	21 688	21 688	21 688	21 688	21 688	21 688	21 688	21 688	260 256	273 117	288 687
Waste water management	774	774	774	774	774	774	774	774	774	774	774	774	9 292	9 844	10 429
<i>Other</i>	8	8	8	8	8	8	8	8	8	8	8	8	100	105	107
Total Expenditure - Functional	68 265	68 265	68 265	68 265	68 265	68 265	68 265	68 265	68 265	68 265	68 265	68 261	819 174	873 656	923 265
Surplus/(Deficit) before assoc. Intersubsidiary/Parent subsidiary transactions	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 512	198 099	214 251	216 066
Surplus/(Deficit)	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 508	16 512	198 099	214 251	216 066

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

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

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Multi-year expenditure to be appropriated															
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	114	114	114	114	114	114	114	114	114	114	114	114	1 364	1 445	1 532
Vote 03 - Summary Budget And Treasury Office	190	190	190	190	190	190	190	190	190	190	190	190	2 279	2 416	2 316
Vote 04 - Summary Corporate Services	281	281	281	281	281	281	281	281	281	281	281	281	3 374	3 577	3 791
Vote 05 - Summary Social Services & Development Planning	592	592	592	592	592	592	592	592	592	592	592	592	7 101	5 487	5 624
Vote 06 - Summary Infrastructure Services	8 305	8 305	8 305	8 305	8 305	8 305	8 305	8 305	8 305	8 305	8 305	8 305	99 656	145 895	246 457
Vote 07 - Summary Water Services	14 806	14 806	14 806	14 806	14 806	14 806	14 806	14 806	14 806	14 806	14 806	14 806	177 670	155 472	69 242
Vote 15 - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	24 287	24 287	24 287	24 287	24 287	24 287	24 287	24 287	24 287	24 287	24 287	24 287	291 443	314 292	328 962
Single-year expenditure to be appropriated															
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	114	114	114	114	114	114	114	114	114	114	114	(1 250)	-	-	-
Vote 03 - Summary Budget And Treasury Office	15	15	15	15	15	15	15	15	15	15	15	15	180	191	202
Vote 04 - Summary Corporate Services	428	428	428	428	428	428	428	428	428	428	428	428	5 136	5 445	5 771
Vote 05 - Summary Social Services & Development Planning	592	592	592	592	592	592	592	592	592	592	592	(6 509)	-	-	-
Vote 06 - Summary Infrastructure Services	167	167	167	167	167	167	167	167	167	167	167	167	2 000	-	-
Vote 07 - Summary Water Services	275	275	275	275	275	275	275	275	275	275	275	275	3 300	4 240	4 494
Capital single-year expenditure sub-total	1 590	1 590	1 590	1 590	1 590	1 590	1 590	1 590	1 590	1 590	1 590	(6 875)	10 616	9 875	10 468
Total Capital Expenditure	25 877	25 877	25 877	25 877	25 877	25 877	25 877	25 877	25 877	25 877	25 877	17 412	302 060	324 168	339 430

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

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

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Capital Expenditure - Functional															
<i>Governance and administration</i>	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	1 453	17 434	18 404	19 076
Executive and council	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	16 071	16 958	17 544
Internal audit	114	114	114	114	114	114	114	114	114	114	114	114	1 364	1 445	1 532
<i>Economic and environmental services</i>	7 991	7 991	7 991	7 991	7 991	7 991	7 991	7 991	7 991	7 991	7 991	7 991	95 891	142 150	236 752
Planning and development	7 991	7 991	7 991	7 991	7 991	7 991	7 991	7 991	7 991	7 991	7 991	7 991	95 891	142 150	236 752
Road transport													–	–	–
Environmental protection													–	–	–
<i>Trading services</i>	15 728	15 728	15 728	15 728	15 728	15 728	15 728	15 728	15 728	15 728	15 728	15 728	188 734	163 614	83 601
Energy sources													–	–	–
Water management	15 706	15 706	15 706	15 706	15 706	15 706	15 706	15 706	15 706	15 706	15 706	15 706	188 473	163 614	83 601
Waste water management	22	22	22	22	22	22	22	22	22	22	22	22	261	–	–
Waste management													–	–	–
<i>Other</i>													–	–	–
Total Capital Expenditure - Functional	25 172	25 172	25 172	25 172	25 172	25 172	25 172	25 172	25 172	25 172	25 172	25 171	302 060	324 168	339 430
Funded by:															
National Government	21 666	21 666	21 666	21 666	21 666	21 666	21 666	21 666	21 666	21 666	21 666	21 666	259 997	288 566	302 691
Provincial Government	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality	13	13	13	13	13	13	13	13	13	13	13	13	150	157	161
Transfers recognised - capital	21 679	21 679	21 679	21 679	21 679	21 679	21 679	21 679	21 679	21 679	21 679	21 679	260 147	288 723	302 851
Borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	3 493	3 493	3 493	3 493	3 493	3 493	3 493	3 493	3 493	3 493	3 493	3 493	41 912	35 445	36 578
Total Capital Funding	25 172	25 172	25 172	25 172	25 172	25 172	25 172	25 172	25 172	25 172	25 172	25 171	302 060	324 168	339 430

Table 52 MBRR SA30- Budgeted monthly cash flow

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

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27
Cash Receipts By Source													1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue															
Service charges - water revenue	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	59 632	65 452	69 379
Service charges - sanitation revenue	994	994	994	994	994	994	994	994	994	994	994	994	11 932	12 920	13 695
Interest earned - external investments	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	26 046	27 586	29 242
Fines, penalties and forfeits	137	137	137	137	137	137	137	137	137	137	137	137	1 643	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	573 989	606 254	633 881
Other revenue	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	68 657	71 098	66 402
Cash Receipts by Source	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	61 825	741 898	783 310	812 599
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	293 458	325 980	341 871
Increase (decrease) in consumer deposits	47	47	47	47	47	47	47	47	47	47	47	47	569	569	569
Total Cash Receipts by Source	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	86 327	1 035 926	1 109 859	1 155 039
Cash Payments by Type															
Employee related costs	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 210	290 541	305 719	318 018
Remuneration of councillors	672	672	672	672	672	672	672	672	672	672	672	671	8 059	8 482	8 928
Interest	5	5	5	5	5	5	5	5	5	5	5	4	54	57	16
Acquisitions - water & other inventory	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	33 828	35 858	38 009
Contracted services	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 812	177 752	195 927	207 775
Other expenditure	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 097	157 174	163 776	140 125
Cash Payments by Type	55 618	55 618	55 618	55 618	55 618	55 618	55 618	55 618	55 618	55 618	55 618	55 614	667 409	709 819	712 871
Other Cash Flows/Payments by Type															
Capital assets	25 073	25 073	25 073	25 073	25 073	25 073	25 073	25 073	25 073	25 073	25 073	70 205	346 012	371 355	388 819
Repayment of borrowing	200	200	200	200	200	200	200	200	200	200	200	200	2 400	2 400	2 400
Other Cash Flows/Payments	833	833	833	833	833	833	833	833	833	833	833	833	10 000	13 000	14 200
Total Cash Payments by Type	81 724	81 724	81 724	81 724	81 724	81 724	81 724	81 724	81 724	81 724	81 724	126 852	1 025 821	1 096 574	1 118 291
NET INCREASE/(DECREASE) IN CASH HELD	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	4 603	(40 525)	10 105	13 286	36 749
Cash/cash equivalents at the month/year begin:	163 562	168 165	172 768	177 371	181 973	186 576	191 179	195 782	200 384	204 987	209 590	214 192	163 562	173 668	186 953
Cash/cash equivalents at the month/year end:	168 165	172 768	177 371	181 973	186 576	191 179	195 782	200 384	204 987	209 590	214 192	173 668	173 668	186 953	223 702

1.16 ANNUAL BUDGETS AND SDBIPS – INTERNAL DEPARTMENTS

Water Services Department – Vote 07

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

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

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

Description	Vote 01 - Summary Council	Vote 02 - Summary Municipal Manager	Vote 03 - Summary Budget And Treasury Office	Vote 04 - Summary Corporate Services	Vote 05 - Summary Social Services & Development Planing	Vote 06 - Summary Infrastructure Services	Vote 07 - Summary Water Services	Total
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity								-
Service charges - Water						1 433	66 638	68 071
Service charges - Waste Water Management						3 372	10 145	13 518
Service charges - Waste Management								-
Sale of Goods and Rendering of Services			791		-			791
Agency services								-
Interest								-
Interest earned from Receivables			43				16 011	16 055
Interest earned from Current and Non Current Assets			24 581		1 462			26 043
Operational Revenue			278	410	18		-	706
Non-Exchange Revenue								
Property rates								-
Surcharges and Taxes								-
Fines, penalties and forfeits			1 643		-			1 643
Licences or permits								-
Transfer and subsidies - Operational			522 171	-	23 000	51 818	-	596 989
Total Revenue (excluding capital transfers and contributions)	-	-	549 507	410	24 479	56 623	92 795	723 815
Expenditure								
Employee related costs	2 912	16 740	40 586	29 061	45 435	28 162	128 825	291 721
Remuneration of councillors	8 059							8 059
Bulk purchases - electricity							-	-
Inventory consumed			10 219				29 416	39 635
Debt impairment				-	-	-	31 530	31 530
Depreciation and amortisation		-	66	14 459	2 596	89 101	1 566	107 788
Interest			-	14	40			54
Contracted services	4 563	10 794	11 843	35 558	8 304	46 560	56 235	173 856
Transfers and subsidies	-	-	-	-	23 360	-	-	23 360
Irrecoverable debts written off			-				42 327	42 327
Operational costs	5 007	3 729	12 255	30 940	15 989	1 584	31 338	100 844
Losses on disposal of Assets		-	-	-	-	-	-	-
Other Losses			-				-	-
Total Expenditure	20 542	31 264	74 969	110 033	95 723	165 408	321 236	819 174
Surplus/(Deficit)	(20 542)	(31 264)	474 538	(109 622)	(71 244)	(108 784)	(228 441)	(95 360)
Transfers and subsidies - capital (monetary allocations)					-	293 458	-	293 458
Transfers and subsidies - capital (in-kind)						-		-
Surplus/(Deficit) after capital transfers & contributions	(20 542)	(31 264)	474 538	(109 622)	(71 244)	184 674	(228 441)	198 099

Table 43 Water Services Department – Performance objectives and indicators

DC43 Harry Gwala - Supporting Table SA7 Measureable performance objectives

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

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

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance of R45, 1million, R52, 2 million and R55, 5 million in each of the respective financial years of the MTREF.

The departmental revenue base is primarily informed by the sale of water and charges for sanitation of which budget appropriation for the 2025/26 financial year is R81, 5 million and increases to R86, 4million by 2026/27 by the 2027/28 R91, 6million and has been informed by a collection rate of 71 per cent and distribution losses of 31, 2 per cent in the outer years.

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

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

1.17 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

3.11 CAPITAL EXPENDITURE DETAILS

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

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	235 244	247 862	284 128	282 223	305 028	305 028	240 171	212 448	148 495
Roads Infrastructure	1 242	-	-	-	-	-	-	-	-
Roads	1 242	-	-	-	-	-	-	-	-
Water Supply Infrastructure	196 052	203 327	219 163	270 019	276 040	276 040	239 910	212 448	148 495
Dams and Weirs	7 606	18 068	24 469	59 786	34 250	34 250	53 150	71 179	-
Boreholes	69 041	37 187	3 346	-	16 483	16 483	-	-	-
Reservoirs	3 315	-	-	-	-	-	435	6 356	19 920
Pump Stations	24 379	3 716	18 006	29 516	20 037	20 037	87	-	-
Water Treatment Works	8 400	267	-	-	-	-	3 300	4 240	4 494
Bulk Mains	15 699	45 795	50 385	95 999	79 969	79 969	59 807	40 500	30 993
Distribution	67 612	98 295	122 957	84 718	125 301	125 301	123 131	90 173	93 087
Distribution Points									
PRV Stations									
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	37 950	44 534	64 965	12 204	28 988	28 988	261	-	-
Pump Station	15 010	-	12 051	1 739	1 234	1 234	87	-	-
Reticulation	22 940	44 534	52 914	5 217	25 476	25 476	174	-	-
Waste Water Treatment Works	-	-	-	2 000	2 278	2 278	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	-	-	3 248	-	-	-	-	-
Capital Spares									
Other assets	1 138	-	-	6 250	4 280	4 280	8 901	4 546	4 659
Operational Buildings	1 138	-	-	4 250	3 080	3 080	6 901	4 546	4 659
Municipal Offices	1 138	-	-	4 250	3 080	3 080	6 901	4 546	4 659
Pay/Enquiry Points									
Housing	-	-	-	2 000	1 200	1 200	2 000	-	-
Staff Housing	-	-	-	2 000	1 200	1 200	2 000	-	-
Intangible Assets	-	270	-	796	1 475	1 475	955	1 004	1 046
Servitudes									
Licences and Rights	-	270	-	796	1 475	1 475	955	1 004	1 046
Water Rights									
Computer Software and Applications	-	270	-	796	1 475	1 475	955	1 004	1 046
Load Settlement Software Applications									
Unspecified									
Computer Equipment	1 412	410	943	2 000	1 400	1 400	2 859	3 031	3 212
Computer Equipment	1 412	410	943	2 000	1 400	1 400	2 859	3 031	3 212
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	5 288	5 228	4 720
Furniture and Office Equipment	1 387	1 293	2 306	4 980	7 901	7 901	5 288	5 228	4 720
Machinery and Equipment	7 376	7 430	1 306	2 588	5 100	5 100	2 360	1 442	1 528
Machinery and Equipment	7 376	7 430	1 306	2 588	5 100	5 100	2 360	1 442	1 528
Transport Assets	-	-	986	600	-	-	-	-	-
Transport Assets	-	-	986	600	-	-	-	-	-
Total Capital Expenditure on new assets	246 557	257 265	289 670	299 437	325 184	325 184	260 534	227 699	163 662

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	38 015	-	2 245	17 045	19 968	19 968	9 503	12 598	11 639
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>									
Water Supply Infrastructure	9 560	-	2 245	970	10 883	10 883	7 764	3 902	9 865
<i>Dams and Weirs</i>									
<i>Bulk Mains</i>	-	-	-	-	-	-	-	-	-
<i>Distribution</i>	9 560	-	2 245	970	10 883	10 883	7 764	3 902	9 865
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>									
<i>Capital Spares</i>									
Sanitation Infrastructure	28 455	-	-	16 075	9 085	9 085	1 739	8 696	1 774
<i>Pump Station</i>									
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	28 455	-	-	16 075	9 085	9 085	1 739	8 696	1 774
<i>Outfall Sewers</i>									
Other assets	-	-	-	-	-	-	3 874	7 210	55 208
Operational Buildings	-	-	-	-	-	-	3 874	7 210	55 208
<i>Municipal Offices</i>									
<i>Pay/Enquiry Points</i>									
Machinery and Equipment	-	-	-	80	-	-	-	-	-
Machinery and Equipment	-	-	-	80	-	-	-	-	-
Transport Assets	4 396	6 259	2 557	4 883	6 039	6 039	8 595	6 779	7 186
Transport Assets	4 396	6 259	2 557	4 883	6 039	6 039	8 595	6 779	7 186
Total Capital Expenditure on renewal of existing assets	42 411	6 259	4 802	22 007	26 006	26 006	21 973	26 587	74 032
Renewal of Existing Assets as % of total capex	14,6%	2,3%	1,6%	6,8%	7,2%	7,2%	7,3%	8,2%	21,8%
Renewal of Existing Assets as % of deprecn"	52,0%	6,7%	2,0%	21,6%	25,4%	25,4%	20,4%	23,3%	60,8%

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	28 248	45 120	39 357	41 300	63 641	63 641	40 241	46 944	49 811
Roads Infrastructure	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>									
Water Supply Infrastructure	28 248	45 120	39 357	41 300	63 641	63 641	40 241	46 944	49 811
<i>Dams and Weirs</i>									
<i>Boreholes</i>									
<i>Reservoirs</i>	12 215	26 400	19 046	21 800	34 103	34 103	20 650	24 032	25 499
<i>Pump Stations</i>	9 037	11 207	9 615	10 500	15 249	15 249	9 473	11 119	11 805
<i>Water Treatment Works</i>									
<i>Bulk Mains</i>									
<i>Distribution</i>									
<i>Distribution Points</i>									
<i>PRV Stations</i>									
<i>Capital Spares</i>	6 996	7 514	10 696	9 000	14 289	14 289	10 118	11 792	12 507
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Community Assets	78	63	87	77	117	117	273	289	306
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	78	63	87	77	117	117	273	289	306
<i>Indoor Facilities</i>	78	63	87	77	117	117	273	289	306
<i>Outdoor Facilities</i>									
Other assets	1 548	4 008	4 272	6 212	4 061	4 061	4 269	4 525	4 887
Operational Buildings	1 548	4 008	4 272	6 212	4 061	4 061	4 269	4 525	4 887
<i>Municipal Offices</i>	1 548	4 008	4 272	6 212	4 061	4 061	4 269	4 525	4 887
<i>Pay/Enquiry Points</i>									
Computer Equipment	9	17	16	70	82	82	77	81	86
Computer Equipment	9	17	16	70	82	82	77	81	86
Machinery and Equipment	15 329	3 055	-	-	-	-	-	-	-
Machinery and Equipment	15 329	3 055	-	-	-	-	-	-	-
Transport Assets	78	204	49	350	653	653	332	387	411
Transport Assets	78	204	49	350	653	653	332	387	411
Total Repairs and Maintenance Expenditure	45 289	52 468	43 781	48 009	68 553	68 553	45 192	52 227	55 502
R&M as a % of PPE & Investment Property	2,3%	2,4%	1,9%	1,8%	2,6%	2,6%	1,6%	1,7%	1,7%
R&M as % Operating Expenditure	7,6%	8,7%	5,8%	6,7%	9,0%	9,0%	9,6%	6,4%	6,4%

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

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

Vote Description R thousand	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure			
Vote 01 - Summary Council	–	–	–
Vote 02 - Summary Municipal Manager	1 364	1 445	1 532
Vote 03 - Summary Budget And Treasury Office	2 459	2 607	2 518
Vote 04 - Summary Corporate Services	8 511	9 021	9 562
Vote 05 - Summary Social Services & Development Planning	7 101	5 487	5 624
Vote 06 - Summary Infrastructure Services	101 656	145 895	246 457
Vote 07 - Summary Water Services	180 970	159 712	73 736
Vote 15 - Other	–	–	–
<i>List entity summary if applicable</i>			
Total Capital Expenditure	302 060	324 168	339 430
Future operational costs by vote			
Vote 01 - Summary Council			
Vote 02 - Summary Municipal Manager			
Vote 03 - Summary Budget And Treasury Office			
Vote 04 - Summary Corporate Services			
Vote 05 - Summary Social Services & Development Planning			
Vote 06 - Summary Infrastructure Services			
Vote 07 - Summary Water Services			
Vote 15 - Other			
<i>List entity summary if applicable</i>			
Total future operational costs	–	–	–
Future revenue by source			
Exchange Revenue	43 594	46 188	48 906
Service charges - Electricity			
Service charges - Water	68 071	72 155	76 485
Service charges - Waste Water Management	13 518	14 329	15 189
Service charges - Waste Management			
Agency services			
<i>List other revenues sources if applicable</i>	892 090	955 234	998 752
<i>List entity summary if applicable</i>			
Total future revenue	1 017 273	1 087 906	1 139 331
Net Financial Implications	(715 213)	(763 738)	(799 901)

Table 59 MBRR SA36- Detailed capital budget per municipal vote

DC43 Harry Gwala - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	2023/26 Medium Term Revenue & Expenditure Framework				
											Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality: <i>List all capital projects grouped by Function</i>															
	Administrative And Corporate Support	Vehicle New - Mayor	PC002002001010_00001	RENEWAL		Governance	MUNICIPAL STRATEGIC OBJECTIVE	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	1 225	4 856	3 636	3 855	4 066
	Administrative And Corporate Support	Staff Compound	PC002003003002001_00001	NEW	Sustainable human settlements and improved quality of household life	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Housing	Staff Housing	R-ADMIN OR HEAD OFFICE	-	-	1 000	-	-
	Administrative And Corporate Support	Computers	PC002003005_00001	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	1 243	2 632	1 000	1 060	1 124
	Administrative And Corporate Support	New Furniture	PC002003005_00002	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	474	2 042	455	482	511
	Administrative And Corporate Support	Office Equipment	PC002003005_00003	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	340	700	392	415	440
	Administrative And Corporate Support	Biometrics & Drone	PC002003009_00005	NEW		Growth	MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	28	3 000	500	530	562
	Administrative And Corporate Support	Machinery	PC002003009_00003	NEW		Growth	MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	R-WHOLE OF THE DISTRICT	-	-	1 364	1 445	1 532
	Disaster Management	Disaster Trucks	PC002003010_00001	NEW		Growth	MUNICIPAL STRATEGIC OBJECTIVE	Transport Assets	Transport Assets	R-WHOLE OF THE DISTRICT	986	-	-	-	-
	Economic Development/Planning	New Vehicles	PC002002001010_00004	RENEWAL		Governance	MUNICIPAL STRATEGIC OBJECTIVE	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	-	-	1 500	-	-
	Economic Development/Planning	Disaster Truck Equipment	PC002003005_00007	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	-	-	350	-	-
	Finance	New Vehicles	PC002002001010_00005	RENEWAL		Governance	MUNICIPAL STRATEGIC OBJECTIVE	Transport Assets	Transport Assets	R-ADMIN OR HEAD OFFICE	-	-	1 636	1 735	1 839
	Finance	Computers	PC002003004_00004	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	-	-	205	217	230
	Finance	Furniture And Office Equipment	PC002003005_00010	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	-	-	175	185	196
	Finance	Office Equipment	PC002003005_00011	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	-	-	264	279	296
	Human Resources	Fire System	PC002003009_00004	NEW		Growth	MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	-	364	385	409
	Information Technology	Fire Extinguishers	PC002002001009_00002	RENEWAL		Governance	MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	-	-	-	-
	Information Technology	Ict Network Infrastructure Upgrade	PC002003004_00003	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	-	500	475	503	533
	Information Technology	Server & Desktop Backup	PC002003004_00001	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Computer Equipment	Computer Equipment	R-ADMIN OR HEAD OFFICE	943	900	1 000	1 060	1 124
	Information Technology	Installation Of Surveillance Cameras	PC002003005_00008	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-WHOLE OF THE DISTRICT	-	1 700	500	530	562
	Information Technology	New Projector & Microphones	PC002003005_00004	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	132	193	190	201	213
	Project Management Unit	Greater Bulwer Bulk Water Supply	PC001001001004007_00029	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-INGWE/KWA SANI	-	6 967	-	-	-
	Project Management Unit	Building Construction	PC001001001005003_00012	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Waste Water Treatment Works	R-GREATER KONSTAD	-	9 065	-	-	-
	Project Management Unit	Mahagu Sanitation Project	PC001001001005003_00011	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Waste Water Treatment Works	R-GREATER KONSTAD	-	-	-	-	-
	Project Management Unit	Mahagu Sanitation	PC001001001005003_00011	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Waste Water Treatment Works	R-GREATER KONSTAD	-	-	1 739	8 696	1 774
	Project Management Unit	Refurb & Upgr Shongweni Ph2	PC001001002004006_00002	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-GREATER KONSTAD	-	-	4 690	20 894	19 862
	Project Management Unit	Refurb & Upgr Shayamoya Ph2	PC001001002004006_00003	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-GREATER KONSTAD	-	-	5 446	20 356	21 590
	Project Management Unit	Ward 19 & 21 Umzimkhulu Intervention	PC001001002004006_00004	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-UMZIMKHULU	-	-	3 915	6 250	11 900
	Project Management Unit	Fairview / Ilopo Sewer Upgrade	PC001001002005002_00008	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Refiltration	R-UBULHEBEZIE	-	-	435	8 530	17 918
	Project Management Unit	Mamiesa Outfall Sewer	PC001001002005002_00009	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Refiltration	R-GREATER KONSTAD	-	-	435	734	1 590
	Project Management Unit	Underberg Hillville Sewer Upgrade	PC001001002005002_00007	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Refiltration	R-INGWE/KWA SANI	-	-	1 304	9 590	25 137
	Project Management Unit	Underberg Hillville Water Upgrade	PC001002004003_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Reservoirs	R-INGWE/KWA SANI	-	-	435	6 356	19 920
	Project Management Unit	Mechanical & Electrical Components	PC001002004004_00008	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	3 441	-	-	-	-

DC43 Harry Gwala - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	2025/26 Medium Term Revenue & Expenditure Framework				
											Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality: <i>List all capital projects grouped by Function</i>															
Project Management Unit	Bhongweni Water Supply	PC00100204006_0009	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-GREATER KONSTAD	-	27 238	11 318	3 517	-	
Project Management Unit	Corinth Nyasweni Water Supply	PC00100204006_00012	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	435	7 400	5 430	13 539	
Project Management Unit	Dulathi - Marheveni Water Supply	PC00100204006_00013	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-NGWE/KWA SANI	-	435	290	23 000	17 455	
Project Management Unit	Emazini Water Supply	PC00100204006_00011	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-NGWE/KWA SANI	20 298	1 963	2 500	-	-	
Project Management Unit	Hostela-Mkweba Water Supply	PC00100204006_00012	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-NGWE/KWA SANI	19 202	5 603	220	-	-	
Project Management Unit	Machunwini Water Supply	PC00100204006_00009	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-NGWE/KWA SANI	3 174	13 304	8 779	2 338	-	
Project Management Unit	Mahlehe Water Supply	PC00100204006_00013	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-UBUHLEBEZIE	-	-	-	-	-	
Project Management Unit	Mkhobwa Mdagane Water Supply	PC00100204006_00011	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-NGWE/KWA SANI	-	11 826	11 476	2 969	-	
Project Management Unit	Shayamoya Water Supply	PC00100204006_00010	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-GREATER KONSTAD	-	18 961	17 825	3 246	-	
Project Management Unit	Mahlehe Water Supply Scheme	PC00100204007_00022	NEW	An efficient, competitive and responsive economic infrastructure network	Growth		Water Supply Infrastructure	Distribution	R-UBUHLEBEZIE	-	-	174	4 348	20 826	
Project Management Unit	Mhulamhle Water Supply	PC00100204007_00026	NEW	An efficient, competitive and responsive economic infrastructure network	Growth		Water Supply Infrastructure	Distribution	R-UMZIMKHULU	-	-	435	925	2 106	
Project Management Unit	Mhlangeni Water Intervention	PC00100204007_00024	NEW	An efficient, competitive and responsive economic infrastructure network	Growth		Water Supply Infrastructure	Distribution	R-NGWE/KWA SANI	-	-	-	-	870	
Project Management Unit	Nazareth Water Supply	PC00100204007_00027	NEW	An efficient, competitive and responsive economic infrastructure network	Growth		Water Supply Infrastructure	Distribution	R-UMZIMKHULU	-	-	3 682	5 541	2 668	
Project Management Unit	Nqwagwane Water Intervention	PC00100204007_00023	NEW	An efficient, competitive and responsive economic infrastructure network	Growth		Water Supply Infrastructure	Distribution	R-UMZIMKHULU	-	-	435	896	3 556	
Project Management Unit	Refurbishment Bhay-Gudicingo Schemes	PC00100204007_00021	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	13 238	4 321	-	-	-	
Project Management Unit	Water Conserv/Demand Mngmt (Wcwm)	PC00100204007_00025	NEW	An efficient, competitive and responsive economic infrastructure network	Growth		Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	-	435	-	-	
Project Management Unit	Hgdm Vip Toilets	PC0020020103001001_00002	RENEWAL	An efficient, effective and development-oriented public service	Governance		Operational Buildings	Municipal Offices	R-WHOLE OF THE DISTRICT	-	-	174	4 348	52 174	
Project Management Unit	Umngeni Office Renovations	PC0020020103001001_00001	RENEWAL	An efficient, effective and development-oriented public service	Governance		Operational Buildings	Municipal Offices	R-ADMIN OR HEAD OFFICE	-	-	2 700	2 862	3 034	
Project Management Unit	Staff Compound	PC00200300300201_00001	NEW	Sustainable human settlements and improved quality of household life	Growth	MUNICIPAL STRATEGIC OBJECTIVE		Housing	R-ADMIN OR HEAD OFFICE	-	1 200	2 551	-	-	
Project Management Unit	Furniture And Office Equipment	PC002003005_00012	NEW	An efficient, effective and development-oriented public service	Growth		Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	-	-	1 100	1 166	674	
Project Management Unit	Machinery	PC002003009_00003	NEW		Growth	MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	R-WHOLE OF THE DISTRICT	1 278	1 800	1 000	-	-	
Project Management Unit	Security Guard Room	PC00200300300101_00001	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Operational Buildings	Municipal Offices	R-ADMIN OR HEAD OFFICE	-	2 430	-	-	-	
Sewerage	Horseshoe Sanitation Project Pump Station	PC00100205001_00001	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Pump Station	R-GREATER KONSTAD	12 051	1 234	87	-	-	
Sewerage	Himeville Sanitation Project Sewer Pipes	PC00100205002_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Reticalulation	R-NGWE/KWA SANI	-	-	-	-	-	
Sewerage	Ibisi Housing Reticulatio Sewer Pipes	PC00100205002_00006	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Reticalulation	R-NGWE/KWA SANI	22 549	8 692	87	-	-	
Sewerage	Rectif & Upgrd Of Fairw & topo Sewer	PC00100205002_00009	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Reticalulation	R-UBUHLEBEZIE	15 064	-	-	-	-	
Sewerage	Umzimkhulu Upgrade Phase 2 Sewer Pipes	PC00100205002_00007	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Reticalulation	R-WHOLE OF THE DISTRICT	15 301	15 705	87	-	-	
Sewerage	Universal Sanitation Nix Toilet Facil	PC00100205005_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Toilet Facilities	R-UBUHLEBEZIE	-	-	-	-	-	
Water Distribution	Umzimkhulu Cru Bulk Provision	PC001001002004006_00001	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-WHOLE OF THE DISTRICT	-	1 200	3 328	3 527	3 739	
Water Distribution	Spring Protection	PC001001002004008_00001	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution Points	R-WHOLE OF THE DISTRICT	-	6 682	-	-	-	
Water Distribution	Kempsdale Raising Project Dams & Weirs	PC00100204001_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Dams And Weirs	R-GREATER KONSTAD	10 591	22 680	53 063	71 179	-	
Water Distribution	Monqumeni / Santombw Wtr Pns 4 Dams&We	PC00100204001_00006	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Dams And Weirs	R-WHOLE OF THE DISTRICT	13 877	11 570	87	-	-	
Water Distribution	Borehole Drilling	PC00100204002_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	-	16 483	-	-	-	
Water Distribution	Water Identified Village In Nenz Borehole	PC00100204002_00005	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Boreholes	R-WHOLE OF THE DISTRICT	1 168	-	-	-	-	
Water Distribution	Water Supply Identif Villag Now Borehole	PC00100204002_00006	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Boreholes	R-GREATER KONSTAD	2 178	-	-	-	-	
Water Distribution	Greater Summerfield Suppl Pump Station	PC00100204004_00003	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Pump Stations	R-WHOLE OF THE DISTRICT	14 566	20 037	87	-	-	
Water Distribution	Cru Develpmt Refurbish/Upw New Bulk Pt	PC00100204006_00012	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-GREATER KONSTAD	6 675	-	-	-	-	
Water Distribution	Highfats Town Water Bulk Pipe Line	PC00100204006_00010	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Bulk Mains	R-UBUHLEBEZIE	1 035	-	-	-	-	
Water Distribution	Creighton Water Supply Pipes	PC00100204007_00022	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-NGWE/KWA SANI	33 042	37 021	35 199	18 764	17 391	
Water Distribution	Gala Donnybrook Water Supply Pipes	PC00100204007_00024	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-NGWE/KWA SANI	-	631	87	-	-	

DC43 Harry Gwala - Supporting Table SA36 Consolidated detailed capital budget

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	2025/26 Medium Term Revenue & Expenditure Framework				
											Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality:															
<i>List all capital projects grouped by Function</i>															
Water Distribution	Greater Summerfield Wtr Supply Pipe Lin	PC001002004007_00038	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	54 213	21 427	4 348	26 087	19 748	
Water Distribution	Installation Of Bulk Water Meters	PC001002004007_00001	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-ADMIN OR HEAD OFFICE	15	2 910	3 593	3 808	4 037	
Water Distribution	Installation Of Smart Meter	PC001002004007_00021	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-ADMIN OR HEAD OFFICE	-	11 712	4 000	4 240	4 484	
Water Distribution	Jet Cleaning Machine	PC001002004007_00023	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-ADMIN OR HEAD OFFICE	-	-	-	-	-	
Water Distribution	Khukhulela Water Supply Pipes	PC001002004007_00023	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-INGWEIKWA SAN	17 568	23 954	40 223	-	-	
Water Distribution	Kwamay-Theekloof Water S. Pipe Line	PC001002004007_00040	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	844	3 739	87	-	-	
Water Distribution	Minqomeni / Santombe Wtr Phs 4 Pipe Lin	PC001002004007_00049	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	2 621	7 546	30 435	25 564	17 381	
Water Distribution	Ncalubana Scheme (Phase 2&3) Pipe Line	PC001002004007_00047	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-RUBULHEBEZWE	1 416	-	-	-	-	
Water Distribution	Water Tankers	PC001002004007_00022	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-ADMIN OR HEAD OFFICE	-	12 000	4 000	4 240	4 484	
Water Distribution	Purchase Of Mobile Wtw	PC001002005003_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Sanitation Infrastructure	Waste Water Treatment Works	R-ADMIN OR HEAD OFFICE	-	2 278	-	-	-	
Water Distribution	Vehicle New - Mayor	PC002002001010_00001	RENEWAL		Governance	MUNICIPAL STRATEGIC OBJECTIVE	Transport Assets		R-ADMIN OR HEAD OFFICE	1 332	1 183	1 123	1 190	1 261	
Water Distribution	Office Equipment	PC002003005_00003	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	118	97	99	105	112	
Water Distribution	Call Centre Software	PC002003007002004_00002	NEW	An efficient, effective and development-oriented public service	Growth	MUNICIPAL STRATEGIC OBJECTIVE	Licences And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	-	1 150	455	482	511	
Water Distribution	Diesel Tanks	PC002003009_00006	NEW		Growth	MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	300	496	526	558	
Water Treatment	Greater Bulwer Donnybrook Water Supply	PC001001001004007_00003	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	4 330	87	-	-	
Water Treatment	Kwanjunga/Rakoti Refurbishment/Upgrade	PC001001001004007_00010	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	435	7 677	3 902	9 865	
Water Treatment	Madlathu-Maromeni Water Supply	PC001001001004007_00009	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	2 245	-	-	-	-	
Water Treatment	Mtulamhle/Cabene Water Supply	PC001001001004007_00011	RENEWAL	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Distribution	R-WHOLE OF THE DISTRICT	-	435	-	-	-	
Water Treatment	Nokweja/Mashumi Community Water Suppl	PC001001002004005_00004	UPGRADING	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Water Treatment Works	R-RUBULHEBEZWE	15 131	2 001	-	-	-	
Parent Capital expenditure										309 604	339 561	294 629	318 480	333 848	
Entities:															
<i>List all capital projects grouped by Entity</i>															
Entity A															
Harry Gwala Development Agency															
Economic Development/Planning	Furniture & Office Equipment	PC002003005_00005	NEW	An efficient, effective and development-oriented public service	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	-	250	150	157	166	
Economic Development/Planning	Machinery	PC002003009_00003	NEW		Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Machinery And Equipment	Machinery And Equipment	R-ADMIN OR HEAD OFFICE	-	-	-	-	-	
Finance	Land Purchase	PC001002004001_00004	NEW	An efficient, competitive and responsive economic infrastructure network	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Water Supply Infrastructure	Dams And Weirs	R-ADMIN OR HEAD OFFICE	-	-	-	-	-	
Finance	It Equipment	PC002003005_00007	NEW	An efficient, effective and development-oriented public service	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Furniture And Office Equipment	Furniture And Office Equipment	R-ADMIN OR HEAD OFFICE	-	288	251	262	278	
Finance	Software (Intangible Asset)	PC002003007002004_00001	NEW	An efficient, effective and development-oriented public service	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Licences And Rights	Computer Software And Applications	R-ADMIN OR HEAD OFFICE	-	325	50	52	55	
Finance	Building	PC002003003001001_00002	NEW	An efficient, effective and development-oriented public service	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	Operational Buildings	Municipal Offices	R-ADMIN OR HEAD OFFICE	-	650	4 350	4 180	4 431	
Entity Capital expenditure										-	1 513	4 801	4 651	4 930	
Total Capital expenditure										309 604	361 074	299 430	323 141	338 779	

Table 61 MBRR SA38 - Consolidated detailed operational projects

DC43 Harry Gwala - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Ward Location	Prior year outcomes		2025/26 Medium Term Revenue & Expenditure Framework			
									Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
	Parent municipality:													
	<i>List all operational projects grouped by Function</i>													
	Administrative And Corporate Support	O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	59 049	62 169	32 902	34 641	36 472	
	Administrative And Corporate Support	O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-GREATER KOKSTAD	(8)	30	4	4	5	
	Administrative And Corporate Support	O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-INGWEIKWA SAN	(17)	3	3	3	4	
	Administrative And Corporate Support	O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-JUBHLEBEZWE	620	800	759	805	853	
	Administrative And Corporate Support	O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-WHOLE OF THE DISTRICT	26 343	34 074	35 005	36 992	39 059	
	Administrative And Corporate Support	Capacity Building Local Municipalities (District Boundaries)	PO003004003_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	12	2	16	17	18	
	Administrative And Corporate Support	Human Resource Management	PO003020003_00004	Work Streams	Responsive, accountable, effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	1	18	19	20	
	Administrative And Corporate Support	O_Tws_Capacity Build Train & Dev. Workshops, Seminars & Subject Matter Train	PO003004010_00005	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	114	-	-	-	-	
	Administrative And Corporate Support	O_Tws_Capacity Build Train & Dev. Workshops, Seminars & Subject Matter Train	PO003004010_00011	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	142	387	308	327	347	
	Administrative And Corporate Support	Capital Spares	PO001001001002007010_00001	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-WHOLE OF THE DISTRICT	10 696	17 389	10 818	12 527	13 279	
	Administrative And Corporate Support	Mechanical Equipment	PO00100100100200703007_00001	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-WHOLE OF THE DISTRICT	9 615	15 249	11 273	13 009	13 790	
	Administrative And Corporate Support	Pipe Work	PO00100100100200706010_00003	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	10 790	18 727	11 273	13 009	13 790	
	Governance Function	O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	8 544	9 019	9 497	9 999	10 528	
	Governance Function	Awareness And Information	PO003002001_00001	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access		R-WHOLE OF THE DISTRICT	-	-	35	37	39	
	Governance Function	Disciplinary Committee	PO003002001_00001	Work Streams	Responsive, accountable, effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	150	142	151	160	
	Governance Function	Idp Planning And Revision	PO003044008_00004	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration		R-WHOLE OF THE DISTRICT	-	-	1 500	1 590	1 685	
	Governance Function	Risk Management	PO003044015_00001	Work Streams	Responsive, accountable, effective and efficient local government	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	15	173	227	241	255	
	Mayor And Council	O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	15 967	17 862	16 534	17 461	18 441	
	Mayor And Council	O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-WHOLE OF THE DISTRICT	469	961	1 011	1 064	1 120	
	Mayor And Council	Capacity Building Councillors	PO003004002_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	29	-	-	-	-	
	Mayor And Council	Capacity Building Local Municipalities (District Boundaries)	PO003004003_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	759	1 223	723	767	813	
	Mayor And Council	Community Development Initiatives	PO003007003_00002	Work Streams	A comprehensive, responsive and sustainable social protection system	Inclusion and Access		R-WHOLE OF THE DISTRICT	-	-	167	193	204	
	Mayor And Council	Government Information System (GIS) Project And Support	PO003044007_00010	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	12	100	106	112	
	Mayor And Council	Holiday Program	PO003007012_00001	Work Streams	A comprehensive, responsive and sustainable social protection system	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	56	149	241	256	271	

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R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Ward Location	Prior year outcomes		2025/26 Medium Term Revenue & Expenditure Framework			
									Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
Parent municipality: <i>List all operational projects grouped by Function</i>														
Mayor And Council		Mayoral/Executive Mayor Campaigns	PO0300604_00001	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	134	121	142	151	160	
Mayor And Council		Mayoral/Executive Mayor Campaigns	PO0300604_00002	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	-	100	106	112	
Mayor And Council		Mayoral/Executive Mayor Campaigns	PO0300604_00003	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	111	298	265	302	320	
Mayor And Council		Mayoral/Executive Mayor Campaigns	PO0300604_00004	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	50	47	297	314	
Mayor And Council		Newsletters	PO0300605_00002	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	105	372	295	313	332	
Mayor And Council		O_Tws_Capacity Build Train & Dev_ Workshops; Seminars & Subject Matter Train	PO03004010_00008	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	341	-	-	-	-	
Mayor And Council		O_Tws_Capacity Build Train & Dev_ Workshops; Seminars & Subject Matter Train	PO03004010_00011	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	345	867	370	392	416	
Municipal Manager, Town Secretary And Chief Exec		O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	8 760	10 150	13 002	13 763	14 569	
Municipal Manager, Town Secretary And Chief Exec		O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-WHOLE OF THE DISTRICT	3 116	3 452	3 626	3 817	4 017	
Municipal Manager, Town Secretary And Chief Exec		Capacity Building Local Municipalities (District Boundaries)	PO03004003_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	30	70	66	70	75	
Municipal Manager, Town Secretary And Chief Exec		Government Information System (GIS) Project And Support	PO03044007_00010	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	30	50	99	105	112	
Finance		O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	21 793	24 315	18 341	19 423	20 569	
Finance		O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-WHOLE OF THE DISTRICT	86	82	66	70	74	
Finance		Abet And Life Long Learning Programme	PO03004001_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	599	609	645	684	725	
Finance		Assistance To Local Municipalities (Capacity Building)	PO03010001_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	201	411	380	402	427	
Finance		Financial Systems	PO03030005_00001	Work Streams	Responsive; accountable; effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	3 043	5 095	3 636	3 855	4 066	
Finance		Government Information System (GIS) Project And Support	PO03044007_00006	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	50	285	302	320	
Finance		Indigent And Cultural Management And Services	PO030321_00002	Work Streams	Responsive; accountable; effective and efficient local government	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-WHOLE OF THE DISTRICT	-	-	909	964	1 021	
Human Resources		O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	8 257	9 577	9 634	10 147	10 688	
Human Resources		Employee Assistance Programme	PO03020002_00003	Work Streams	Responsive; accountable; effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	20	27	455	482	511	
Human Resources		Government Information System (GIS) Project And Support	PO03044007_00012	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	2 735	5 116	4 000	4 240	4 494	
Human Resources		Human Resource Management	PO03020003_00002	Work Streams	Responsive; accountable; effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	16	28	27	29	30	
Human Resources		O_Tws_Capacity Build Train & Dev_ Workshops; Seminars & Subject Matter Train	PO03004010_00002	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	74	1 668	1 818	1 927	2 043	
Human Resources		O_Tws_Capacity Build Train & Dev_ Workshops; Seminars & Subject Matter Train	PO03004010_00014	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	25	31	370	392	415	
Information Technology		O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	63 599	70 366	65 715	71 045	75 203	
Information Technology		O_Municipal Running Cost	PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-WHOLE OF THE DISTRICT	1 313	1 999	2 122	2 269	2 384	
Information Technology		Employee Assistance Programme	PO03020002_00001	Work Streams	Responsive; accountable; effective and efficient local government	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	241	823	727	771	817	
Information Technology		Government Information System (GIS) Project And Support	PO03044007_00007	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	1	9	10	10	
Information Technology		Government Information System (GIS) Project And Support	PO03044007_00008	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	377	629	569	604	640	
Information Technology		Government Information System (GIS) Project And Support	PO03044007_00010	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	850	2 416	409	434	460	
Information Technology		Government Information System (GIS) Project And Support	PO03044007_00014	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	481	559	545	578	613	
Information Technology		Government Information System (GIS) Project And Support	PO03044007_00015	Work Streams	Responsive; accountable; effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	1 715	1 298	455	482	511	
Information Technology		O_Tws_Capacity Build Train & Dev_ Workshops; Seminars & Subject Matter Train	PO03004010_00013	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	651	916	475	503	533	
Information Technology		Computer Equipment	PO0100200201004_00001	Corrective Maintenance	An efficient, effective and development-oriented public service	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	16	62	47	50	53	
Information Technology		Computer Equipment	PO0100200201004_00002	Corrective Maintenance	An efficient, effective and development-oriented public service	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	20	29	31	33	

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R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Ward Location	Prior year outcomes										
									Audited Outcome	Current Year 2024/25	Budget Year	Budget Year +1	Budget Year +2						
									2023/24	Full Year Forecast	2025/26	2026/27	2027/28						
	Parent municipality:																		
	List all operational projects grouped by Function																		
	Information Technology	Mechanical Equipment	PO0110020010100202001007_00001	Preventative Maintenance	A long and healthy life for all South Africans	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	87	117	273	289	306						
	Information Technology	Transport Assets	PO0110020010101010_00001	Preventative Maintenance		Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	49	753	332	387	411						
	Legal Services	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	1 970	2 116	2 229	2 346	2 469						
	Marketing, Customer Relations, Publicity And Media	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	-	20	21	22						
	Marketing, Customer Relations, Publicity And Media	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	2 219	2 484	2 549	2 684	2 827						
	Marketing, Customer Relations, Publicity And Media	Mayor/Executive Mayor Campaigns	PO00300604_00004	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	13	16	30	32	33						
	Marketing, Customer Relations, Publicity And Media	O_Tws_Capacity Build Train & Dev Workshops; Seminars & Subject Matter Train	PO00300410_00015	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	120	237	232	207						
	Supply Chain Management	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	15 555	11 242	11 940	12 573	13 241						
	Supply Chain Management	Capacity Building Local Municipalities (District Boundaries)	PO00300403_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	45	47	66	70	75						
	Supply Chain Management	O_Tws_Capacity Build Train & Dev Workshops; Seminars & Subject Matter Train	PO00300410_00011	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	316	489	455	482	511						
	Disaster Management	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	17 424	18 228	19 970	19 971	21 024						
	Disaster Management	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	1 061	1 635	1 733	1 837	1 948						
	Disaster Management	Disaster Management	PO003014002_00001	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	497	765	1 000	1 060	1 124						
	Disaster Management	Disaster Management	PO003014002_00003	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	62	-	91	96	102						
	Disaster Management	Drinking Water Quality	PO003011_00001	Work Streams	A long and healthy life for all South Africans	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	170	1 500	2 000	1 590	1 685						
	Disaster Management	Environmental Health	PO003015004_00002	Work Streams	Protect and enhance our environmental assets and natural resources	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	71	150	142	151	160						
	Corporate Wide Strategic Planning (Idps, Led)	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	3 038	3 265	3 313	3 487	3 670						
	Corporate Wide Strategic Planning (Idps, Led)	Budget Road Show Public Participation	PO00300602_00001	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	1 722	-	-	-						
	Corporate Wide Strategic Planning (Idps, Led)	Idp Planning And Revision	PO00304008_00003	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	1 602	-	-	-	-						
	Economic Development/Planning	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	26 012	29 133	29 581	30 065	30 616						
	Economic Development/Planning	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	216	109	116	123	130						
	Economic Development/Planning	Air Quality Management	PO003015001_00001	Work Streams	Protect and enhance our environmental assets and natural resources	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	612	-	-	-	-						
	Economic Development/Planning	Annual Review Of Disaster Management Plan	PO003014001_00001	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	-	1 091	1 156	1 226						
	Economic Development/Planning	Annual Review Of Disaster Management Plan	PO003014001_00002	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	-	273	289	306						
	Economic Development/Planning	Capacity Building Local Municipalities (District Boundaries)	PO00300403_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	8	38	64	67	72						
	Economic Development/Planning	Disaster Management	PO003014002_00002	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	183	130	29	31	33						
	Economic Development/Planning	Environmental Health	PO003015004_00001	Work Streams	Protect and enhance our environmental assets and natural resources	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	350	318	337	358						
	Economic Development/Planning	O_Tws_Capacity Build Train & Dev Workshops; Seminars & Subject Matter Train	PO00300410_00011	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	299	286	318	337	358						
	Project Management Unit	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	-	360	371	393						
	Project Management Unit	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	245 697	110 712	136 454	145 530	153 740						
	Project Management Unit	Clear-Up Actions	PO003005001_00001	Work Streams	Protect and enhance our environmental assets and natural resources	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	7 177	8 215	8 638	9 052	9 569						
	Project Management Unit	Drinking Water Quality	PO003011_00002	Work Streams	A long and healthy life for all South Africans	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	-	1 000	1 230	1 300						
	Project Management Unit	Government Information System (GIS) Project And Support	PO003044007_00010	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	97	-	109	116	123						
	Project Management Unit	Government Information System (GIS) Project And Support	PO003044007_00020	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	-	600	636	674						
	Project Management Unit	Inter Governmental Relations (IG) Programme	PO00300410_00010	Work Streams	Responsive, accountable, effective and efficient local government	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	-	11 590	13 033	13 960						
	Project Management Unit	O_Tws_Capacity Build Train & Dev Workshops; Seminars & Subject Matter Train	PO00300410_00011	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	232	66	365	387	411						
	Project Management Unit	Buildings	PO011002001002003001002_00001	Preventative Maintenance	An efficient, effective and development-oriented public service	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	4 272	3 943	4 264	4 520	4 791						
	Support To Local Municipalities	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	2 777	3 394	3 517	3 711	3 915						
	Support To Local Municipalities	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	2	2	2	3	3						
	Support To Local Municipalities	Awareness Campaign	PO00300601_00002	Work Streams	Sustainable human settlements and improved quality of household life	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	57	56	-	-	-						
	Support To Local Municipalities	Elderly	PO003007007_00001	Work Streams	A comprehensive, responsive and sustainable social protection system	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	585	1 101	1 329	1 408	1 493						
	Support To Local Municipalities	Government Information System (GIS) Project And Support	PO003044007_00002	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	522	544	4 136	4 005	4 341						
	Support To Local Municipalities	Government Information System (GIS) Project And Support	PO003044007_00019	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	-	-	-	-						
	Support To Local Municipalities	O_Tws_Sport Development, Marathons; Sport And Recreation	PO003043002_00004	Work Streams	An efficient, effective and development-oriented public service	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	194	350	318	337	358						
	Support To Local Municipalities	Social Development Programme (Welfare)	PO003007016_00004	Work Streams	A comprehensive, responsive and sustainable social protection system	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	27	173	142	151	160						
	Support To Local Municipalities	Youth Development	PO003007017002_00001	Work Streams	A comprehensive, responsive and sustainable social protection system	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	1 041	1 626	1 091	1 156	1 226						
	Water Treatment	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	119 289	129 878	126 054	132 965	140 257						
	Water Treatment	Drinking Water Quality	PO003011_00001	Work Streams	A long and healthy life for all South Africans	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	4 405	4 047	3 636	3 855	4 086						
	Water Treatment	Government Information System (GIS) Project And Support	PO003044007_00001	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	1 099	3 762	3 132	3 320	3 519						
	Water Treatment	Government Information System (GIS) Project And Support	PO003044007_00004	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	562	692	695	737	781						
	Water Treatment	Policy Review	PO003044014_00001	Work Streams	Responsive, accountable, effective and efficient local government	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	2 211	3 000	2 727	2 891	3 064						
	Sewerage	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	-	-	8 504	9 014	9 555						
	Sewerage	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	187	750	789	830	874						
	Water Distribution	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	33 426	26 737	85 005	86 520	91 980						
	Water Distribution	Municipal Running Cost	PO002_00000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	23 014	27 060	29 448	31 215	33 088						
	Water Distribution	Capacity Building Local Municipalities (District Boundaries)	PO00300403_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	5	6	54	57	61						
	Water Distribution	Government Information System (GIS) Project And Support	PO003044007_00010	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	58	8	10	11	11						
	Water Distribution	O_Tws_Capacity Build Train & Dev Workshops; Seminars & Subject Matter Train	PO00300410_00007	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	447	-	-	-	-						
	Water Distribution	O_Tws_Capacity Build Train & Dev Workshops; Seminars & Subject Matter Train	PO00300410_00011	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	96	634	287	304	322						
	Water Distribution	Buildings	PO011001001002007006003_00002	Preventative Maintenance	An efficient, competitive and responsive economic infrastructure network	Inclusion and Access	MUNICIPAL STRATEGIC OBJECTIVE	R-ADMIN OR HEAD OFFICE	8 256	15 376	11 727	13 481	14 300						
	Parent Operational expenditure								789 459	736 686	785 793	833 366	879 579						

DC43 Harry Gwala - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Ward Location	Prior year outcomes		2023/26 Medium Term Revenue & Expenditure Framework		
									Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality:													
List all operational projects grouped by Function													
Entities:													
List all Operational projects grouped by Entity													
Harry Gwala Development Agency													
Administrative And Corporate Support	Q_Municipal Running Cost		PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	3 700	3 434	3 588	3 803
Administrative And Corporate Support	Assistance To Local Municipalities (Capacity Building)		PO003010001_00001	Work Streams	A skilled and capable workforce to support an inclusive growth path	Inclusion and Access	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	250	250	261	277
Administrative And Corporate Support	Disaster Relief		PO003014003_00001	Work Streams	A comprehensive, responsive and sustainable social protection system	Governance	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	30	31	33	35
Administrative And Corporate Support	Government Information System (Gis) Project And Support		PO003044007_00008	Work Streams	Responsive, accountable, effective and efficient local government	Spatial Integration	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	15	42	44	46
Administrative And Corporate Support	Buildings		PO0110200102003001001002_00001	Preventative Maintenance	An efficient, effective and development-oriented public service	Governance	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	118	100	105	111
Municipal Manager, Town Secretary And Chief Exec	Q_Municipal Running Cost		PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	8 655	10 920	11 412	12 096
Finance	Q_Municipal Running Cost		PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	2 070	2 021	2 112	2 238
Finance	Q_Tws_Capacity Build Train & Dev_Workshops, Seminars & Subject Matter Train		PO003004010_00014	Work Streams	A skilled and capable workforce to support an inclusive growth path	Governance	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	-	3 400	-	-
Economic Development/Planning	Q_Municipal Running Cost		PO002_0000	Municipal Running Cost	Sustainable human settlements and improved quality of household life	Governance	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	132	288	145	153
Economic Development/Planning	Project Implementation		PO003023002_00004	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	60	63	66	70
Economic Development/Planning	Project Implementation		PO003023002_00007	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	OWN MUNICIPAL STRATEGIC OBJECTIVE	R-WHOLE OF THE DISTRICT	-	700	400	-	-
Economic Development/Planning	Project Implementation		PO003023002_00008	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	OWN MUNICIPAL STRATEGIC OBJECTIVE	RUBULLEBEZWE	-	4 600	3 000	3 135	3 323
Economic Development/Planning	Project Implementation		PO003023002_00009	Work Streams	An efficient, effective and development-oriented public service	Spatial Integration	OWN MUNICIPAL STRATEGIC OBJECTIVE	R-NGWIKWA SANI	-	1 000	2 100	2 195	2 326
Tourism	Tourism Development		PO003046003_00003	Work Streams	An efficient, effective and development-oriented public service	Growth	OWN MUNICIPAL STRATEGIC OBJECTIVE	RADMIN OR HEAD OFFICE	-	200	250	261	277
Entity Operational expenditure									-	21 530	26 289	23 355	24 756
Total Operational expenditure									789 459	758 216	812 082	856 721	904 335

1.18 LEGISLATION COMPLIANCE STATUS

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

In year reporting

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

Internship programme

The district is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department and internal auditing. Their contracts started on the 01 August 2023 and the contract will take 5 years as required by National Treasury. Since the introduction of the Internship programme the district has successfully employed and trained 18 interns through this programme and a majority of them were appointed either in the district or other Institutions.

Budget and Treasury Office

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

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan

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

Annual Report

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

MFMA Training

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

Policies

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

1.19 OTHER SUPPORTING DOCUMENTS

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
REVENUE ITEMS:										
<u>Non-exchange revenue by source</u>										
<u>Exchange Revenue</u>										
Total Property Rates										
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)										
Net Property Rates	-	-	-	-	-	-	-	-	-	-
<u>Exchange revenue service charges</u>										
<u>Service charges - Electricity</u>										
Total Service charges - Electricity										
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)										
Less Cost of Free Basis Services (50 kwh per indigent household per month)										
Net Service charges - Electricity	-	-	-	-	-	-	-	-	-	-
<u>Service charges - Water</u>										
Total Service charges - Water	49 995	66 300	61 130	56 220	65 489	65 489	56 174	67 303	71 342	75 622
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)										
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)	642	1 775	1 828	(724)	(724)	(724)	2 482	(768)	(814)	(863)
Net Service charges - Water	49 353	64 525	59 302	56 944	66 213	66 213	53 692	68 071	72 155	76 485
<u>Service charges - Waste Water Management</u>										
Total Service charges - Waste Water Management	12 207	13 149	13 256	14 252	12 995	12 995	10 639	13 518	14 329	15 189
Less Revenue Foregone (in excess of free sanitation service to indigent households)										
Less Cost of Free Basis Services (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Water Management	12 207	13 149	13 256	14 252	12 995	12 995	10 639	13 518	14 329	15 189

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	140 552	146 711	154 140	166 796	170 852	170 852	136 275	192 646	202 693	213 052
Pension and UIF Contributions	22 049	21 669	22 634	24 123	23 754	23 754	19 988	27 915	29 371	30 880
Medical Aid Contributions	10 123	10 478	10 953	11 463	10 911	10 911	9 499	14 670	15 437	16 236
Overtime	18 500	19 197	21 207	22 092	22 942	22 942	19 240	7 174	7 551	7 947
Performance Bonus	11 301	10 340	10 723	11 090	10 947	10 947	8 483	12 732	13 397	14 104
Motor Vehicle Allowance	21 515	21 223	20 996	24 819	21 974	21 974	8 904	23 106	24 319	25 595
Cellphone Allowance	1 099	1 237	1 196	1 435	1 249	1 249	1 038	1 313	1 382	1 454
Housing Allowances	737	847	1 045	1 121	1 044	1 044	934	1 098	1 155	1 216
Other benefits and allowances	6 242	6 249	6 303	8 015	6 428	6 428	4 900	6 765	7 120	7 494
Payments in lieu of leave	1 606	1 750	1 020	1 091	2 369	2 369	1 473	2 592	2 727	2 865
Long service awards	1 023	1 547	1 312	1 277	1 146	1 146	592	1 205	1 268	1 335
Post-retirement benefit obligations	3 386	4 244	4 175	-	-	-	-	-	-	-
Acting and post related allowance	242	216	335	285	483	483	194	507	533	557
In kind benefits	-	-	-	-	-	-	-	-	-	-
<i>sub-total</i>	238 376	245 707	256 039	273 607	274 098	274 098	211 519	291 721	306 953	322 735
<i>Less: Employees costs capitalised to PPE</i>										
Total Employee related costs	238 376	245 707	256 039	273 607	274 098	274 098	211 519	291 721	306 953	322 735
Depreciation and amortisation										
Depreciation of Property, Plant & Equipment	78 474	92 074	98 211	101 411	101 925	101 925	16 799	107 500	113 941	121 081
Lease amortisation	193	134	202	426	442	442	36	288	304	592
Capital asset impairment	2 838	856	138 517	-	-	-	-	-	-	-
Total Depreciation and amortisation	81 505	93 063	236 930	101 837	102 367	102 367	16 835	107 788	114 244	121 673
Bulk purchases - electricity										
Electricity bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants										
Cash transfers and grants	15 100	15 290	-	6 700	6 300	6 300	-	23 360	23 376	29 728
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Total transfers and grants	15 100	15 290	-	6 700	6 300	6 300	-	23 360	23 376	29 728
Contracted Services										
<i>Outsourced Services</i>	81 270	67 651	66 551	75 992	77 445	77 445	62 836	79 832	86 519	91 469
<i>Consultants and Professional Services</i>	14 698	9 378	11 929	19 624	16 973	16 973	13 631	19 373	21 066	22 295
<i>Contractors</i>	77 017	57 234	44 214	56 481	76 744	76 744	54 316	74 652	85 648	90 250
Total contracted services	172 985	134 263	122 694	152 097	171 162	171 162	130 784	173 856	193 234	204 015
Operational Costs										
Collection costs	411	418	595	808	833	833	445	767	813	861
Contributions to 'other' provisions										
Audit fees	4 397	4 660	4 572	6 000	6 470	6 470	5 765	5 827	6 168	6 515
<i>Other Operational Costs</i>	58 650	64 044	86 115	97 449	110 984	110 984	90 872	94 250	103 381	104 722
Total Operational Costs	63 458	69 121	91 283	104 257	118 288	118 288	97 082	100 844	110 361	112 099
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Inventory Consumed (Project Maintenance)	15 329	3 055	-	-	-	-	-	-	-	-
Contracted Services	29 960	49 412	43 781	48 009	68 553	68 553	47 784	45 192	52 227	55 502
Operational Costs										
Total Repairs and Maintenance Expenditure	45 289	52 468	43 781	48 009	68 553	68 553	47 784	45 192	52 227	55 502
Inventory Consumed										
Inventory Consumed - Water	-	-	-	27 027	27 027	27 027	(7)	29 416	31 181	33 052
Inventory Consumed - Other	-	-	-	9 516	11 284	11 284	-	10 219	10 518	10 286
Total Inventory Consumed & Other Material	-	-	-	36 543	38 311	38 311	(7)	39 635	41 698	43 338

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

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

Description	Vote 01 - Summary Council	Vote 02 - Summary Municipal Manager	Vote 03 - Summary Budget And Treasury Office	Vote 04 - Summary Corporate Services	Vote 05 - Summary Social Services & Development	Vote 06 - Summary Infrastructure Services	Vote 07 - Summary Water Services	Total
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity								-
Service charges - Water						1 433	66 638	68 071
Service charges - Waste Water Management						3 372	10 145	13 518
Service charges - Waste Management								-
Sale of Goods and Rendering of Services			791		-			791
Interest earned from Receivables			43				16 011	16 055
Interest earned from Current and Non Current Assets			24 581		1 462			26 043
Operational Revenue			278	410	18		-	706
Non-Exchange Revenue								
Property rates								-
Surcharges and Taxes								-
Fines, penalties and forfeits			1 643		-			1 643
Licences or permits								-
Transfer and subsidies - Operational			522 171	-	23 000	51 818	-	596 989
Interest							-	-
Discontinued Operations								-
Total Revenue (excluding capital transfers and contributions)	-	-	549 507	410	24 479	56 623	92 795	723 815
Expenditure								
Employee related costs	2 912	16 740	40 586	29 061	45 435	28 162	128 825	291 721
Remuneration of councillors	8 059							8 059
Bulk purchases - electricity							-	-
Inventory consumed			10 219				29 416	39 635
Debt impairment				-	-	-	31 530	31 530
Depreciation and amortisation		-	66	14 459	2 596	89 101	1 566	107 788
Interest			-	14	40			54
Contracted services	4 563	10 794	11 843	35 558	8 304	46 560	56 235	173 856
Transfers and subsidies	-	-	-	-	23 360	-	-	23 360
Irrecoverable debts written off			-				42 327	42 327
Operational costs	5 007	3 729	12 255	30 940	15 989	1 584	31 338	100 844
Losses on disposal of Assets		-	-	-	-	-	-	-
Other Losses			-				-	-
Total Expenditure	20 542	31 264	74 969	110 033	95 723	165 408	321 236	819 174
Surplus/(Deficit)	(20 542)	(31 264)	474 538	(109 622)	(71 244)	(108 784)	(228 441)	(95 360)
Transfers and subsidies - capital (monetary allocations)					-	293 458	-	293 458
Transfers and subsidies - capital (in-kind)						-		-
Surplus/(Deficit) after capital transfers & contributions	(20 542)	(31 264)	474 538	(109 622)	(71 244)	184 674	(228 441)	198 099

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

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
ASSETS										
<u>Trade and other receivables from exchange transactions</u>										
Electricity										
Water	164 819	178 639	176 499	170 482	186 291	186 291	178 692	147 466	131 631	114 845
Waste	-	-	-	-	-	-	-	-	-	-
Waste Water	73 638	63 018	56 527	63 064	32 087	32 087	62 871	55 385	54 763	54 103
Other trade receivables from exchange transactions	1 221	1 103	1 143	1 103	1 143	1 143	1 160	1 143	1 143	1 143
Gross: Trade and other receivables from exchange transactions	239 678	242 761	234 169	234 649	219 521	219 521	242 723	203 995	187 537	170 091
Less: Impairment for debt	(212 010)	(210 625)	(222 133)	(205 045)	(198 841)	(198 841)	(221 814)	(180 276)	(165 793)	(150 441)
Impairment for Electricity										
Impairment for Water	(129 533)	(135 177)	(150 990)	(134 596)	(149 316)	(149 316)	(150 906)	(115 150)	(101 215)	(86 444)
Impairment for Waste	(19 572)	(19 388)	(20 099)	(19 388)	(20 099)	(20 099)	(20 099)	(20 099)	(20 099)	(20 099)
Impairment for Waste Water	(62 276)	(55 457)	(50 442)	(50 458)	(28 825)	(28 825)	(50 208)	(44 425)	(43 877)	(43 297)
Impairment for other trade receivables from exchange transactions	(629)	(602)	(602)	(602)	(602)	(602)	(602)	(602)	(602)	(602)
Total net Trade and other receivables from Exchange Transactions	27 668	32 136	12 036	29 605	20 680	20 680	20 909	23 719	21 744	19 650
<u>Receivables from non-exchange transactions</u>										
Property rates	4 441	4 424	4 418	4 417	4 418	4 418	4 418	4 418	4 418	4 418
Less: Impairment of Property rates	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)	(2 106)
Net Property rates	2 336	2 318	2 312	2 311	2 312	2 312	2 312	2 312	2 312	2 312
Other receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Impairment for other receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Net other receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-
Total net Receivables from non-exchange transactions	2 336	2 318	2 312	2 311	2 312	2 312	2 312	2 312	2 312	2 312
<u>Inventory</u>										
<u>Water</u>										
Opening Balance	408	513	716	858	858	858	858	858	858	858
System Input Volume	106	202	143	27 027	27 027	27 027	-	29 416	31 181	33 052
Water Treatment Works	106	-	-	-	-	-	-	-	-	-
Bulk Purchases	-	202	143	27 027	27 027	27 027	-	29 416	31 181	33 052
Natural Sources	-	-	-	-	-	-	-	-	-	-
Authorised Consumption	-	-	-	(27 027)	(27 027)	(27 027)	7	(29 416)	(31 181)	(33 052)
Billed Authorised Consumption	-	-	-	(27 027)	(27 027)	(27 027)	7	(29 416)	(31 181)	(33 052)
Billed Metered Consumption	-	-	-	(27 027)	(27 027)	(27 027)	7	(29 416)	(31 181)	(33 052)
Free Basic Water	-	-	-	-	-	-	-	-	-	-
Subsidised Water	-	-	-	-	-	-	-	-	-	-
Revenue Water	-	-	-	(27 027)	(27 027)	(27 027)	7	(29 416)	(31 181)	(33 052)
Closing Balance Water	513	716	858	858	858	858	866	858	858	858
<u>Standard Rated</u>										
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	1 716	1 006	1 006	-	1 456	1 073	1 195
Issues	-	-	-	(1 716)	(1 006)	(1 006)	-	(1 456)	(1 073)	(1 195)
Opening Balance	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	7 800	10 278	10 278	-	8 763	9 445	9 091
Issues	-	-	-	(7 800)	(10 278)	(10 278)	-	(8 763)	(9 445)	(9 091)
Closing Balance - Inventory & Consumables	513	716	858	858	858	858	866	858	858	858
<u>Property, plant and equipment (PPE)</u>										
PPE at cost/valuation (excl. finance leases)	3 456 912	3 706 233	3 873 529	4 444 826	4 234 172	4 234 172	4 124 341	4 505 203	4 820 910	5 153 581
Leases recognised as PPE	-	-	-	-	-	-	-	1 180	1 251	1 326
Less: Accumulated depreciation	697 548	779 460	876 665	999 980	977 679	977 679	893 464	1 062 767	1 173 580	1 287 941
Total Property, plant and equipment (PPE)	2 759 364	2 926 773	2 996 864	3 444 846	3 256 494	3 256 494	3 230 877	3 443 615	3 648 580	3 866 966

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)	12 794	12 806	12 806	8 006	10 406	10 406	12 806	8 006	5 606	3 206
Current portion of long-term liabilities	-	-	-	-	-	-	-	-	-	-
Total Current liabilities - Borrowing	12 794	12 806	12 806	8 006	10 406	10 406	12 806	8 006	5 606	3 206
Trade and other payables										
Trade and other payables from exchange transactions	77 578	91 868	86 935	86 542	83 968	83 968	74 654	86 356	88 356	89 656
Other trade payables from exchange transactions										
Trade payables from Non-exchange transactions: Unspent conditional Grants	(0)	21 177	10 500	1 483	1 483	1 483	175 557	1 483	1 483	1 483
Trade payables from Non-exchange transactions: Other										
VAT	6 600	7 535	5 282	7 402	5 282	5 282	12 451	5 282	5 282	5 282
Total Trade and other payables	84 178	120 580	102 717	95 427	90 734	90 734	262 663	93 121	95 121	96 421
Non current liabilities - Financial liabilities										
Borrowing	1 299	(0)	(0)	-	-	-	(0)	-	-	-
Other financial liabilities										
Total Non current liabilities - Financial liabilities	1 299	(0)	(0)	-	-	-	(0)	-	-	-
Provisions - non-current										
Retirement benefits	14 612	14 923	16 734	15 818	16 734	16 734	16 734	16 734	16 734	16 734
Refuse landfill site rehabilitation										
Other	12 634	12 812	13 802	13 581	13 802	13 802	13 802	13 802	13 802	13 802
Total Provisions non-current	27 246	27 735	30 536	29 399	30 536	30 536	30 536	30 536	30 536	30 536
CHANGES IN NET ASSETS										
Accumulated surplus/(deficit)										
Accumulated surplus/(deficit) - opening balance	2 510 028	2 729 825	2 941 983	3 260 220	3 072 981	3 072 981	3 075 127	3 316 039	3 516 888	3 769 507
GRAP adjustments	-	-	-	-	-	-	-	-	-	-
Restated balance	2 510 028	2 729 825	2 941 983	3 260 220	3 072 981	3 072 981	3 075 127	3 316 039	3 516 888	3 769 507
Surplus/(Deficit)	264 369	246 631	168 343	241 428	220 192	220 192	286 098	198 099	214 251	216 945
Other adjustments	89	(1 052)	(1 602)	-	-	-	(17)	-	-	-
Accumulated Surplus/(Deficit)	2 774 486	2 975 404	3 108 725	3 501 649	3 293 172	3 293 172	3 361 208	3 514 138	3 731 138	3 986 452
TOTAL COMMUNITY WEALTH/EQUITY	2 774 486	2 975 404	3 108 725	3 501 649	3 293 172	3 293 172	3 361 208	3 514 138	3 731 138	3 986 452

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

DC43 Harry Gwala - Supporting Table SA9 Social, economic and demographic statistics and assumptions

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

1.1 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

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

Print Name Gamakulu Ma'art Sineke

Municipal Manager of Harry Gwala District Municipality (DC43)

Signature



Date 2025/05/28