

ANNUAL BUDGET MTERF FOR 2022/2023-2024/2025



MATATIELE

LOCAL MUNICIPALITY

ANNUAL BUDGET OF
MATATIELE LOCAL
MUNICIPALITY

2022/23 TO 2024/25
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

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

PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises
Mscoa	Municipal standard chart of accounts

Part 1 – Annual Budget

1.1 Mayor's report

As the continent of Africa, yesterday we commemorated the Africa Day. Africa Month allows us to reflect on the continent's progress and the common challenges that she faces. We are not immune as Matatiele Local Municipality as we face numerous challenges including high youth unemployment, poverty, inequality, indigent household, our roads are continuously getting damaged by heavy rains.

This years' Africa Month is commemorated under the theme "The Year of Nutrition". This therefore honourable members forces us as this council to ensure that we strengthen resilience in nutrition and food security in our municipality.

We must appreciate the role played by all workers around Matatiele who continue during the difficult period we face as the country le ye COVID-19, they work so hard to ensure that the challenges we continue to encounter in Matatiele are eliminated. All workers from sector departments, private sector, informal sector and the municipality, your role is noticed and we urge you to continue to work hard as we build better Matatiele together.

The progress made thus far has been a collective effort from all the councillors, administration, our stakeholders and the community of Matatiele local municipality.

We as Council of Matatiele have not forgotten the following challenges;

- Increasing number of community protests (key issues raised were: provincial and access roads and water).
- Poorly functioning solid waste management systems in residential areas and landfill sites.
- Limited job opportunities especially for educated young people, resulting in erosion of skills and migration to other areas (youth unemployment: 47.2%)
- Absence of tertiary institution locally.
- Alcohol and substance abuse.
- Teenage pregnancy.
- Crime and violence (rape and stock theft)
- Minimal support of Local Economic Development projects or programmes from municipality
- High crime rate
- Poverty/ high number of households under the indigent support.

To respond to this, we will focus on the commitments we made when we

Since we were elected as these different political parties in council our vision has been one and that of serving the people of Matatiele. The 2022 manifesto of the ruling party calls us all in local government to ensure that we also address these challenges and yes we will surely address them and we repeat that:

- We will fix roads, potholes, sewage spills and broken water pipes.
- We are going to improve the infrastructure to provide clean water and reliable electricity.
- We will fast-track rural development.
- We will link rural areas and urban markets and make land available for co-operative communal food gardens.

- We will create more jobs for young people as first-time entrants and upscale internships, learnerships and bursaries.
- We will ensure that the municipality is run by ethical leaders, managers and workers, and remove those who fail to do what they are paid to do.
- We will rebuild sports facilities that have fallen into disrepair and revitalise arts and culture facilities.
- Working together, we will intensify the fight against gender-based violence and safer communities, and in partnership with the National Department of Women, Youth & Persons with Disabilities we established the Matatiele Local Municipality GBV & Femicide Rapid Response Team to ensure that we work towards eliminating this pandemic in our municipality. We will in the next financial year launch these structures in all 27 wards around Matatiele and they will be led by men.
- We will ensure infrastructure development, basic services, housing and local economic development to address the specific needs of women, people with disabilities, the elderly and children.

We will give more details on what we have done to date about these issues since we took an oath of office but also accounting on activities done since June 2021.

We need to strive to build a better economy with more opportunities for all. Our key task is to create jobs and reduce poverty as a matter of urgency. Creating jobs and sustainable economic opportunities for the youth is especially urgent.

Let us rebuild and renew an effective municipality that puts people first.

We need to ensure that agriculture and tourism are tapped into in order to create sustainable jobs and fight poverty. We have a huge potential in this front as Matatiele, therefore it is in our hands as this council to work twice

as hard to ensure that we support the people with resources so that they can work the land.

In the next five years, more budget should be channelled into developing our tourism sector, in ensuring that we market Matatiele so as to attract investors. The proposed budget for Local Economic Development (LED) programmes is estimated to be R8.5 million. The municipality in this regard to improve its local economy is working closely with sector departments operating in Matatiele including the Department of Economic Development, Environmental Affairs & Tourism (DEDEAT) as they play a crucial role in improving the local economy.

The budget for LED will focus on the following projects: Cropping and household programme; livestock improvement programme; skills development for housing emerging contractors; skills development programme for SMMEs; SME/ co-operative funding support; manufacturing support; support for informal traders; nature reserve hiking trail and various tourism programmes.

A budget of R1.5 million has been provided for livestock improvement. Cropping and Households Food Security Programme has been allocated a budget of R3 million and to improve tourism development all programmes in this sector have been allocated a budget of R4 million.

The National Department of Tourism is currently investing close to R20 million to improve and revamp the Mehlooding Hiking Trail in Ward 12 via areas of Ward 13 and 14. This will be major boost on our tourism sector and jobs will be created while the project is being implemented. As the municipality we commit that we will improve our infrastructure so that this sector can boom and bring the much needed change.

We took this strong decision as this council because we believe that tourism development, agriculture and conservation of our natural resources are key in attracting investments to Matatiele, in order to open opportunities which will provide an environment that promotes a sustainable local economic development.

As government alone we cannot reduce unemployment but ours is to create favourable conditions so that the private sector can work with us in addressing this challenge.

As we have said then that manufacturing is another sector we will look into in the next five. Sustainable economic development should be our slogan but not only in talks but in action. We will strive to ensure that each ward has a viable business where the people will get jobs.

For the next budget we have prioritised the following access roads and bridges:

- Nyanzela access road in ward 17
- Dengwana;Khoapa; Botsola-Taung access road in ward 6
- Sitiweni access road in ward 21
- Tsepisong Kamorathaba -Kuyasa access road in ward 3
- Tsepisong Kamorathaba -Kuyasa bridge (Masakala) yakwa ward 3
- Rashule access road in ward 9 and also bridge (Rashule)

These access roads were damaged by heavy rains and needed to be prioritised during the adjustments budget but procurement processes for tenders above R30 000 have been put on hold by national treasury. Provincial roads amounting to R101 million will be constructed in Matatiele.

The reseal of the following streets in ward 19 is underway: Station road – from the old KFC to St. Monicas School; parts of Buxton Park; Pope Lane and Long street to Jagger Street. About 2.5km.

The following roads are being maintained by own plant:

- Construction of Liqalabeng Access Road in ward 14
 - Maintenance of Madimong Access Road in ward 27
 - Maintenance of Magera Access Road in ward 27,
 - Kutwana village in ward 8, (5.9) kilometres will be maintained and reconstructed.
 - Ward 20 is benefiting in the 3.5 kilometres of internal streets at Njongweville areas.
 - Electrification in Liqalabeng kwa Ward 14 has started.
 - Handover of contractors for the following roads: Likhetlane-Khoarai Access Road, St Paul Access Road, 3.
 - Handover of a contractor for Harry Gwala (Itsokolele-Ngongweville)
 - Rockville, Maritseng & Motsekoa Access Road, Kutwana-Magera A/R.
 - The municipal plant has been directed to maintain Mbobo 5.1 km and Lihaseng 2.5 km.
 - We have also managed to handover a contractor in Ward 23 for Matolong access road.
-
- Under Economic Development, we have Livestock Improvement programme as part of realising our vision , various wards have been assisted on this pilot project 800 farmers assisted with dosing and vaccinating of their livestock. The programme aims to improve the

quality of livestock production in Matatiele, by empowering smallholder and commercial farmers.

The following projects were assisted through our Special Programmes section:

- 2 Elderly led projects: Masizakhe with water tank, fencing, garden tools & seedlings and Tshwaranang elderly project with chicks, chicken feed, medication apha HaNchodu.
- 2 women led projects as follows: Makhulong Amatala project with chicks, feed and medication and Itikeng project.
- Someleze Support Group yase ward 27 with seedlings. Qhobosheaneng was assisted with sewing machines.
- We have handed over groceries to deserving families as the municipality.

I have met with the youth of Matatiele on the 03rd of December 2021 through the youth development indaba which was held under the theme **youth creating opportunities beyond covid-19**. We discussed ways on how we can develop the youth which accounts for more than 80% of the Matatiele population.

On Community Services

172 job opportunities were created on the forestry project in the following wards ;5,7,10,18,19,20,21 and 22.

We have trained 7 EPWP traffic wardens to ensure that bylaws around Matatiele are strictly enforced.

The municipality has also installed two sets of robots at Main-Jagger Street and Main-West Street.

On Infrastructure Development and Planning

The construction of Matatiele Multi-Purpose Sports Centre is in a construction, phase 2 of stands, toilets, parking and change rooms will follow.

The following projects have been done as per the need identified from the previous IDP:

Project Name	Ward
Matatiele Sports Centre	20
Magongqolweni AR	10
Msukeni AR	21
Mohapi AR & Bridge	13
Purutle – Moyeni AR & Bridge	24
Mahangu AR and Bridge	09
Cedarville Internal Streets-Phase 3	26
Harry Gwala Internal Streets(Itsokolele-Njongweville)	20
Maluti Internal Streets Phase 4	19
Mbizeni Access Road	17
Skiti to Tholang Access Road	01
Rockville & Motsekua Access Road	02
Khoarai to Likhethlane Access Road	16
Magama to Kutwana Access Road	08
Liqalabeng Access Road	14
St Paul Access Road	25
Mbizeni Access Road	17
Silo facility phase 4	19
Construction of Pound	20

On our maintenance programme we have planned the following:

Project Name	Ward
Resurfacing of Matatiele Internal Streets CBD	19
Hebron to Madimong Access Road	27
Zikhalini Access Road	04
Maphutsing Access Road	25
Matolweni Access Road	23
Lhaseng Access Road	15
Mbombo Access Road	11
Renovation of Nchodu Community Hall	08
Renovation of Mafube Community Hall	08
Renovation of Pontseng Community Hall	15
Renovation of Gudlintaba Pre-school	09
Renovation of Skiti Pre-school	01

The municipality has done a marvellous job and improvements in the electrification programme. All wards of Matatiele will soon be electrified including infills.

The following areas were electrified in the current financial year:

Project/Program Name	Ward
Vikinduku –Lubaleko	9 & 5
Hillside –Manzi	7
Sifolweni	7
Ngcwengane	7
Epiphany	22
Mkhemane	22
Lukholweni Section Breakers	22
Mafaisa	12
Phalane	22
Khesa & Sidakeni	18
Mhlangeni-Mnqayi 154 electrification	5
Link Line in Mafaisa village	12
Link Line in Vikinduku village	9
10 Km Link Line in Epiphany to Phalane	22
9 Km Link Line in Ngcwengane to Sefolweni	07

581 job opportunities were created in the electrification projects listed above.

Corporate Services

Matatiele Local Municipality continues to ensure that the needs of the youth and marginalised are catered for in the developmental agenda, this after the municipality successfully rolled out free public Wi-Fi in strategic areas in and around Matatiele and Maluti towns.

We have managed to install free public WiFi on the following areas: Maluti Civic Centre, Maluti Taxi Rank, Harry Gwala (Area C Taxi Rank),

Nokhwezi Community Hall, Matatiele Town Hall, Coffee Pot rank, Boxer rank and Bus rank. We have also installed surveillance cameras at Nokhwezi entrance.

We have also employed 70 individuals who joined the Municipality during the year under review and placed 26 interns and in-service trainees.

Looking at Economic Development and Planning

We are aware that Maluti residents do not have title deeds from the Deed of Grants. In 2011 the Municipality undertook processes to upgrade the township so that residents would have title deeds. During the process, we found that the land does not belong to the Municipality but it is a state land under Public Works.

We are pleased to announce that the donation agreement was received by the Municipality and the donation processes will be completed soon so that we start the process of title deeds.

About 60 emerging contractors were trained in basic project management, health and safety and sustainable business development, this was done with the intention to re-skill and upskill these contractors. 70 SMMEs were trained in basic financial management, business management and marketing management. The main purpose of this programme is to nurture SMMEs in entrepreneur development.

Ten informal businesses were also assisted with 10 hawker stalls. The objective of providing hawkers stalls is to ensure quality infrastructure that will bring conducive environment for informal traders in Matatiele and to assist them to grow and participate meaningfully in the broader Matatiele economy.

Human Settlements

The following projects are on tender stage:

PROJECT DESCRIPTION
Mafube 300 units - Phase 1
Matatiele Rectification - 306 Units - Phase 1
Maritseng – 131 wall plates and the remaining work will go out for tender.
Mehloloaneng
Rural Destitute 200 Units – Ward 1 - Phase 1
Tsitsong 200 - Phase 1
Pote 40 Units - Phase 1
Zwelitsha 500 - Phase 1
Sandfontein-Bulfontein 100 - Phase 1
Chibini 500 - Phase 1

Eskom projects

The entity is expected to electrify various wards during the 2022/23 financial year at an amount of more than R30 million. Included in this budget are the following projects: Mangoloaneni Electrification, Mangoloaneng Link Line where about 600 households will be connected.

During the 2023/2024 budget, Eskom will use R40.6 million where 806 households will be connected in various wards of our area. This budget will also include the approved infills.

Social Development

We appreciate the role that the department continues to play in supporting white door centres, old age, children and youth, home based care, support to cooperatives and to NGOs. In the current financial year, the department will fund 32 programmes in Matatiele.

Department of Economic Development, Environmental Affairs and Tourism

Through the Local and Regional Economic Development fund we have seen iKamva-Elihle in ward 23 which is manufacturing bricks being funded with more than R1.9 million and Soft4Matat company that is manufacturing toilet papers in Cedarville benefitting R2.3 million from the fund.

Department of Sport Recreation, Arts and Culture

The department will conduct a series of programmes around Matatiele in the next financial year including to deliver books to Mvenyane, Cedarville, Mango and Maluti library, World Book Day, National Book Week, SA Library Week and a number of workshops in various categories. Staging of Mzongwana football league, Ced Matat Road race, Mango Hub festival, Women in Recreation, Queens Mercy, Thabachicha Hub festival and other sports development initiatives.

The **Department of Public Works and Infrastructure** will be assisting the following schools to ensure that abantwana bethu bafunda kwizikolo ezisemgangathweni Caiphus Khoapa Primary School, Dedelo Junior Secondary School, Mhleleni Junior Secondary School.

Department of Rural Development and Agrarian Reform

The department will assist with the construction of the Multipurpose Shed (Small stock) in Madlangala/Makomoreng; Matias- KwaMzongwana and Makhoba. 600 households are recommended to be supported with vegetables, poultry and piggery production inputs in wards 7, 9, 14, 15 and 22.

15 Vegetables, poultry and piggery projects will be supported with production inputs to increase productivity prioritising women, youth and persons living with disabilities projects. 2500 hectares of grain will be supported with production inputs and mechanisation services

The removal of wattle and fencing of grazing lands in ward 22 will continue.

5 farms and 5 communal areas will be supported with genetic material for both small and large stock.

5 co-operatives are recommended for support with sewing material and industrial sewing machines.

The 5-year service delivery targets

By 2027 we need to ensure connection of 4000 households of Rural Electrifications, install 5 high mast lights in ward 19 & 20, upgrade 25km of gravel roads, construct 125km of new access roads, maintenance of 250km access roads, establishment of new cemeteries in Matatiele and Maluti, development of 2 recreational parks in Matatiele town, refurbishment of storm water drains in Matatiele Town and Provide services to 14,000 indigent beneficiaries.

Furthermore, in the next 5 years by 2027 we aim to enrol 60 graduates on internship programme, 50 In-service trainees to be placed in the Municipality, funding of 125 previously disadvantaged youth to tertiary institutions for registration only, provide training programs for 100 SMMEs, assist 50 SMMEs and cooperatives with funding, support 100 Emerging contractors through skills development trainings, support 25 SMEs and Co-operatives in Manufacturing, plant 1500 hectares of grain crops, dosing and vaccination of 15 000 cattle and create 3 500 job opportunities through EPWP.

As per the approved plan, the municipality on the 13 – 16 September 2021, conducted its public consultative meetings with all 26 wards to review IDP for 2022-2027. The reviewed IDP has been used by the municipality to inform the budget for 2022/23 to 2024/25 (MTREF) for consideration. The tabled draft budget was taken to communities in April for comments and suggestions by stakeholders and public.

1.2 Council Resolutions

Council resolves the following,

1. That, the budget of the municipality for the year 2022/23; and its indicative for the two projected outer years 2023/2024 and 2024/2025 as outlined on the report be tabled as set out in the following:
 - Operating Revenue by source R579, 582, 987.
 - Operating Expenditure by source of R480, 023,034.
 - Capital Expenditure by source and municipal vote of R171,309,299.
 - Total budget of R 651, 332, 333.
2. The council approves the salary increase of 4.9% for both Councillors and Employees for the 2022/2023 budget.
3. The council notes and approves the following tariff increases for the 2022/23 financial year
 - Property rates tariff increase of 0% and first R 65 000 property values as exemption, 40% rebates on all residential properties, 15% rebates on all commercial and government properties, 70% on farm properties, 15% rebates on industrial properties and 100% rebates to all municipal properties.
 - No increase of Refuse tariffs.

- Electricity tariff increase with 9 – 16% subject to approval by NERSA.
- That all other municipal tariffs will not be increased.

4. That, council tables the reviewed policies as listed below,

- 4.1. Budget policy,
- 4.2. Cash management policy,
- 4.3. Cash shortage policy,
- 4.4. Credit control and debt collection policy,
- 4.5. Cost containment policy,
- 4.6. Customer care policy,
- 4.7. Customer incentive scheme policy,
- 4.8. Data backup policy,
- 4.9. Debt capacity policy,
- 4.10. Donor finance policy,
- 4.11. Electricity token policy,
- 4.12. Entertainment & refreshments policy,
- 4.13. Fleet Management Policy,
- 4.14. Unclaimed deposits policy,
- 4.15. Fraud prevention plan,
- 4.16. Gifts policy for officials,
- 4.17. Grants & donation policy,
- 4.18. GRAP framework policy,
- 4.19. Impairment and write off policy,
- 4.20. Cash-up Policy,
- 4.21. Fixed Assets Policy,
- 4.22. Payment Policy,

- 4.23. Petty Cash Policy,
- 4.24. Rates Policy,
- 4.25. Special Services Policy,
- 4.26. Strategy to improve Debtor policy,
- 4.27. Supply Chain Management Policy,
- 4.28. Tariff Policy,
- 4.29. Use of Credit Card Policy and
- 4.30. Virement Policy.
- 4.31. Infrastructure procurement and delivery management policy.
- 4.32. Indigent Policy
- 4.33. Banking and Investments Policy
- 4.34. Use of Consultants Policy

1.3 Executive Summary

ANNUAL BUDGET 2021/22 – 2023/2024

Budgeted Financial Performance (revenue)

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework			
	Approved Budget	Adjustments Budget	Budget Year 2022/23	%	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source						
Property rates	54 088 416	54 088 413	54 088 413	9%	56 792 834	59 632 476
Service charges - electricity revenue	55 006 644	55 006 644	71 415 902	12%	74 986 698	78 736 032
Service charges - refuse revenue	15 525 768	15 525 768	15 525 766	3%	16 302 055	17 117 157
Rental of facilities and equipment	1 245 000	1 245 000	2 027 556	0%	2 128 934	2 235 380
Interest earned - external investments	14 649 996	14 650 000	18 730 800	3%	15 382 500	16 151 628
Interest earned - outstanding debtors	11 798 772	11 798 768	14 650 000	3%	17 462 340	18 335 460
Fines, penalties and forfeits	2 093 700	2 093 700	1 769 000	0%	1 521 456	1 597 536
Licences and permits	4 524 684	4 524 684	4 130 853	1%	4 337 400	4 554 276
Transfers and subsidies-Operating	267 312 996	269 536 707	293 418 000	51%	304 242 000	321 932 004
Transfers and subsidies-Capital	145 471 008	174 749 008	102 356 000	18%	111 006 000	115 965 000
Other revenue	1 501 176	1 501 176	1 470 696	0%	1 544 268	1 621 476
Gains	-	-	-		-	
Total Revenue (Including capital transfers and contributions)	573 218 160	604 719 868	579 582 987	100%	605 706 484	637 878 426

- The revenue is anticipated to be R579, 582, 987 in the 2022/23 financial year. The adjusted budget for 2021/22 was R604, 719, 868. This is a decrease of R25,136,881 from the current adjustment budget. Revenue budget for the indicative years 2023/24 and 2024/25 is anticipated to be R605,706,484 and R637,878,426 respectively.
- The property rates amount is calculated from the current valuation roll as implemented from 01st July 2018.
- It should be noted that capital transfers and subsidies has decreased due to decreased grants allocation for the integrated national electrification grant.

PAST PERFORMANCE IN TERMS OF AUDIT OUTCOME

The municipality strives to achieve clean audit outcomes, through collective effort from the Council and administration it has received unqualified audit opinions from the financial year 2016-17 to 2020/21. The aim is to improve and not regress from the current audit status, this is ensured through development of audit action plan and identifying the root causes from the audit findings. The action plan is monitored regularly by the Audit committee together with internal audit.

Budgeted Financial Performance (operating expenditure)

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework			
	Approved Budget	Adjustments Budget	Budget Year 2022/23	%	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type						
Employee related costs	132 260 904	132 260 904	141 262 190	29%	147 094 154	155 541 983
Remuneration of councillors	21 689 916	21 689 916	22 459 243	5%	23 582 232	24 291 924
Debt impairment	6 999 996	6 999 996	6 000 000	1%	6 300 000	6 489 600
Depreciation & asset impairment	35 300 004	70 300 004	57 461 821	12%	60 334 912	63 351 658
Finance charges	-	-	-	0%	-	-
Bulk purchases - electricity	50 000 004	62 000 004	61 382 985	13%	64 452 132	67 674 741
Inventory consumed	7 379 196	7 280 872	7 747 000	2%	8 134 350	8 541 068
Contracted services	105 630 024	105 385 059	113 584 081	24%	110 244 750	100 642 564
Transfers and subsidies	-	-	-	0%	-	-
Other expenditure	71 085 852	61 653 052	70 125 714	15%	74 863 146	77 734 283
Losses	-	-	-	-	-	-
Total Expenditure	430 345 896	467 569 807	480 023 034	100%	495 005 676	504 267 821

Remarks;

- The operating expenditure is anticipated to be R480, 023, 034 in the 2022/23 financial year. The adjusted budget for 2021/22 was R467,569,807. This is an increase of R12,453,227 from the current adjustment budget. For the two outer years 2023/24 and 2024/25 the operating expenditure budget is R495,005,676 and R504,267,821 respectively.
- An increase of 4.9% has been effected on employee related costs as per 2021-2024 Salary and Wage collective agreement from SALGBC.
- Indigent support budget of R30 million has been provided for gas and solar maintenance, electricity and refuse.
- A budget of R1500,000 has been provided for livestock improvement
- Cropping and Households Food Security Programme Has been allocated a budget of R3,000,000.
- Tourism programmes have been allocated a budget of R4,050,000 in this budget.

Budgeted Capital Expenditure by vote, and funding

DEPARTMENT/MUNICIPAL VOTE	APPROVED BUDGET 2021/22	ADJUSTMENTS BUDGET 2021/22	BUDGET 2022/23	BUDGET YEAR +2023/2024	BUDGET YEAR 2024/2025
Executive and Council	90 000	90 000	-	-	-
Municipal Manager's Office	405 000	435 000	260 000	280 800	303 264
Budget & Treasury	320 500	1 720 500	3 000 000	5 200 000	5 200 000
Corporate Services	6 710 000	6 710 000	2 310 000	2 425 500	2 546 775
Community Services	4 962 000	217 500	6 360 000	6 678 000	7 011 900
Economic Development Planning	247 500	5 067 000	500 000	525 000	551 250
Infrastructure	180 137 450	223 415 507	158 879 299	135 154 800	131 560 611
TOTAL CAPITAL PER MUNICIPAL VOTE	192 872 450	237 655 507	171 309 299	150 264 100	147 173 800
Funding Sources					
Capital Replacement	50 000 000	65 505 044	71 756 699	42 184 600	34 264 600
Municipal Infrastructure Grant	49 372 450	74 372 463	53 264 600	55 587 500	58 060 200
Integrated National Electrification Programme	93 500 000	97 778 000	46 288 000	52 492 000	54 849 000
TOTAL CAPITAL FUNDING	192 872 450	237 655 507	171 309 299	150 264 100	147 173 800

Remarks;

Capital expenditure is the expenditure appropriated for items to be utilised over a period of time longer than 12 months to generate future income and derive economic benefit for the municipality.

- The capital expenditure is anticipated to be R171,309, 299 in the 2022/23 financial year. The adjusted budget for 2021/22 was R237, 655, 507 million. This is a decrease of R66,346, 208 from the adjustment budget due to the following:
 - Decrease on INEP from R97,778,000 to R46,288,000.
 - Increase of MIG from R74,372,463 to R53,264,600.
 - Municipal reserves funding has been increased from R 60,356,699 to R71,756,699.

Transfers and grant receipts

Description	Current Year		2022/23 Medium Term Revenue & Expenditure Framework		
	Budget Year 2021/22	Adjusted Budget	Budget 2022/23	Budget 2023/24	Budget 2024/25
RECEIPTS:					
Operating Transfers and Grants					
National Government:	265 363	265 363	292 768	304 242	321 932
Local Government Equitable Share	258 826	258 826	286 308	302 542	320 232
Expanded Public Works Programme Integrated Grant	4 887	4 887	4 810	–	–
Local Government Financial Management Grant	1 650	1 650	1 650	1 700	1 700
Provincial Government:	650	2 874	650	650	650
Capacity Building and Other : Library	650	650	650	650	650
DEDEAT	–	2 224	–	–	–
Total Operating Transfers and Grants	266 013	268 237	293 418	304 892	322 582
Capital Transfers and Grants	145 471	174 749	102 356	110 626	115 965
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	93 500	97 778	46 288	52 492	54 849
Municipal Infrastructure Grant (MIG)	51 971	76 971	56 068	58 134	61 116
Total Capital Transfers and Grants	145 471	174 749	102 356	110 626	115 965
TOTAL RECEIPTS OF TRANSFERS & GRANTS	411 484	442 986	395 774	415 518	438 547

Remarks;

- The municipality will receive both conditional and unconditional grants of R395, 7 million, a decrease of R47,9 million from R442, 9 million on the 2021/22 adjusted budget) from the allocations as gazetted on Division of Revenue Act (DoRA).
- The equitable share allocation is appropriated to fund municipal delivery of services through day to day operations and strategic social development programs, the allocation for equitable share has increased with R27,4 million from the adjusted allocation for the current financial year.
- Conditional operational grants (EPWP & FMG) are appropriated to fund expenditures relate to EPWP programs and financial reforms respectively as per grants stipulated conditions
- The Expanded public works incentive has decreased by R77,000 for the next budget year
- The finance management grant has not changed remaining at an allocation of R1,650,000 for the next budget year.
- Conditional capital grants (MIG & INEP) are appropriated to fund capital expenditure of roads construction, local economic development capital projects and electrification projects.
- The allocation for MIG has increased by R20, million from the current years adjusted budget.
- The allocation for INEP has decreased by R51,5 million from the current adjusted budget.

The capital budget per municipal departments is tabulated as below,

Budget & Treasury

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT	BUDGET +2023/2024	BUDGET +/2024/2025
Budget Planning & Investments			100 000	100 000	-	-	-	-	-
Computer Equipment	New	Admin	100 000	100 000					
				-					
Financial Reporting & Asset Management			-	-	-	-	-	-	-
	New	Admin		-	-	-	-	-	-
Revenue & Expenditure Management			100 000	100 000	-	-	-	-	-
Office partitioning	New	Admin	100 000	100 000	-	-	-	-	-
Supply Chain Management			2 800 000	2 800 000	-	-	-	-	-
Furniture & Equipment	New	Admin	350 000	350 000	-	-	-	-	-
Strong Room	New	Admin	450 000	450 000					
14 Seater Council Bus	New	Admin	600 000	600 000					
Mayoral Vehicle	New	Admin	700 000	700 000					
Speaker Vehicle	New	Admin	700 000	700 000					
TOTAL BUDGET & TREASURY			3 000 000	3 000 000	-	-	-	-	-

Remarks;

- The total budget for budget and treasury is R3, million to be funded from the capital replacement reserves.

Municipal Manager's Office

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Legal Services			60 000	60 000			
Computer Equipment		Admin	60 000	60 000			
Strategic Governance Unit			70 000	70 000	-	-	-
Laptop	New	Admin	30 000	30 000			
Portable Speakers	New	Admin	40 000	40 000			
SPU & Communications			130 000	130 000	-	-	-
Trolley	New	Admin	50 000	50 000	-	-	-
Camera Drone	New	Admin	50000	50 000			
Laptop	New	Admin	30000	30 000			
Total Municipal Manager's Office			260 000	260 000	-	-	-

Remarks;

- The total budget for the office of the Municipal manager amounts to R260,000 to be funded from capital replacement reserves.

Corporate Services

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Admin & Council Support							
Computer Equipment _Laptops	New	Admin	150 000	150 000			
Guard Houses	New	Admin	200 000	200 000			
			350 000	350 000	-	-	-
Human Resources							
Laptops	New	Admin	60 000	60 000			
Office Furniture & Equipment	New	Admin	100 000	100 000			
			160 000	160 000	-	-	-
ICT SERVICES							
Public Wi-Fi Rollout	Upgrade	Admin	500 000	500 000			
Uninterrupted Power Supply (UPSs) Infrastructure	Upgrade	Admin	200 000	200 000			
Provision of Surveillance Cameras	Upgrade	Admin	400 000	400 000			
Network Establishment	Upgrade	Admin	350 000	350 000			
Computer Equipment - Wards	Upgrade	Admin	150 000	150 000			
Network Switch replacement ?	Upgrade	Admin	200 000	200 000	-	-	-
			1 800 000	1 800 000	-	-	-
TOTAL CORPORATE SERVICES			2 310 000	2 310 000	-	-	-

Remarks;

- The total budget for corporate services is R2,3 million to be funded from the municipal reserves.

Economic Development and planning

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Planning							
Land Survey Equipment	New	Admin	500 000	500 000			
			500 000	500 000	-	-	-
TOTAL ECONOMIC DEVELOPMENT AND PLANNING			500 000	500 000	-	-	-

Remarks;

- The total budget is R500, 000 for economic development and planning to be funded from the municipal reserves.

Community Services

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT
Public Amenities			1 510 000	1 510 000	-	-	-
Goal Posts	New	1,19,20	200 000	200 000			
Grass Cutting Machinery	New	Various	260 000	260 000			
Sport field Marking Machine	New	Various	90 000	90 000			
Laptops	New	Admin	60 000	60 000			
Fencing of Open Ground in Itsokolele	New	20	200 000	200 000			
Maluti Civic Centre	New	1	450 000	450 000	-	-	-
Refurbishment of Swimming Pool Pump	Upgrade	19	250 000	250 000	-		-
Public Safety			1 950 000	1 950 000	-	-	-
Installation of Traffic management system	New	19	1 000 000	1 000 000	-	-	-
Procurement of 5 ton roll-back breakdown vehicle	New	Admin	950 000	950 000	-	-	-
Solid Waste & Enviroment			2 900 000	2 900 000	-	-	-
Cemetery Management system	Upgrade	All	600 000	600 000	-	-	-
landfill weighbridge	New	20	1 100 000	1 100 000	-	-	-
Grass cutting machines	New	All	200 000	200 000	-	-	-
Cemetery Development	new	19 &20	1 000 000	1 000 000	-	-	-
				-			
TOTAL COMMUNITY SERVICES			6 360 000	6 360 000	-	-	-

Remarks;

- The total budget for community services is R6,3million, to be funded from the capital replacement reserves.

INFRASTRUCTURE

Electricity Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT	BUDGET +2023/2024	BUDGET +/2024/2025
Hilside - Manzi Phase 2	New	7	5 500 000	-	-	5 500 000	-	-	-
Hilside - Manzi Phase 2 Link Line	New	7	1 600 000	-	-	1 600 000	-	-	-
Sikhulum	New	12	1 000 000	-	-	1 000 000	-	-	-
Sikhulum Link Line	New	12	4 000 000	-	-	4 000 000	-	-	-
Rockville	New	2	5 828 000	-	-	5 828 000	-	-	-
Polar Park	New	3	2 740 000	-	-	2 740 000	-	-	-
Molweni 1	New	3	9 000 000	-	-	9 000 000	-	-	-
Molweni 2	New	3	3 000 000	-	-	3 000 000	-	-	-
Masupa	New	13	4 500 000	-	-	4 500 000	-	-	-
Mavundleni	New	5	3 100 000	-	-	3 100 000	-	-	-
Moiketsi	New	14	4 420 000	-	-	4 420 000	-	-	-
Mapoti	New	12	1 600 000	-	-	1 600 000	-	-	-
Transformers	New	19 & 20	2 200 000	2 200 000	-	-	-	-	-
Substation Switch Gears	New	19	450 000	450 000	-	-	-	-	-
Palisade Fencing of Substations	New	20	200 000	200 000	-	-	-	-	-
Furniture	New	Admin	80 000	80 000	-	-	-	-	-
computer Equipment	New	Admin	60 000	60 000	-	-	-	-	-
			49 278 000	2 990 000	-	46 288 000	-	-	-

Remarks;

- The total capital budget for the electricity unit is R49,2 million, INEP will fund R46,2 million of the budget and R2,9 million will be funded from the capital reserves.
- This budget includes electrification in various wards and the upgrade of electricity infrastructure.

Project Management

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT	BUDGET +2023/2024	BUDGET +/2024/2025
Mahangu Access Road & Bridge	New	9	2 000 000	-	2 000 000	-	-	-	-
Purutle Moyeni Access Road & Bridge	New	24	2 600 000	-	2 600 000	-	-	-	-
Mohapi Access Road & Bridge	New	13	-	-	-	-	-	-	-
Harry Gwala Internal Streets	Upgrade	20	8 664 600	-	8 664 600	-	-	28 000 000	-
Rehabilitation of Matatiele Internal Streets Cluster 1	Upgrade	19	10 000 000	-	10 000 000	-	-	7 500 000	5 000 000
Rehabilitation of Cedarville Internal Streets	Upgrade	26	8 500 000	-	8 500 000	-	-	4 209 467	-
Extension of Matatiele Sport Centre Phase 2	New	20	5 000 000	-	5 000 000	-	-	-	-
Installation of Streetlights	New	19	9 500 000	-	9 500 000	-	-	4 000 000	4 000 000
Installation of High Masts	New	20	7 000 000	-	7 000 000	-	-	3 500 000	3 500 000
Silo Facility Phase 4	New	19	3 000 000	3 000 000	-	-	-	-	-
Rockville & Motsekoa-Maritseng Access Road	New	02	500 000	500 000	-	-	-	-	-
Council Chambers Backup Water Supply	New	Admin	500 000	500 000	-	-	-	-	-
Upgrading of Matatiele Stormwater Drainage- Planning & Design	New	19&20	700 000	700 000	-	-	-	-	-
Meggie Resha Statue	New	Admin	800 000	800 000	-	-	-	-	-
Dlodweni Access Road	New	10	2 000 000	2 000 000	-	-	-	-	-
Queen's Mercy Access Road	New	12	2 300 000	2 300 000	-	-	-	-	-
Ramatli Access Road	New	6	910 000	910 000	-	-	-	-	-
Lekhalong Access Road	New	14	2 500 000	2 500 000	-	-	-	-	-
Computer Equipment	New	Admin	100 000	100 000	-	-	-	-	-
			66 574 600	13 310 000	53 264 600	-	-	47 209 467	12 500 000

Remarks;

- The capital budget for project management unit is R66,5 million, a portion of R53,2 million to be funded from the municipal infrastructure grant and R13,3 million will be funded from the capital reserves.
- The total capital budget for project management unit relates to construction, upgrade of existing road infrastructure and construction of sports fields and per the table above.

Operations and Maintenance Unit

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2022/2023	CAPITAL REPLACEMENT RESERVES	MIG	INEP	LIBRARY SUPPORT	BUDGET +2023/2024	BUDGET +2024/2025
Air-conditioners	Maintenance	1,19 &20	80 000	80 000	-	-	-	-	-
Purchasing of bituman sprayer and concrete cutter / Machinery and equipment	New	ALL	20 000	20 000	-	-	-	-	-
Plant (3x10 cubes truck, watercart, 2x rollers, grader, excavator, grader)	New	ALL	15 000 000	15 000 000	-	-	-	10 000 000	1 809 876
Linotseng Access Road 1.8km	Renewal	24	1 500 000	1 500 000	-	-	-	-	-
Black Diamond Access Road & Bridge 7.9km (SMME incubator Programme)	Renewal	26	4 994 200	4 994 200	-	-	-	-	-
Mavundleni Access Road 6km	Renewal	5	1 800 000	1 800 000	-	-	-	-	-
Makomorweni Access Road & Bridge 6km(SMME incubator Programme)	Renewal	11	2 300 000	2 300 000	-	-	-	-	-
Nkosana-Mafube Access Road 4km	Renewal	8	1 200 000	1 200 000	-	-	-	-	-
Mountain Lake Access Road	Renewal	19	1 000 000	1 000 000	-	-	-	-	-
Hebron to Madimong Access Road	Renewal	3	1 300 000	1 300 000	-	-	-	-	-
Zikhalini AR	Renewal	4	720 833	720 833	-	-	-	-	-
Maphutsing Access Road	Renewal	25	1 100 000	1 100 000	-	-	-	-	-
Matolweni Access Road	Renewal	23	940 833	940 833	-	-	-	-	-
Mbobbo Access Road	Renewal	8	1 070 833	1 070 833	-	-	-	1 480 980	-
Mango-Nyanzela Access Road	Renewal	17	1 650 000	1 650 000	-	-	-	1 650 000	-
Dengwane ,Khoapa ,Botsola-Taung Access Road	Renewal	6	2 730 000	2 730 000	-	-	-	2 000 000	-
Sitiweni Access Road	Renewal	21	1 290 000	1 290 000	-	-	-	500 000	-
Tsepisong, Kamorathaba,Kuyasa Access Road	Renewal	3	2 000 000	2 000 000	-	-	-	2 000 000	-
Mphotshongweni Access Road	Renewal	9	1 329 800	1 329 800	-	-	-	800 000	-
Mphotshongweni Bridge (Rashule)	Renewal	9	1 000 200	1 000 200	-	-	-	2 000 000	-
			43 026 699	43 026 699	-	-	-	20 430 980	1 809 876

- The capital budget for operations and Maintenance unit is R43 million, to be funded from the capital reserves.

TOTAL BUDGET 2022/23-2024/25

Description	Current Budget		MEDIUM TERM REVENUE		
	Approved Budget	Adjusted Budget	BUDGET 2022/2023	BUDGET +2023/2024	BUDGET +2024/2025
Operating Budget	430 345 546	432 569 607	480 023 034	495 005 676	504 267 821
Capital Budget	192 872 450	208 377 450	171 309 299	150 264 100	147 173 800
Total Budget	623 217 996	640 947 057	651 332 333	645 269 776	651 441 621

Remarks:

- The total budget is R651,3 million, it should be noted that this is an increase of R10,4 million from the current adjustments budget.
- The Increase is mainly as a result of increased allocation on the capital replacement reserves.

TARIFF INCREASES AND BUDGET ASSUMPTIONS

Property Rates

Property rates tariff is proposed to increase by 0% for the 2022/23 financial year as follows;

Categories	Rate Randages /Rand Value – c/R	Ratio in relation to residential property
Residential property	0.010878	1:1
Farm property as defined in Section 8(2) (d)(i) and 8 (2) (f) (i) of the Act (being Farm property used for agricultural purposes and smallholdings used for agricultural purposes)	0.0027195	1: 0.25
Agricultural property used predominantly for commercial and / or industrial purposes	0.0027195	1:0.25
Smallholdings used predominantly for commercial and / or industrial purposes	0.0027195	1: 0.25
Commercial / Business properties	0.013054	1: 1.2
Industrial properties	0.013054	1:1.2
Public Service Infrastructure properties	0.0027195	1:0.25
Municipal properties	0.013054	1:1.2

Residential	0.010878	0%
First R65 000 exempt		
40% Rebate		
Vacant Land	0.02176	0%
Commercial	0.013054	0%
15% exempt		0%
Government	0.02176	0%
Farms	0.0027195	0%
70% rebate		0%
Industrial	0.013054	0%
15% rebate		0%
Municipal	0.013054	0%
100% rebate		

Service Charges

- The electricity tariff is proposed to increase by 9-16% subject to approval from NERSA.
- No increase is proposed for the Refuse tariffs and all other tariffs.

Remuneration of Councillors and Employee related costs

The municipality has provided for a 4.9% increase on both remunerations of councillors and Employee related costs as per the SALGBC salary and wage increase agreement.

Budget Related Policies

The following budget related policies have been reviewed for the 2022/23 budget,

- 1) Budget policy,
- 2) Cash management policy,
- 3) Cash shortage policy,
- 4) Credit control and debt collection policy,
- 5) Cost containment policy,
- 6) Customer care policy,
- 7) Customer incentive scheme policy,
- 8) Data backup policy,
- 9) Debt capacity policy,
- 10) Donor finance policy,
- 11) Electricity token policy,
- 12) Entertainment & refreshments policy,
- 13) Fleet Management Policy,
- 14) Unclaimed deposits policy,
- 15) Fraud prevention plan,
- 16) Gifts policy for officials,
- 17) Grants & donation policy,
- 18) GRAP framework policy,
- 19) Impairment and write off policy,
- 20) Cash-up Policy,
- 21) Fixed Assets Policy,
- 22) Payment Policy,
- 23) Petty Cash Policy,
- 24) Rates Policy,
- 25) Special Services Policy,
- 26) Strategy to improve Debtor policy,
- 27) Supply Chain Management Policy,
- 28) Tariff Policy,
- 29) Use of Credit Card Policy and
- 30) Virement Policy.
- 31) Infrastructure procurement and delivery management policy.
- 32) Indigent Policy
- 33) Banking and Investments Policy
- 34) Use of Consultants Policy

Operating Revenue Framework

For Matatiele Local 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 Municipality and continued economic development;
- Efficient revenue management, which aims to ensure 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- 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 Municipality.

The following table is a summary of the 2022/23 MTREF (classified by main revenue source):

Table 1 -Summary of revenue classified by main revenue source

2021/22 Medium Term Revenue & Expenditure Framework											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	43 280	44 904	46 575	54 088	54 088	54 088	48 726	54 088	56 793	59 632
Service charges - electricity revenue	2	51 157	47 645	57 058	55 007	55 007	55 007	42 407	71 416	74 987	78 736
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	10 009	10 790	11 531	15 526	15 526	15 526	9 684	15 526	16 302	17 117
Rental of facilities and equipment		1 081	2 783	1 397	1 245	1 245	1 245	1 123	2 028	2 129	2 235
Interest earned - external investments		10 495	12 973	8 835	14 650	14 650	14 650	7 179	14 650	15 383	16 152
Interest earned - outstanding debtors		9 614	11 555	13 357	11 799	11 799	11 799	13 444	18 731	17 462	18 335
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3 471	1 398	762	2 094	2 094	2 094	1 597	1 769	1 521	1 598
Licences and permits		3 279	2 557	3 787	4 525	4 525	4 525	3 254	4 131	4 337	4 554
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		215 619	244 441	306 535	267 313	269 537	269 537	265 510	293 418	304 242	321 932
Other revenue	2	2 441	1 475	873	1 501	1 501	1 501	974	1 471	1 544	1 621
Gains		18 761	(3)	1 801	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		369 207	380 515	452 512	427 747	429 971	429 971	393 897	477 227	494 700	521 913

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 1:025. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17 (h) of the MPRA). In addition to this rebate, a further R50 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy i.e. the market value less R 65 000.00;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a minimum total rebate of 40 per cent will be granted to owners of rateable property if the total gross income of the applicant and/or his/her spouse, if any, is the following:
 - Income not exceeding R8 000.00

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse.
- The applicant must submit proof of his/her age, identity and also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
- The property must be categorized as residential.

Additional:

- Residential properties a 40% rebate
- Properties categorized commercial 15% rebate on rates.
- Farms/ Smallholdings used for agricultural purposes 70% rebates.
- The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain
Classes such as churches, registered welfare organizations, institutions or organizations performing charitable work,
Sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

Table 2- Transfers and Grant Receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		214 943	–	–	265 363	265 363	–	292 768	304 242	321 932
Local Government Equitable Share		207 642			258 826	258 826		286 308	302 542	320 232
Expanded Public Works Programme Integrated Grant		3 185			4 887	4 887		4 810	–	–
Local Government Financial Management Grant		1 701			1 650	1 650		1 650	1 700	1 700
Municipal Disaster Grant					–	–				
Municipal Infrastructure Grant		2 415								
Other transfers/grants [insert description]										
Provincial Government:		676	–	–	650	650	–	650	–	–
Human Settlement Development		–								
IDP		–								
Libraries, Archives and Museums		168			650	650		650	–	–
Library Service		508								
Other transfers/grants [insert description]		–								
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	215 619	–	–	266 013	266 013	–	293 418	304 242	321 932
Capital Transfers and Grants										
National Government:		104 386	–	–	145 471	145 471	–	102 356	111 006	115 965
Municipal Infrastructure Grant (MIG)		43 080			51 971	51 971		56 068	58 514	61 116
Integrated National Electrification Programme (Municipal C		61 306			93 500	93 500		46 288	52 492	54 849
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	104 386	–	–	145 471	145 471	–	102 356	111 006	115 965
TOTAL RECEIPTS OF TRANSFERS & GRANTS		320 005	–	–	411 484	411 484	–	395 774	415 248	437 897

The municipality operational grants budget amounts to R293, 418 million for 2022/23 year, included in this amount is the equitable share allocation, the operational grants budget equates to 51% of the total revenue budget.

Table 3 Comparison of rated levies for the 2022/23 financial year

CATEGORY	CURRENT TARIFF	TARIFF (EFFECTIVE FROM 1ST JULY)
Residential	0.0109	0.0109
Vacant Land	0.0218	0.0218
Commercial	0.0131	0.0131
Farms	0.0026	0.0026
Government	0.0218	0.0218
Industrial	0.1013	0.1013
Municipal	0.0131	0.0131

Table 4 Comparison between current electricity charges and increases

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
1	REFUSE REMOVAL CHARGES				
1,1	<i>Domestic Removals</i>				
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	R 139,19	0%	R 139,19	R 160,07
1,2	<i>Commercial Removals</i>				
(a)	Each individual/separate business shall be charged a basic service charge per month.	R 208,77	0%	R 208,77	R 240,09
1,3	In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	R 208,77	0%	R 208,77	R 240,09
1,4	Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above tariff shall be the applicable tariff.				
1,5	<i>Removal from Separate Consumers on same Premises</i>				
	Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of refuse shall be as prescribed in applicable scales.				
1,6	<i>Availability Charge</i>				
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	R 235,94	0%	R 235,94	R 271,33
	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	R 117,97	0%	R 117,97	R 135,66

Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as fuel and oil and the employee related cost.

No increase on the waste tariff is proposed from for the 2022/23 budget year.

The following table compares current and proposed amounts payable for the 2021/23 MTREF Table 6 Comparison between current waste removal fees and increases

Table 5 Comparison between current refuse charges and increases

WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
REFUSE REMOVAL CHARGES				
<i>Domestic Removals</i>				
Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	R 139,19	0%	R 139,19	R 160,07
<i>Commercial Removals</i>				
Each individual/separate business shall be charged a basic service charge per month.	R 208,77	0%	R 208,77	R 240,09
In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	R 208,77	0%	R 208,77	R 240,09
Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above tariff shall be the applicable tariff.				
<i>Removal from Separate Consumers on same Premises</i>				
Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of refuse shall be as prescribed in applicable scales.				
<i>Availability Charge</i>				
A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	R 235,94	0%	R 235,94	R 271,33
A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	R 117,97	0%	R 117,97	R 135,66

1.2.1 Overall impact of tariff increases on households

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.

Table 6 EC441 MATATIELE LOCAL MUNICIPALITY Table SA14 – Household bills

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		–	–	–	412	–	–	5.0%	432	445	–
Electricity: Basic levy		–	–	–	535	–	–	16.0%	621	720	–
Electricity: Consumption		–	–	–	1	–	–	–	1	1	–
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		–	–	–	139	–	–	5.0%	146	153	–
Other		–	–	–	–	–	–	–	–	–	–
sub-total		–	–	–	1 087.28	–	–	10.4%	1 200.49	1 319.90	–
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total large household bill:		–	–	–	1 087.28	–	–	10.4%	1 200.49	1 319.90	–
% increase/decrease		–	–	–	–	(100.0%)	–	–	–	9.9%	(100.0%)
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		–	–	–	535	–	–	16.0%	621	720	–
Electricity: Basic levy		–	–	–	1	–	–	–	1	1	–
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	139	–	–	5.0%	146	153	–
Refuse removal		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	1 087	–	–	10.4%	1 200	1 307	–
sub-total		–	–	–	1 762.69	–	–	11.7%	1 968.52	2 181.38	–
VAT on Services		–	–	–	1 087	–	–	10.4%	1 200	1 307	–
Total small household bill:		–	–	–	2 849.97	–	–	11.2%	3 169.01	3 488.30	–
% increase/decrease		–	–	–	–	(100.0%)	–	–	–	10.1%	(100.0%)
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	–	–	139	–	–	5.0%	146	153	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		–	–	–	254	–	–	2.7%	261	268	–
Other		–	–	–	–	–	–	–	–	–	–
sub-total		–	–	–	393.00	–	–	3.5%	406.90	421.00	–
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		–	–	–	393.00	–	–	3.5%	406.90	421.00	–
% increase/decrease		–	–	–	–	(100.0%)	–	–	–	3.5%	(100.0%)

Operating Expenditure Framework

The Municipality's expenditure framework for the 2022/23 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Strict adherences to the principle of no project plan no budget.
- Cost containment regulations

The following table is a high level summary of the 2022/23 budget and MTREF (classified per main type of operating expenditure):

Table 7 Summary of operating expenditure by standard classification item

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type											
Employee related costs	2	109 115	114 310	117 964	132 261	132 261	132 261	102 976	141 262	147 094	155 542
Remuneration of councillors		19 626	20 447	19 979	21 690	21 690	21 690	16 056	22 459	23 582	24 292
Debt impairment	3	5 848	15 797	34 121	7 000	7 000	7 000	—	6 000	6 300	6 490
Depreciation & asset impairment	2	55 067	57 441	82 540	35 300	70 300	70 300	22 765	53 336	60 335	63 352
Finance charges	5	—	3	1	—	—	—	1	—	—	—
Bulk purchases - electricity	2	39 260	43 138	48 196	50 000	62 000	62 000	48 233	61 383	64 452	67 675
Inventory consumed	8	3 666	4 016	5 763	7 379	7 281	7 281	1 535	7 747	8 134	8 541
Contracted services		67 838	80 304	93 220	105 630	105 785	105 785	86 628	113 584	110 245	100 643
Transfers and subsidies		150	—	—	—	—	—	—	—	—	—
Other expenditure	4, 5	41 919	36 353	34 128	71 086	61 253	61 253	43 638	74 252	74 863	77 735
Losses		118 195	684	—	—	—	—	—	—	—	—
Total Expenditure		460 689	372 494	435 912	430 346	467 570	467 570	321 832	480 023	495 006	504 269

The budgeted allocation for employee related costs for the 2022/23 financial year totals

R141, 2 million, which equals 29 per cent of the total operating expenditure. The municipality has effected an increase of 4.9 % for the 2021/2022 budget year.

The cost associated with the remuneration of councillors 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.

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. For the 2022/23 financial year this amount equates to R6, million and escalates to R6,4million by 2024/25. 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.

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 R53,3 million for the 2022/23 financial and equates to 11 per cent of the total operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other material comprises of amongst others materials for maintenance.

For 2022/23 budget year the appropriation against this group of expenditure is by 2 per cent and is maintained at 2 per cent for the two outer years.

Other expenditure comprises of various line items relating to the daily operations of the municipality. The appropriation for this group of expenditures equates to 15 per cent for 2022/23.

1.2.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2022/23 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 Municipality. 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.

The table below provides a breakdown of the repairs and maintenance in relation expenditure items:

Table 8 Repairs and maintenance by expenditure item

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
EXPENDITURE OTHER ITEMS		59 182	65 955	62 387	59 724	94 834	94 834	83 981	89 940	92 977
Depreciation	7	48 540	47 812	41 583	35 300	70 300	70 300	53 336	60 335	63 352
Repairs and Maintenance by Asset Class	3	10 642	18 143	20 804	24 424	24 534	24 534	30 645	29 605	29 626
Roads Infrastructure		5 896	5 229	8 714	8 990	8 690	8 690	10 790	11 330	11 795
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		5 896	5 229	8 714	8 990	8 690	8 690	10 790	11 330	11 795
Community Facilities		527	695	989	2 030	1 890	1 890	3 750	1 313	3 840
Sport and Recreation Facilities		307	8 412	6 127	8 849	7 649	7 649	9 700	10 185	9 561
Community Assets		833	9 106	7 116	10 879	9 539	9 539	13 450	11 498	13 401
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2 460	2 781	1 313	950	850	850	600	630	76
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2 460	2 781	1 313	950	850	850	600	630	76
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		1 452	1 026	1 266	1 605	1 605	1 605	3 305	3 523	1 649
Transport Assets		-	-	2 396	2 000	3 850	3 850	2 500	2 625	2 704
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		59 182	65 955	62 387	59 724	94 834	94 834	83 981	89 940	92 977

For the 2022/23 financial year repairs and maintenance is budgeted at R30, 6 million this equates to 6% of the total operating budget.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 13 453 or more indigent households during the 2022/23 financial year, a process reviewed annually.

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.

1.3 Capital expenditure

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

Table 09 2022/23 Medium-term capital budget per vote

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure, to be appropriated	2										
Vote 1 - Executive Council		1	(28)	-	90	90	90	74	-	-	-
Vote 2 - Finance and Admin		119 108	133 748	4 061	726	2 156	2 156	620	3 260	-	-
Vote 3 - Corporate		2 099	3 467	(2 384)	6 710	6 710	6 710	4 355	2 310	-	-
Vote 4 - Development and Planning		84 306	84 968	21 713	248	218	218	163	500	-	-
Vote 5 - Community		22 230	5 469	2 402	4 962	5 067	5 067	1 704	6 360	1 265	1 265
Vote 6 - Infrastructure		36 114	101 812	122 181	180 138	223 416	223 416	131 678	158 879	148 999	145 909
Vote 7 - Internal Audit		(12 655)	(12 655)	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		251 204	316 781	147 972	192 873	237 656	237 656	138 593	171 309	150 264	147 174
Total Capital Expenditure - Vote		251 204	316 781	147 972	192 873	237 656	237 656	138 593	171 309	150 264	147 174

1.4 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2022/23 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

MBRR Table A1 - Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	43 280	44 904	46 575	54 088	54 088	54 088	48 726	54 088	56 793	59 632
Service charges	61 166	58 434	68 589	70 532	70 532	70 532	52 091	86 942	91 289	95 853
Investment revenue	10 495	12 973	8 835	14 650	14 650	14 650	7 179	14 650	15 383	16 152
Transfers recognised - operational	215 619	244 441	306 535	267 313	269 537	269 537	265 510	293 418	304 242	321 932
Other own revenue	38 647	19 764	21 978	21 163	21 163	21 163	20 392	28 129	26 994	28 344
Total Revenue (excluding capital transfers and contributions)	369 207	380 515	452 512	427 747	429 971	429 971	393 897	477 227	494 700	521 913
Employee costs	109 115	114 310	117 964	132 261	132 261	132 261	102 976	141 262	147 094	155 542
Remuneration of councillors	19 626	20 447	19 979	21 690	21 690	21 690	16 056	22 459	23 582	24 292
Depreciation & asset impairment	55 067	57 441	82 540	35 300	70 300	70 300	22 765	53 336	60 335	63 352
Finance charges	5	3	1	-	-	-	1	-	-	-
Inventory consumed and bulk purchases	42 926	47 154	53 959	57 379	69 281	69 281	49 768	69 130	72 587	76 216
Transfers and grants	150	-	-	-	-	-	-	-	-	-
Other expenditure	233 800	133 139	161 470	183 716	174 038	174 038	130 266	193 836	191 408	184 867
Total Expenditure	460 689	372 494	435 912	430 346	467 570	467 570	321 832	480 023	495 006	504 269
Surplus/(Deficit)	(91 482)	8 022	16 600	(2 599)	(37 599)	(37 599)	72 065	(2 796)	(306)	17 645
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	104 943	124 782	92 926	145 471	174 749	174 749	119 913	102 356	111 006	115 965
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	2 874	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	16 335	132 803		142 872	137 150	137 150	191 979	99 560	110 700	133 610
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	16 335	132 803	-	142 872	137 150	137 150	191 979	99 560	110 700	133 610
Capital expenditure & funds sources										
Capital expenditure	251 204	316 781	147 972	192 873	237 656	237 656	138 593	171 309	150 264	147 174
Transfers recognised - capital	142 221	155 550	63 461	142 872	172 150	172 150	111 260	99 553	108 079	112 909
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	53 452	22 267	69 066	50 000	65 505	65 505	27 187	71 757	42 185	34 265
Total sources of capital funds	195 673	177 817	132 527	192 873	237 656	237 656	138 447	171 309	150 264	147 174
Financial position										
Total current assets	256 904	305 491	373 948	264 567	235 326	235 326	496 631	309 470	330 242	380 030
Total non current assets	966 772	1 064 250	1 130 191	1 152 868	1 162 651	1 303 058	1 246 020	1 361 729	1 451 658	1 535 480
Total current liabilities	97 383	111 033	131 863	(62 284)	(64 459)	39 771	179 943	99 372	99 373	99 373
Total non current liabilities	26 904	28 276	32 753	(29 578)	(29 578)	29 578	32 753	14 442	14 442	14 442
Community wealth/Equity	1 104 028	1 099 331	1 320 735	1 509 297	1 492 015	1 952 906	1 539 023	1 557 385	1 668 086	1 801 696
Cash flows										
Net cash from (used) operating	222 412	198 241	500 027	153 450	182 511	182 511	319 597	110 160	128 435	152 106
Net cash from (used) investing	-	-	(161 457)	(192 872)	(237 656)	(237 656)	(147 813)	(171 309)	(150 264)	(147 174)
Net cash from (used) financing	-	-	110	-	-	-	76	-	-	-
Cash/cash equivalents at the year end	222 412	198 241	491 876	138 887	111 605	111 605	396 283	232 938	211 109	216 041
Cash backing/surplus reconciliation										
Cash and investments available	123 957	153 196	224 422	140 943	111 605	111 605	299 511	232 938	211 109	216 041
Application of cash and investments	(133 324)	(78 106)	(59 289)	95 353	93 178	197 409	(507 539)	(405 996)	(437 361)	(469 688)
Balance - surplus (shortfall)	257 281	231 302	283 711	45 590	18 427	(85 804)	807 050	638 934	648 470	685 728
Asset management										
Asset register summary (WDV)	763 311	754 393	799 270	983 839	943 756	943 756	943 756	1 239 140	1 188 128	1 136 572
Depreciation	48 540	47 812	41 583	35 300	70 300	70 300	70 300	53 336	60 335	63 352
Renewal and Upgrading of Existing Assets	3 084	15 620	46 475	26 100	56 310	56 310	56 310	30 215	38 500	35 500
Repairs and Maintenance	10 642	18 143	20 804	24 424	24 534	24 534	24 534	30 645	29 605	29 626
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	(25 514)	(25 514)	(26 690)	(41 400)
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. 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.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing 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.
4. 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. These 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 2022/23, when a small surplus is reflected.
5. 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.

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

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		300 209	309 872	369 360	341 497	341 497	341 497	376 020	394 166	416 352
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		300 209	309 872	369 360	341 497	341 497	341 497	376 020	394 166	416 352
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		7 240	7 125	9 482	13 841	13 841	13 841	11 569	6 414	6 735
Community and social services		1 107	3 469	4 965	7 602	7 602	7 602	6 368	953	1 001
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		6 133	3 655	4 517	6 239	6 239	6 239	5 201	5 461	5 734
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		64 764	59 075	61 176	52 183	77 183	77 183	56 290	58 747	61 361
Planning and development		888	481	691	202	202	202	202	212	223
Road transport		63 877	58 594	60 486	51 981	76 981	76 981	56 088	58 535	61 138
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		104 810	129 225	105 421	165 697	172 199	172 199	135 705	146 379	153 431
Energy sources		94 680	118 306	91 020	150 099	154 377	154 377	57 024	129 999	136 231
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		10 131	10 919	14 401	15 598	17 822	17 822	78 681	16 381	17 200
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	477 024	505 297	545 438	573 218	604 720	604 720	579 583	605 706	637 878
Expenditure - Functional										
<i>Governance and administration</i>		288 425	183 488	213 330	254 309	242 456	242 456	224 974	224 710	241 640
Executive and council		27 744	30 896	24 449	28 860	28 660	28 660	29 845	31 337	32 360
Finance and administration		257 610	150 259	185 594	221 705	209 852	209 852	191 438	189 497	205 205
Internal audit		3 071	2 333	3 287	3 744	3 944	3 944	3 692	3 877	4 075
<i>Community and public safety</i>		27 388	29 052	32 885	42 778	42 333	42 333	53 254	52 819	52 260
Community and social services		10 768	11 872	13 828	20 523	19 973	19 973	27 956	26 677	28 492
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		16 620	17 180	19 057	22 255	22 360	22 360	25 297	26 142	23 768
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		82 581	82 304	62 504	49 016	66 381	66 381	90 830	100 963	88 156
Planning and development		47 416	15 981	17 626	21 954	23 254	23 254	24 989	26 238	14 562
Road transport		35 166	66 323	44 878	27 062	43 127	43 127	65 841	74 725	73 594
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		62 295	77 650	127 193	84 242	116 400	116 400	110 966	116 514	122 212
Energy sources		46 013	59 728	96 946	60 140	93 374	93 374	86 897	91 241	94 213
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		16 283	17 922	30 246	24 102	23 026	23 026	24 069	25 272	27 999
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	460 689	372 494	435 912	430 346	467 570	467 570	480 023	495 006	504 269
Surplus/(Deficit) for the year		16 335	132 803	109 526	142 872	137 150	137 150	99 560	110 700	133 610

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.

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		296 639	309 400	369 139	341 022	341 022	341 022	375 670	393 799	415 966
Vote 3 - Corporate		3 570	471	221	475	475	475	350	368	386
Vote 4 - Development and Planning		1 008	816	508	202	202	202	202	212	223
Vote 5 - Community		17 371	18 044	23 883	29 439	31 663	31 663	90 249	22 795	23 934
Vote 6 - Infrastructure		158 436	176 565	151 688	202 080	231 358	231 358	113 112	188 534	197 369
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	477 024	505 297	545 438	573 218	604 720	604 720	579 583	605 706	637 878
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Council		27 744	30 896	24 449	28 860	28 660	28 660	29 845	31 337	32 360
Vote 2 - Finance and Admin		200 945	90 105	120 964	153 257	142 837	142 837	118 223	113 852	122 319
Vote 3 - Corporate		56 664	60 154	64 630	68 449	67 015	67 015	73 215	75 645	82 885
Vote 4 - Development and Planning		17 339	18 673	20 297	21 954	23 254	23 254	24 989	26 238	14 562
Vote 5 - Community		43 670	46 974	63 132	66 880	65 359	65 359	77 323	78 091	80 259
Vote 6 - Infrastructure		111 254	123 359	139 154	87 202	136 501	136 501	152 737	165 966	167 807
Vote 7 - Internal Audit		3 071	2 333	3 287	3 744	3 944	3 944	3 692	3 877	4 075
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	460 689	372 494	435 912	430 346	467 570	467 570	480 023	495 006	504 269
Surplus/(Deficit) for the year	2	16 335	132 803	109 526	142 872	137 150	137 150	99 560	110 700	133 610

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 organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source												
Property rates	2		43 280	44 904	46 575	54 088	54 088	54 088	48 726	54 088	56 793	59 632
Service charges - electricity revenue	2		51 157	47 645	57 058	55 007	55 007	55 007	42 407	71 416	74 987	78 736
Service charges - water revenue	2		—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	2		—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	2		10 009	10 790	11 531	15 526	15 526	15 526	9 684	15 526	16 302	17 117
Rental of facilities and equipment			1 081	2 783	1 397	1 245	1 245	1 245	1 123	2 028	2 129	2 235
Interest earned - external investments			10 495	12 973	8 835	14 650	14 650	14 650	7 179	14 650	15 383	16 152
Interest earned - outstanding debtors			9 614	11 555	13 357	11 799	11 799	11 799	13 444	18 731	17 462	18 335
Dividends received			—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits			3 471	1 398	762	2 094	2 094	2 094	1 597	1 769	1 521	1 598
Licences and permits			3 279	2 557	3 787	4 525	4 525	4 525	3 254	4 131	4 337	4 554
Agency services			—	—	—	—	—	—	—	—	—	—
Transfers and subsidies			215 619	244 441	306 535	267 313	269 537	269 537	265 510	293 418	304 242	321 932
Other revenue	2		2 441	1 475	873	1 501	1 501	1 501	974	1 471	1 544	1 621
Gains			18 761	(3)	1 801	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)			369 207	380 515	452 512	427 747	429 971	429 971	393 897	477 227	494 700	521 913
Expenditure By Type												
Employee related costs	2		109 115	114 310	117 964	132 261	132 261	132 261	102 976	141 262	147 094	155 542
Remuneration of councillors			19 626	20 447	19 979	21 690	21 690	21 690	16 056	22 459	23 582	24 292
Debt impairment	3		5 848	15 797	34 121	7 000	7 000	7 000	—	6 000	6 300	6 490
Depreciation & asset impairment	2		55 067	57 441	82 540	35 300	70 300	70 300	22 765	53 336	60 335	63 352
Finance charges			5	3	1	—	—	—	1	—	—	—
Bulk purchases - electricity	2		39 260	43 138	48 196	50 000	62 000	62 000	48 233	61 383	64 452	67 675
Inventory consumed	8		3 666	4 016	5 763	7 379	7 281	7 281	1 535	7 747	8 134	8 541
Contracted services			67 838	80 304	93 220	105 630	105 785	105 785	86 628	113 584	110 245	100 643
Transfers and subsidies			150	—	—	—	—	—	—	—	—	—
Other expenditure	4, 5		41 919	36 353	34 128	71 086	61 253	61 253	43 638	74 252	74 863	77 735
Losses			118 195	684	—	—	—	—	—	—	—	—
Total Expenditure			460 689	372 494	435 912	430 346	467 570	467 570	321 832	480 023	495 006	504 269
Surplus/(Deficit)			(91 482)	8 022	16 600	(2 599)	(37 599)	(37 599)	72 065	(2 796)	(306)	17 645
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			104 943	124 782	92 926	145 471	174 749	174 749	119 913	102 356	111 006	115 965
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6		—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)			2 874	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions			16 335	132 803	109 526	142 872	137 150	137 150	191 979	99 560	110 700	133 610
Taxation			—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation			16 335	132 803	109 526	142 872	137 150	137 150	191 979	99 560	110 700	133 610
Attributable to minorities			—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality			16 335	132 803	109 526	142 872	137 150	137 150	191 979	99 560	110 700	133 610
Share of surplus/ (deficit) of associate	7		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year			16 335	132 803	109 526	142 872	137 150	137 150	191 979	99 560	110 700	133 610

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

1. Total revenue is R477,2 million (excluding capital and escalates to R521,9million by 2024/25.
2. Revenue to be generated from property rates is R54, million in the 2022/23 financial year and increases to R59, million by 2024/25 which represents 11 per cent of the own operating revenue base of the Municipality and therefore remains a significant funding source for the municipality's own revenue.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R86,9 million for the 2022/23 financial year and increasing to R95,8 million by 2024/25. For the 2022/23 financial year services charges amount to 18 per cent of the total operating revenue base. This growth can mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue source increases each year as per the allocations on the DORA.
5. Bulk purchases amounts to R61 million and increases to R67 million for 2024/25. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
6. Employee related costs and bulk purchases 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 A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

CL441 Matatiele - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Capital expenditure - Vote	2										
Multi-year expenditure, to be appropriated											
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure, to be appropriated	2										
Vote 1 - Executive Council	1	(28)	-	90	90	90	74	-	-	-	-
Vote 2 - Finance and Admin	119 108	133 748	4 061	726	2 156	2 156	620	3 260	-	-	-
Vote 3 - Corporate	2 099	3 467	(2 384)	6 710	6 710	6 710	4 355	2 310	-	-	-
Vote 4 - Development and Planning	84 306	84 968	21 713	248	218	218	163	500	-	-	-
Vote 5 - Community	22 230	5 469	2 402	4 962	5 067	5 067	1 704	6 360	1 265	1 265	-
Vote 6 - Infrastructure	36 114	101 812	122 181	180 138	223 416	223 416	131 678	158 879	148 999	145 909	-
Vote 7 - Internal Audit	(12 655)	(12 655)	-	-	-	-	-	-	-	-	-
Vote 8 -	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		251 204	316 781	147 972	192 873	237 656	237 656	138 593	171 309	150 264	147 174
Total Capital Expenditure - Vote		251 204	316 781	147 972	192 873	237 656	237 656	138 593	171 309	150 264	147 174
Capital Expenditure - Functional											
Governance and administration		108 553	124 532	1 676	7 526	8 956	8 956	5 048	5 570	-	-
Executive and council	1	(28)	-	90	90	90	74	-	-	-	-
Finance and administration	121 207	137 215	1 676	7 436	8 866	8 866	4 975	5 570	-	-	-
Internal audit	(12 655)	(12 655)	-	-	-	-	-	-	-	-	-
Community and public safety		16 541	52 627	2 248	1 762	1 867	1 867	1 238	3 460	-	-
Community and social services	13 881	49 846	2 093	410	410	410	101	1 510	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-
Public safety	2 659	2 781	155	1 352	1 457	1 457	1 136	1 950	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		118 963	151 684	98 125	82 205	117 175	117 175	59 632	110 101	96 508	91 060
Planning and development	241	904	488	248	218	218	163	500	-	-	-
Road transport	118 722	150 780	97 637	81 957	116 957	116 957	59 470	109 601	96 508	91 060	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
Trading services		7 147	(12 062)	45 923	101 380	109 658	109 658	72 675	52 178	53 757	56 114
Energy sources	1 457	35 097	45 769	98 180	106 458	106 458	72 209	49 278	52 492	54 849	-
Water management	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-
Waste management	5 690	(47 159)	154	3 200	3 200	3 200	466	2 900	1 265	1 265	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	251 204	316 781	147 972	192 873	237 656	237 656	138 593	171 309	150 264	147 174
Funded by:											
National Government		119 401	132 730	63 340	142 872	172 150	172 150	111 260	99 553	108 079	112 909
Provincial Government		22 820	22 821	121	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		(0)	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	142 221	155 550	63 461	142 872	172 150	172 150	111 260	99 553	108 079	112 909
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		53 452	22 267	69 066	50 000	65 505	65 505	27 187	71 757	42 185	34 265
Total Capital Funding	7	195 673	177 817	132 527	192 873	237 656	237 656	138 447	171 309	150 264	147 174

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); 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.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. 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 Municipality. 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 from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

MBRR Table A6 -Budgeted Financial Position**Explanatory notes to Table A6 - Budgeted Financial Position**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Current assets											
Cash		11 360	2 891	11 295	669	7 244	7 244	(9 054)	15 393	12 504	33 033
Call investment deposits	1	112 597	150 305	213 127	140 275	104 361	104 361	308 565	217 545	198 605	183 008
Consumer debtors	1	72 292	76 813	66 327	33 127	33 127	33 127	102 493	70 502	112 799	157 336
Other debtors		60 655	75 481	83 199	88 896	88 896	88 896	92 597	4 937	5 241	5 561
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	–	–	1 600	1 698	1 698	2 031	1 093	1 093	1 093
Total current assets		256 904	305 491	373 948	264 567	235 326	235 326	496 631	309 470	330 242	380 030
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		35 575	3 698	4 960	2 327	2 327	2 327	4 960	–	–	–
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	950 785	1 059 860	1 124 828	1 148 451	1 158 330	1 298 737	1 240 313	1 356 483	1 446 811	1 531 052
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		413	692	403	590	494	494	206	4 626	4 416	4 195
Other non-current assets		–	–	–	1 500	1 500	1 500	540	620	431	233
Total non current assets		986 772	1 064 250	1 130 191	1 152 868	1 162 651	1 303 058	1 246 020	1 361 729	1 451 658	1 535 480
TOTAL ASSETS		1 243 677	1 369 741	1 504 140	1 417 435	1 397 978	1 538 385	1 742 650	1 671 199	1 781 900	1 915 511
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits		1 255	1 387	1 497	(345)	(345)	(345)	1 573	822	822	822
Trade and other payables	4	81 837	94 529	115 049	(49 940)	(52 115)	52 115	163 052	62 798	62 798	62 799
Provisions		14 291	15 117	15 318	(11 998)	(11 998)	(11 998)	15 318	35 752	35 752	35 752
Total current liabilities		97 383	111 033	131 863	(62 284)	(64 459)	39 771	179 943	99 372	99 373	99 373
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		26 904	28 276	32 753	(29 578)	(29 578)	29 578	32 753	14 442	14 442	14 442
Total non current liabilities		26 904	28 276	32 753	(29 578)	(29 578)	29 578	32 753	14 442	14 442	14 442
TOTAL LIABILITIES		124 287	139 309	164 616	(91 861)	(94 037)	69 349	212 696	113 814	113 814	113 815
NET ASSETS	5	1 119 390	1 230 432	1 339 523	1 509 297	1 492 015	1 469 036	1 529 954	1 557 385	1 668 086	1 801 696
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		651 568	646 871	868 275	1 739 743	1 722 461	1 722 461	1 086 563	1 178 048	1 288 748	1 422 358
Reserves	4	452 460	452 460	452 460	(230 446)	(230 446)	230 446	452 460	379 337	379 337	379 337
TOTAL COMMUNITY WEALTH/EQUITY	5	1 104 028	1 099 331	1 320 735	1 509 297	1 492 015	1 952 906	1 539 023	1 557 385	1 668 086	1 801 696

1. Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. 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.
3. 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.
4. 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 A7 - Budgeted Cash Flow Statement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1	9	17 483	45 975	45 975	45 975	34 843	43 271	45 434	47 706
Service charges		49 707	57 798	54 759	60 729	60 729	60 729	48 543	69 553	73 031	76 683
Other revenue		116 518	44 102	33 631	9 365	9 365	9 365	12 725	7 598	7 710	8 095
Transfers and Subsidies - Operational	1	240 745	259 411	309 461	267 313	267 313	267 313	266 174	293 418	304 242	321 932
Transfers and Subsidies - Capital	1	73 290	108 432	92 926	145 471	174 749	174 749	174 749	102 356	111 006	115 965
Interest		-	-	8 578	-	14 650	14 650	2 425	14 650	15 383	16 152
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(257 700)	(271 512)	(16 811)	(375 402)	(390 269)	(390 269)	(219 861)	(420 687)	(428 371)	(434 427)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Grants	1	(150)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		222 412	198 241	500 027	153 450	182 511	182 511	319 597	110 160	128 435	152 106
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		-	-	(161 457)	(192 872)	(237 656)	(237 656)	(147 813)	(171 309)	(150 264)	(147 174)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(161 457)	(192 872)	(237 656)	(237 656)	(147 813)	(171 309)	(150 264)	(147 174)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	110	-	-	-	76	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	110	-	-	-	76	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		222 412	198 241	338 680	(39 422)	(55 144)	(55 144)	171 861	(61 150)	(21 829)	4 932
Cash/cash equivalents at the year begin:	2	-	-	153 196	178 309	166 749	166 749	224 422	294 088	232 938	211 109
Cash/cash equivalents at the year end:	2	222 412	198 241	491 876	138 887	111 605	111 605	396 283	232 938	211 109	216 041

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2022/23 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. The estimated surplus for the 2022/23 MTREF is based on enhancing the going concern principle of the municipality, the cash and cash equivalents is estimated at R232,9 million and R216,million in 2024/25 outer year .

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

Table A3: Cash, secured for recommended capital expenditure											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	222 412	198 241	491 876	138 887	111 605	111 605	396 283	232 938	211 109	216 041
Other current investments > 90 days		(98 455)	(45 044)	(267 454)	2 057	(0)	(0)	(96 773)	0	0	0
Non current assets - Investments	1	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		123 957	153 196	224 422	140 943	111 605	111 605	299 511	232 938	211 109	216 041
Application of cash and investments											
Unspent conditional transfers		3 236	1 753	4 461	(0)	(2 224)	2 224	59 800	0	0	0
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2	—	—	—	—	—	—	(70 418)	—	—	—
Other working capital requirements	3	(136 561)	(79 859)	(63 750)	(147 091)	(147 043)	(47 259)	(116 870)	9 094	(22 272)	(54 598)
Other provisions		—	—	—	11 998	11 998	11 998	(15 318)	(35 752)	(35 752)	(35 752)
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	5	—	—	—	230 446	230 446	230 446	(364 732)	(379 337)	(379 337)	(379 337)
Total Application of cash and investments:		(133 324)	(78 106)	(59 289)	95 353	93 178	197 409	(507 539)	(405 996)	(437 361)	(469 688)
Surplus(shortfall)		257 281	231 302	283 711	45 590	18 427	(85 804)	807 050	638 934	648 470	685 728

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. 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.
3. 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".
4. Considering the requirements of section 18 of the MFMA, it can be concluded that the tabled 2022/23 MTREF is funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2022/23 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

A9 - Asset Management

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CAPITAL EXPENDITURE											
Total New Assets		1	248 120	301 161	101 497	166 773	181 346	181 346	141 095	111 764	111 674
Roads Infrastructure			196 742	230 163	27 071	47 567	55 432	55 432	43 437	48 685	43 765
Storm water Infrastructure			-	-	-	-	-	-	700	-	-
Electrical Infrastructure			(0)	181	43 793	96 200	105 528	105 528	63 238	61 815	66 645
Water Supply Infrastructure			-	-	-	-	-	-	450	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	1 100	1 265	1 265
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			371	454	(3 358)	1 035	927	927	550	-	-
Infrastructure			197 113	230 797	67 506	144 802	161 887	161 887	109 475	111 764	111 674
Community Facilities			32 291	35 010	400	850	1 350	1 350	-	-	-
Sport and Recreation Facilities			40	40	5 828	2 300	2 250	2 250	200	-	-
Community Assets			32 331	35 051	6 228	3 150	3 600	3 600	200	-	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			4 490	(48 237)	20 610	8 650	5 295	5 295	5 700	-	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			4 490	(48 237)	20 610	8 650	5 295	5 295	5 700	-	-
Biological or Cultivated Assets			-	-	-	400	400	400	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			23	642	-	600	600	600	600	-	-
Intangible Assets			23	642	-	600	600	600	600	-	-
Computer Equipment			17 450	18 507	2 008	5 137	4 632	4 632	1 700	-	-
Furniture and Office Equipment			6 258	39 159	412	643	521	521	700	-	-
Machinery and Equipment			3 084	3 118	1 228	2 590	3 010	3 010	3 770	-	-
Transport Assets			30 940	33 816	3 504	800	1 400	1 400	18 950	-	-
Land			(43 568)	(11 692)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	-	-	-	-	-	-	2 850	3 000	-
Roads Infrastructure			-	-	-	-	-	-	2 850	3 000	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	2 850	3 000	-
Community Facilities			-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			-	-	-	-	-	-	-	-	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets		6	3 084	15 620	46 475	26 100	56 310	56 310	27 365	35 500	35 500
Roads Infrastructure			1 422	1 422	44 876	25 550	55 760	55 760	21 615	31 000	31 000
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			1 325	2 088	565	300	300	300	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	250	250	250	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-

EC441 Matatiele - Table A9 Asset Management

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Coastal Infrastructure			--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure			--	--	--	--	--	--	--	--	--
Infrastructure			2 746	3 510	45 441	26 100	56 310	56 310	21 615	31 000	31 000
Community Facilities			--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities			--	--	334	--	--	--	5 200	4 500	4 500
Community Assets			--	--	334	--	--	--	5 200	4 500	4 500
Heritage Assets			--	--	--	--	--	--	--	--	--
Revenue Generating			--	--	--	--	--	--	--	--	--
Non-revenue Generating			--	--	--	--	--	--	--	--	--
Investment properties			--	--	--	--	--	--	--	--	--
Operational Buildings			500	500	N/A	--	--	--	500	--	--
Housing			--	--	--	--	--	--	--	--	--
Other Assets			208	208	614	--	--	--	550	--	--
Biological or Cultivated Assets			--	--	--	--	--	--	--	--	--
Servitudes			--	--	--	--	--	--	--	--	--
Licences and Rights			--	--	--	--	--	--	--	--	--
Intangible Assets			--	--	--	--	--	--	--	--	--
Computer Equipment			130	130	--	--	--	--	--	--	--
Furniture and Office Equipment			--	--	--	--	--	--	--	--	--
Machinery and Equipment			--	11 772	85	--	--	--	--	--	--
Transport Assets			--	--	--	--	--	--	--	--	--
Land			--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals			--	--	--	--	--	--	--	--	--
Total Capital Expenditure		4	251 204	316 781	147 972	192 873	237 656	237 656	171 309	150 264	147 174
Roads Infrastructure			198 163	231 684	71 947	73 117	111 192	111 192	67 401	82 686	74 785
Storm water Infrastructure			--	--	--	--	--	--	700	--	--
Electrical Infrastructure			1 325	2 269	44 358	96 500	105 828	105 828	63 238	61 815	66 645
Water Supply Infrastructure			--	--	--	--	--	--	450	--	--
Sanitation Infrastructure			--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure			--	--	--	250	250	250	1 100	1 265	1 265
Rail Infrastructure			--	--	--	--	--	--	--	--	--
Coastal Infrastructure			--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure			371	454	(3 358)	1 035	927	927	550	--	--
Infrastructure			199 859	234 207	112 947	170 902	218 197	218 197	133 939	145 764	142 674
Community Facilities			32 291	35 010	400	850	1 350	1 350	--	--	--
Sport and Recreation Facilities			40	40	6 163	2 300	2 250	2 250	5 400	4 500	4 500
Community Assets			32 331	35 051	6 563	3 150	3 600	3 600	5 400	4 500	4 500
Heritage Assets			--	--	--	--	--	--	--	--	--
Revenue Generating			--	--	--	--	--	--	--	--	--
Non-revenue Generating			--	--	--	--	--	--	--	--	--
Investment properties			--	--	--	--	--	--	--	--	--
Operational Buildings			4 698	(48 029)	21 225	8 650	5 295	5 295	6 250	--	--
Housing			--	--	--	--	--	--	--	--	--
Other Assets			4 698	(48 029)	21 225	8 650	5 295	5 295	6 250	--	--
Biological or Cultivated Assets			--	--	--	400	400	400	--	--	--
Servitudes			--	--	--	--	--	--	--	--	--
Licences and Rights			23	642	--	600	600	600	600	--	--
Intangible Assets			23	642	--	600	600	600	600	--	--
Computer Equipment			17 580	18 637	2 008	5 137	4 632	4 632	1 700	--	--
Furniture and Office Equipment			6 258	39 159	412	643	521	521	700	--	--
Machinery and Equipment			3 084	14 891	1 314	2 590	3 010	3 010	3 770	--	--
Transport Assets			30 940	33 816	3 504	800	1 400	1 400	18 950	--	--
Land			(43 568)	(11 692)	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals			--	--	--	--	--	--	--	--	--
TOTAL CAPITAL EXPENDITURE - Asset class			251 204	316 781	147 972	192 873	237 656	237 656	171 309	150 264	147 174
ASSET REGISTER SUMMARY - PPE (WDV)		5	763 311	754 393	799 270	983 839	943 756	943 756	1 239 140	1 188 128	1 136 572
Roads Infrastructure			468 603	469 396	500 561	--	(17 579)	(17 579)	(32 234)	(72 879)	(115 567)
Storm water Infrastructure			(2 282)	(2 282)	(2 282)	--	--	--	--	--	--
Electrical Infrastructure			(816)	127	1 960	10 188	(11 324)	(11 324)	3 150	(4 537)	(10 602)
Water Supply Infrastructure			--	--	--	--	--	--	(45)	(92)	(142)
Sanitation Infrastructure			--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure			(360)	(360)	(360)	--	--	--	--	--	--
Rail Infrastructure			--	--	--	--	--	--	--	--	--
Coastal Infrastructure			--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure			371	371	371	1 035	462	462	280	206	129
Infrastructure			465 518	467 213	500 249	11 223	(28 441)	(28 441)	(28 849)	(77 302)	(126 172)
Community Assets			125 421	120 124	131 616	993 628	993 628	993 628	1 241 380	1 241 380	1 241 380
Heritage Assets			--	--	--	1 500	1 500	1 500	620	431	233
Investment properties			35 575	3 698	4 960	2 327	2 327	2 327	--	--	--
Other Assets			69 509	66 603	63 759	2 402	570	570	1 270	1 238	1 205
Biological or Cultivated Assets			--	--	--	--	--	--	--	--	--

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Intangible Assets		413	692	403	590	494	494	4 626	4 416	4 195
Computer Equipment		16 271	17 183	14 466	5 105	5 967	5 967	1 818	1 732	1 641
Furniture and Office Equipment		14 155	8 072	8 995	273	421	421	673	645	615
Machinery and Equipment		1 461	1 495	2 023	(33 710)	(33 810)	(33 810)	1 397	1 215	1 025
Transport Assets		13 703	16 579	20 065	500	1 100	1 100	16 205	14 373	12 449
Land		20 858	52 734	52 734	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	763 311	754 393	799 270	983 839	943 756	943 756	1 239 140	1 188 128	1 136 572
EXPENDITURE OTHER ITEMS		59 182	65 955	62 387	59 724	94 834	94 834	83 981	89 940	92 977
Depreciation	7	48 540	47 812	41 583	35 300	70 300	70 300	53 336	60 335	63 352
Repairs and Maintenance by Asset Class	3	10 642	18 143	20 804	24 424	24 534	24 534	30 645	29 605	29 626
Roads Infrastructure		5 896	5 229	8 714	8 990	8 690	8 690	10 790	11 330	11 795
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		5 896	5 229	8 714	8 990	8 690	8 690	10 790	11 330	11 795
Community Facilities		527	695	989	2 030	1 890	1 890	3 750	1 313	3 840
Sport and Recreation Facilities		307	8 412	6 127	8 849	7 649	7 649	9 700	10 185	9 561
Community Assets		833	9 106	7 116	10 879	9 539	9 539	13 450	11 498	13 401
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2 460	2 781	1 313	950	850	850	600	630	76
Housing		–	–	–	–	–	–	–	–	–
Other Assets		2 460	2 781	1 313	950	850	850	600	630	76
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		1 452	1 026	1 266	1 605	1 605	1 605	3 305	3 523	1 649
Transport Assets		–	–	2 396	2 000	3 850	3 850	2 500	2 625	2 704
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		59 182	65 955	62 387	59 724	94 834	94 834	83 981	89 940	92 977
Renewal and upgrading of Existing Assets as % of total capex		1.2%	4.9%	31.4%	13.5%	23.7%	23.7%	17.6%	25.6%	24.1%
Renewal and upgrading of Existing Assets as % of deprecn		6.4%	32.7%	111.8%	73.9%	80.1%	80.1%	56.6%	63.8%	56.0%
R&M as a % of PPE		1.1%	1.7%	1.8%	2.1%	2.1%	1.9%	2.3%	2.0%	1.9%
Renewal and upgrading and R&M as a % of PPE		2.0%	4.0%	8.0%	5.0%	9.0%	9.0%	5.0%	6.0%	6.0%

Explanatory notes to Table A9 - Asset Management

1. 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.
2. 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 7 per cent of PPE.

Table 19 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		--	--	--	--	--	--	--	--	--
Piped water inside yard (but not in dwelling)		--	--	--	--	--	--	--	--	--
Using public tap (at least min.service level)	2	--	--	--	--	--	--	--	--	--
Other water supply (at least min.service level)	4	--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	--	--	--	--	--	--	--	--	--
Other water supply (< min.service level)	4	--	--	--	--	--	--	--	--	--
No water supply		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	--	--	--	--	--	--	--	--	--
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		--	--	--	--	--	--	--	--	--
Flush toilet (with septic tank)		--	--	--	--	--	--	--	--	--
Chemical toilet		--	--	--	--	--	--	--	--	--
Pit toilet (ventilated)		--	--	--	--	--	--	--	--	--
Other toilet provisions (> min.service level)		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		--	--	--	--	--	--	--	--	--
Other toilet provisions (< min.service level)		--	--	--	--	--	--	--	--	--
No toilet provisions		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	--	--	--	--	--	--	--	--	--
Energy:										
Electricity (at least min.service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (min.service level)		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min.service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (< min. service level)		--	--	--	--	--	--	--	--	--
Other energy sources		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	--	--	--	--	--	--	--	--	--
Refuse:										
Removed at least once a week		--	--	--	--	--	--	--	--	--
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week		--	--	--	--	--	--	--	--	--
Using communal refuse dump		--	--	--	--	--	--	--	--	--
Using own refuse dump		--	--	--	--	--	--	--	--	--
Other rubbish disposal		--	--	--	--	--	--	--	--	--
No rubbish disposal		--	--	--	--	--	--	--	--	--
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	--	--	--	--	--	--	--	--	--
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free minimum level service)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per household per month)		--	--	--	--	--	--	--	--	--
Refuse (removed at least once a week)		--	--	--	--	--	--	--	--	--
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per indigent household per month)		--	--	--	--	--	--	--	--	--
Refuse (removed once a week for indigent households)		--	--	--	--	--	--	--	--	--
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		--	--	--	--	--	--	--	--	--
Highest level of free service provided per household										
Property rates (R value threshold)		65 000	65 000	65 000	65 000	65 000	65 000	65 000	65 000	65 000
Water (kilolitres per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (kilolitres per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (Rand per household per month)		--	--	--	--	--	--	--	--	--
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		--	--	--	139	139	139	139	139	139
Revenue - cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		--	--	--	--	--	--	--	--	--
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		--	--	--	--	--	--	--	--	--
Water (in excess of 6 kilolitres per indigent household per month)		--	--	--	--	--	--	(13 514)	(14 190)	(28 900)
Sanitation (in excess of free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (in excess of 50 kwh per indigent household per month)		--	--	--	--	--	--	(12 000)	(12 500)	(12 500)
Refuse (in excess of one removal a week for indigent households)		--	--	--	--	--	--	--	--	--
Municipal Housing - rental rebates		--	--	--	--	--	--	--	--	--
Housing - top structure subsidies		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
Total revenue cost of subsidised services provided	6	--	--	--	--	--	--	(25 514)	(26 690)	(41 400)

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The budget provides for 13 453 households to be registered as indigent in 2022/23, and therefore entitled to receiving Free Basic Services. The number is to be maintained at 15 000 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
3. It is anticipated that these Free Basic Services will cost the municipality R30 million in 2022/23, decreasing to R 15million in 2024/2025. This is covered by the municipality's equitable share allocation from national government.

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

On 29th July 2020, the IDP and Budget process plan as required by section 21 of the MFMA was submitted and approved by Council to ensure that municipality does not fail to prepare and approve its credible budget within the legislated time frames.

IDP review

As per the approved plan, the municipality on the 13 – 16 September 2021, conducted its public consultative meetings with all 26 wards to review IDP for 2022-2027. The reviewed IDP has been used by the municipality to inform the draft budget for 2022/23 to 2024/25 (MTREF) for consideration. The tabled draft budget will then be subjected for comments and suggestions by stakeholders and publicly stakeholders and public.

The Municipal Departments are aligned with the 5 Local Government Key Performance Areas. The Department's strategies are therefore linked to the 5 KRA's Details of the Budgets allocated to the various departments are reflected in schedules SA4-6.

The Departmental SDBIP contains projects and programmes listed in the IDP. The General Manager's performances plan is linked to the Departmental SDBIP.

The SDBIP marries the Performance Management System with the budget and the IDP. Thus the strategic Direction mapped out in the IDP is matched with financial resources and delivery of services as specified in the PMS.

The SDBIP allows the budget to be implemented fully as it identifies:

- The Strategic Imperative – Through link with the IDP.
- The Financial Imperative – Through links with the Budget
- The Performance Imperative – Through links to the PMS

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South Africa society can only be realised 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 other, 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 Nation 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 City, 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 City strategically complies with the key national and provincial priorities.

The aim of the revision cycle was 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 City's response to these requirements.

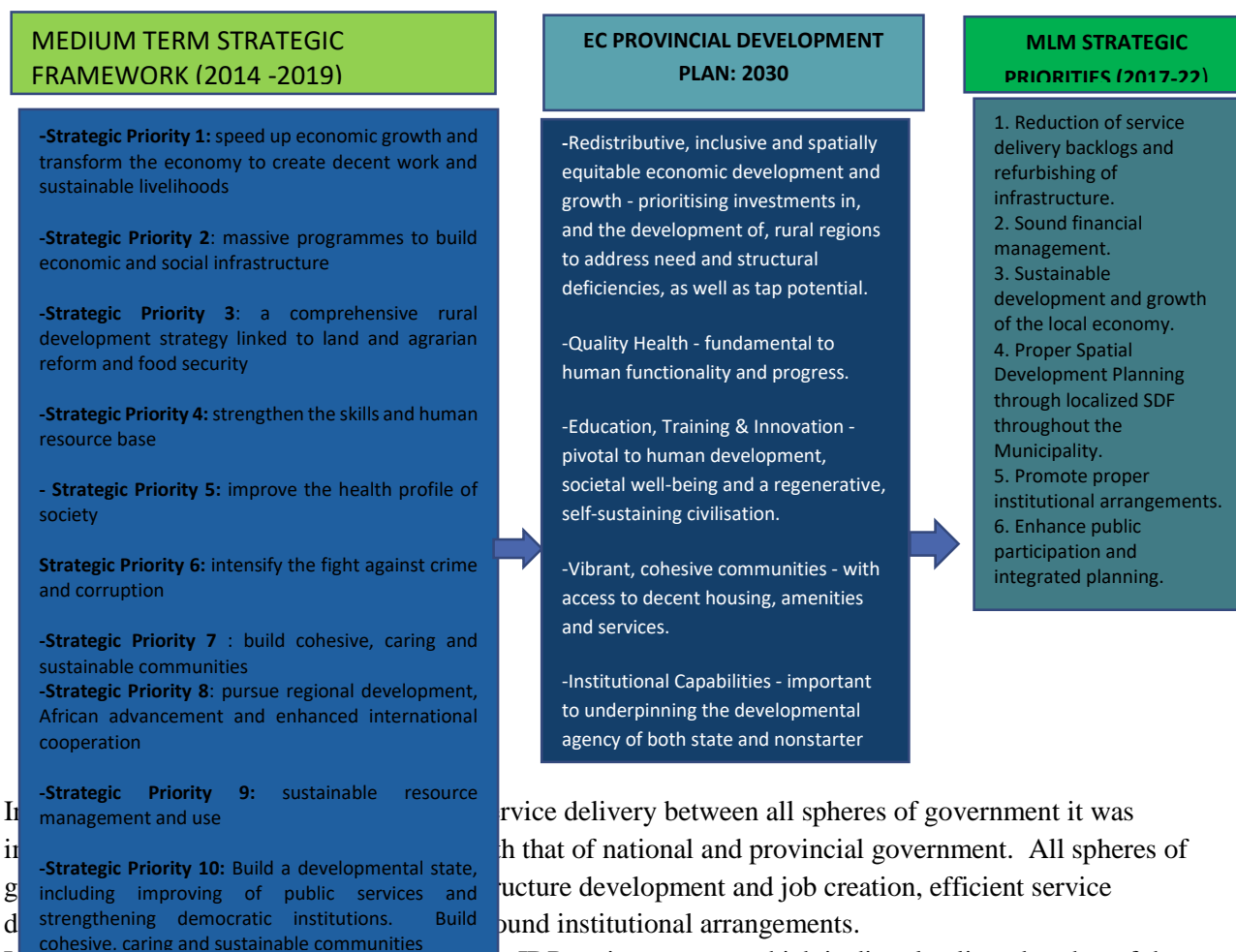
The national and provision priorities, policies

- Green Paper on National Strategic
- Government Programme of Action
- Development Facilitation Act of
- Provincial Growth and Development

- National and Provincial Spatial Development Perspectives;
- Relevant Sector plans such as transportation, Legislation and policy;
- National Key Performance Indicators (NKPI's);
- Accelerated and Shared Growth
- National Spatial Development
- 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 2016/2017 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives



In service delivery between all spheres of government it was with that of national and provincial government. All spheres of infrastructure development and job creation, efficient service and 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:

1. Provision of quality basic service and infrastructure which includes, amongst others:
 - Provide Electricity
 - Provide Water
 - Provide Sanitation
 - Provide Waste Removal
 - Provide Housing
 - Provide Roads and Storm Water
 - Provide Public Transport
 - Provide City Planning Service; and
 - Maintaining the Infrastructure of the municipality
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
3. Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the Provincial Department of Health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.1 Integrated Social Services for empowered and sustained communities
 - Work with Provincial Departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the Revenue Management Strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services

- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

4.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personal;

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

In addition to the five-year IDP, the City 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 City 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 City's IDP, associated scrolal plans and strategies, and the allocation of resources of the City 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:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building Social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals

Lessons learned with Previous IDP revision planning cycles as well as changing environments were taken into consideration in the compilation for the fourth revised IDP, including;

- Strengthening the analysis and strategic planning processes of the City;
- Initiating zoned 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;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
To improve revenue enhancement through broadening revenue base and improving revenue collection	Financially viable institution that is sustainable and complies with statutes			476 814			563 313	563 313		552 559	577 332	608 085
To promote safer, informed and secure communities	Realize sustainable communities in a safe and Healthy environment						9 906	9 906		27 024	28 375	29 793
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	476 814	-	-	573 218	573 218	-	579 583	605 706	637 878

Table 20MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
To Support the development of SMME to participate in a diversified and growing economy							9 567	9 567	9 567	12 322	12 938	13 585
To build a healthy competent and effective workforce							12 800	12 800	12 800	72 259	75 872	79 666
To ensure full compliance with legislative requirements of MFMA, MPRA and financial relevant regulations and national treasury							331 600	331 600	331 600	261 363	265 885	254 211
To improve the provision basic services to rural and urban communities in the municipality							31 597	33 820	33 820	71 862	75 455	79 228
To maintain municipal infrastructure and public amenities							18 598	18 598	18 598	27 936	29 333	30 799
To promote a coherent and interactive communication and participation with customers and stakeholders around service							7 413	7 413	7 413	14 894	15 638	16 420
To Provide Land for Residential Commercial and Industrial Development							10 047	10 047	10 047	9 275	9 739	10 421
To Strengthen integrated planning performance monitoring and evaluation of municipal programmes.							8 723	8 723	8 723	10 113	10 618	11 149

2.2 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 Municipality 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 5 Planning, Budgeting and Reporting Cycle

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

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitor and checking on the progress against plan);
- Measurement (indicators of success)
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (marking changes where necessary)

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

Figure 6 Definition of performance information concepts

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

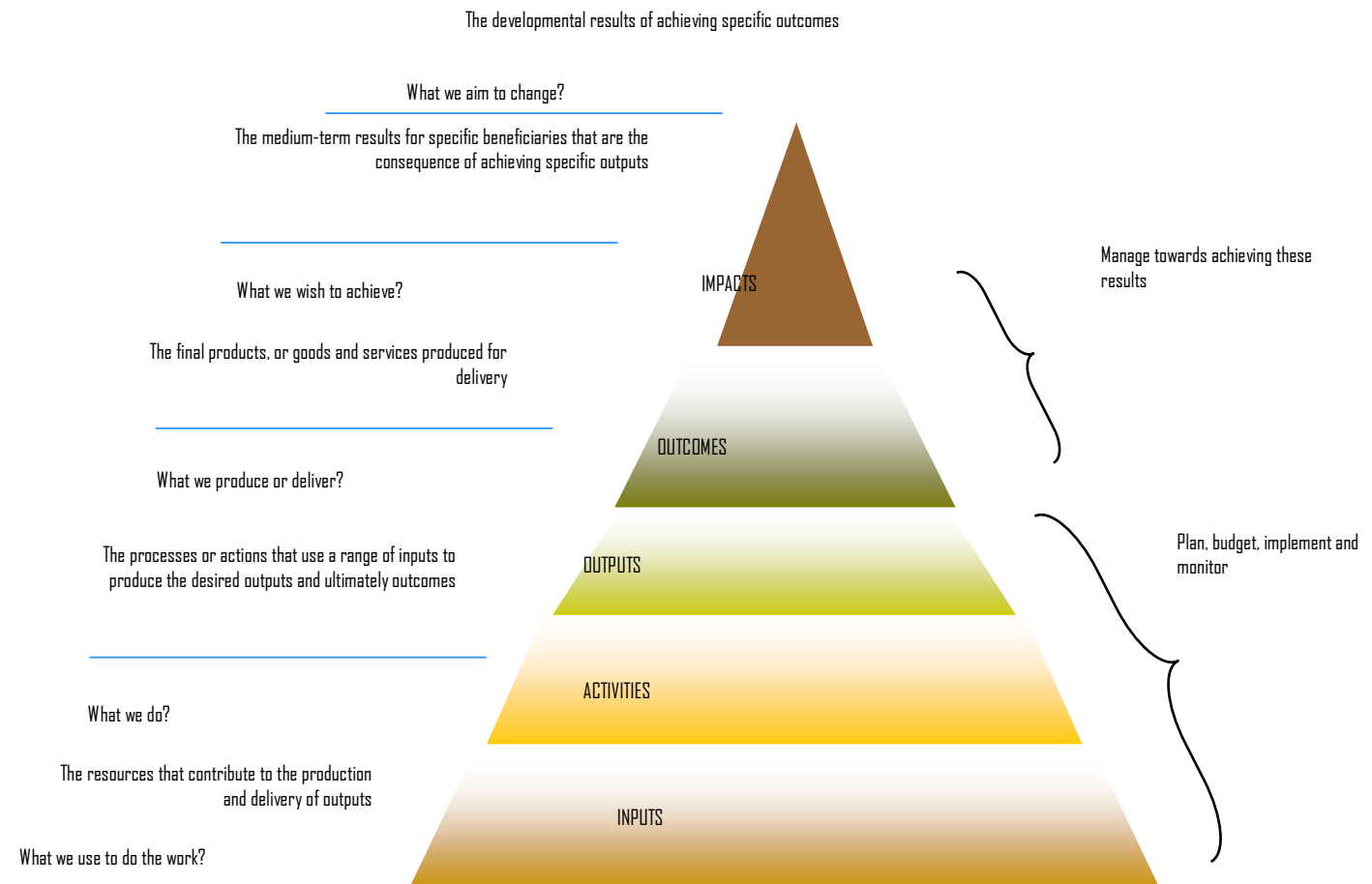


Figure 6 Definition of performance information concepts

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

MBRR Table SA8 - Performance indicators and benchmarks

City of Cape Town - Supporting Data and Performance Indicators and Benchmarks											
Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	2.6	2.8	2.8	(4.2)	(3.7)	5.9	2.8	3.1	3.3	3.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.6	2.8	2.8	(4.2)	(3.7)	5.9	2.8	3.1	3.3	3.8
Liquidity Ratio	Monetary Assets/Current Liabilities	1.3	1.4	1.7	(2.3)	(1.7)	2.8	1.7	2.3	2.1	2.2
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		47.6%	55.9%	62.7%	85.6%	85.6%	85.6%	82.7%	80.0%	80.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		47.6%	55.9%	62.7%	85.6%	85.6%	85.6%	82.7%	80.0%	80.0%	80.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	36.0%	40.0%	33.0%	28.5%	28.4%	28.4%	49.5%	15.8%	23.9%	31.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		18.5%	23.3%	10.8%	-36.0%	-44.7%	44.7%	9.5%	27.0%	29.7%	29.1%
<u>Other Indicators</u>											
	Total Volume Losses (kW)	-	-	-	-	-	-	-	-	-	-
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated								1.900		
	Total Volume Losses (kV)	-	-	-	-	-	-	-	-	-	-
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.6%	30.0%	26.1%	30.9%	30.8%	30.8%	26.1%	29.6%	29.7%	29.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.9%	35.4%	30.5%	36.0%	35.8%	35.8%		34.3%	34.5%	34.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.9%	4.8%	4.6%	5.7%	5.7%	5.7%		6.4%	6.0%	5.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	14.9%	15.1%	18.2%	8.3%	16.3%	16.3%	5.8%	11.2%	12.2%	12.1%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	15.9	-	11.0	11.0	11.0	8.8	11.9	11.8	12.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	126.0%	143.5%	128.3%	96.9%	96.9%	96.9%	191.4%	52.7%	78.6%	103.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	10.3	8.2	17.9	4.8	3.8	3.8	17.5	7.4	6.6	6.7

2.2.1 Performance indicators and benchmarks

2.2.1.1 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, Matatiele Local Municipality's

borrowing strategy is primarily informed by the affordability of debt repayment. The structure of the Municipality's debt portfolio is dominated by annuity loans.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality 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.

2.2.1.2 *Safety of Capital*

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.2.1.3 *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2022/23 MTREF the current ratio is 1.4 in the 2022/23 financial year and 1.3 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately.

2.2.1.4 *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, and credit control and debt collection.

2.2.1.5 *Creditors Management*

- The Municipality 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 has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.2.1.6 *Other Indicators*

- Employee costs as a percentage of operating revenue continues to increase over the MTREF.
- 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. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

2.2.2 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 Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2022/23 financial year 13 453 registered indigents have been provided for in the budget with this figured increasing to 15000 by 2024/25. In terms of the Municipality's indigent policy registered households are entitled to 50 kWh of electricity and free waste removal as well as a discount on their property rates.

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.

2.4 OVERVIEW OF BUDGET RALATED POLICIES

As listed hereunder are all the budget related policies that were reviewed;

Matatiele Local Municipality. All these policies can be viewed on the official municipal website www.matatiele.gov.za

Budget Related Policies

Appointment of consultant's policy,
Banking and investments policy,
Budget policy,
Cash management policy,
Cash shortage policy,
Credit control and debt collection policy,
Cost containment policy ,
Customer care policy,
Customer incentive scheme policy,
Data backup policy,
Debt capacity policy,
Donor finance policy,
Electricity token policy,
Entertainment & refreshments policy,
Unclaimed deposits policy,
Fleet Management Policy,
Fraud prevention plan ,
Gifts policy for officials,
Grants & donation policy,
GRAP framework policy,
Impairment and write off policy,
Cash-up Policy,
Fixed Assets Policy,
Policy,
Petty Cash Policy,
Rates Policy,
Special Services Policy,
Strategy to improve Debtor policy,
Supply Chain Management Policy,
Tariff Policy,
Use of Credit Card Policy and
Virement Policy.
Infrastructure procurement and delivery management policy.
Indigent Policy

Overview of Budget Assumptions

Arising from the above Overview of Economic Analysis, the following Budget Assumptions were made and are affected in the 2021/22 budget:

Estimate Salary Increases

- 2022/23 – 4.9%
- 2023/24 – 4.4%
- 2024/25 – 4.5%

Debt Impairment: the overall collection levels are estimate around 80% overall for the MLM. Payment levels for the following revenue streams have been estimated as follows:

- Property Rates (80% in 2022/23)
- Electricity (80% in 2022/23)
- Refuse (80% in 2022/23)

Other expenditure: In order to accommodate the increases in salaries, bulk purchases, debt Impairment and depreciation, it means that all other expenditure will increase at a reduced rate or maintained at the current levels;

The Budget is based on current service levels.

Government grants for the years 2022/23- 2024/25 are as per the Division of Revenue Act, assuming that all allocations will be received;

Growth in staff related costs has been provided for in the budget at 4.9% per annum, growth in the remaining expense items range from 0% to 10%;

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Breakdown of the operating revenue over the medium-term

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	43 280	44 904	46 575	54 088	54 088	54 088	48 726	54 088	56 793	59 632
Service charges - electricity revenue	2	51 157	47 645	57 058	55 007	55 007	55 007	42 407	71 416	74 987	78 736
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	10 009	10 790	11 531	15 526	15 526	15 526	9 684	15 526	16 302	17 117
Rental of facilities and equipment		1 081	2 783	1 397	1 245	1 245	1 245	1 123	2 028	2 129	2 235
Interest earned - external investments		10 495	12 973	8 835	14 650	14 650	14 650	7 179	14 650	15 383	16 152
Interest earned - outstanding debtors		9 614	11 555	13 357	11 799	11 799	11 799	13 444	18 731	17 462	18 335
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3 471	1 398	762	2 094	2 094	2 094	1 597	1 769	1 521	1 598
Licences and permits		3 279	2 557	3 787	4 525	4 525	4 525	3 254	4 131	4 337	4 554
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		215 619	244 441	306 535	267 313	269 537	269 537	265 510	293 418	304 242	321 932
Other revenue	2	2 441	1 475	873	1 501	1 501	1 501	974	1 471	1 544	1 621
Gains		18 761	(3)	1 801	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		369 207	380 515	452 512	427 747	429 971	429 971	393 897	477 227	494 700	521 913

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 Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

- The revenue strategy is a function of key components such as:
- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of 80 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), 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 tariff increases for the 2022/23 MTREF on the different revenue categories are:

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
1	REFUSE REMOVAL CHARGES				
1,1	<i>Domestic Removals</i>				
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of	R 139,19	0%	R 139,19	R 160,07
1,2	<i>Commercial Removals</i>				
(a)	Each individual/separate business shall be charged a basic service charge per month.	R 208,77	0%	R 208,77	R 240,09
1,3	In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice	R 208,77	0%	R 208,77	R 240,09
1,4	Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above				
1,5	<i>Removal from Separate Consumers on same Premises</i>				
	Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of				
1,6	<i>Availability Charge</i>				
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	R 235,94	0%	R 235,94	R 271,33
	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	R 117,97	0%	R 117,97	R 135,66
2	BUILDING PLAN FEES				
2,1	The fees payable for plans of any building submitted in terms of the building regulations shall be calculated at R6.00 per R1 000 or part thereof in respect of total estimated cost of the work, subject to a minimum charge of R1 000. Building Cost is calculated at R2 500 per m². This calculation is used to calculate the building plan fees for buildings in excess of 100m² and major alterations to existing buildings				
2.1.1	Building less than 80m².	R 813,39	0%	R 813,39	R 935,00
2.1.2	Building less than 100m².	R 2 051,23	0%	R 2 051,23	R 2 360,00
2.1.3	Building more than 100m².				
	Tariff 2.1 is applicable				
2.1.4	Hoarding Permit				
	Commercial (for 3 months)	R 264,02	0%	R 264,02	R 304,00
	Residential (for 3 months)	R 234,57	0%	R 234,57	R 270,00
	Industrial (for 3 months)	R 455,94	0%	R 455,94	R 525,00
	CBD Buildings (for 3 months)	R 714,89	0%	R 714,89	R 822,00
2.1.5	Demolishing fee for all buildings	R 433,09	0%	R 433,09	R 500,00

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
2.1.6	Copy of Building Plan				
	A4	R 6,10	0%	R 6,10	R 7,01
	A3	R 13,20	0%	R 13,20	R 15,18
	A2	R 26,41	0%	R 26,41	R 30,37
	A1	R 39,60	0%	R 39,60	R 45,54
	A0	R 51,79	0%	R 51,79	R 59,56
2.1.7	Boundary Wall				
	Boundary Wall (Brick or Blocks) 1800mm high	R 784,95	0%	R 784,95	R 903,00
	Boundary Wall (Precast) 1800mm high	R 784,95	0%	R 784,95	R 903,00
	Boundary Wall (Palisade Fencing) 1800mm high. Identification of site beacons must be done by professional land surveyor. The Municipality will provide	R 784,95	0%	R 784,95	R 903,00
2.1.8	Minor Works in terms of section 13 of the act (valid for 6 months only)				
	Residential	R 411,26	0%	R 411,26	R 473,00
	None Residential	R 715,90	0%	R 715,90	R 863,00
2.1.9	Temporal Structures				
	Tent	R 324,95	0%	R 324,95	R 374,00
	Carport	R 780,89	0%	R 780,89	R 900,00
	Container for site office or site storage during	R 780,89	0%	R 780,89	R 900,00
2.1.10	Building Plan Fee				
	Pre- Scrutiny Plan	R 289,41	0%	R 289,41	R 333,00
	Swimming Pool	R 784,95	0%	R 784,95	R 903,00
	Occupational Certificate	R 194,97	0%	R 194,97	R 225,00
	Second call site inspection for the same inspection stage	R 259,96	0%	R 259,96	R 300,00
2.2	Builders Deposits				
	The following deposits must be paid by building contractors/owners in a developed area, prior to the				
(a)	Extensions less than 100m ² or part thereof as determined by the Building Inspector but not more than	R 240,35	0%	R 240,35	240,00
(b)	Extensions more than 100m ² but less than 200m ² or part	R 1 091,48	0%	R 1 091,48	1 092,00
(c)	Extensions more than 200m ² but less than 500m ²	R 4 542,30	0%	R 4 542,30	4 542,00
(d)	Extensions more than 500m ² or part thereof	R 6 361,43	0%	R 6 361,43	6 362,00
2.3	Penalty				
	Deposits will be forfeited after 7 days from date of completion certificate, should the Developer/Contractor not have the sidewalk/pavement cleared within such				
2.4	Exemption Certificate				
	Fee payable for minor building work as contemplated in Section 13 of the National Building Regulations and Building Standards Act, 1977(Act 103 of 1977) as	R 115,76	0%	R 115,76	R 133,00
3	POUND FEES				
3.1	Schedule B: Rate of Compensation for all animals delivered to the pound, per head.	R 21,33	0%	R 21,33	R 25,00
3.2	Schedule C: Trespass on private land				
	Description of animal				
	Donkeys, horses, Cattle, Pigs and Ostriches, per head per day	R 17,26	0%	R 17,26	R 20,00
	Sheep and goats per head per day	R 12,18	0%	R 12,18	R 14,00
3.3	Schedule E: Pound Fees				
	Description of animal				
	Donkeys, Horses, Cattle, Pigs and Ostriches,	R 17,26	0%	R 17,26	R 20,00
	Sheep and Goats.	R 12,18	0%	R 12,18	R 14,00
3.4	Schedule F: Sustenance fees				
	Description of animal				
	Donkeys, horses, Cattle, Pigs and Ostriches, per head per day	R 28,43	0%	R 28,43	R 33,00
	Sheep and Goats, per head per day	R 17,26	0%	R 17,26	R 20,00
4	SWIMMING POOL FEES				
4.1	Single Tickets				
	Entrance, per occasion				
(a)	Adults	R 10,52	0%	R 10,52	R 12,00
(b)	Scholars and Children	R 5,26	0%	R 5,26	R 6,00
4.2	Season Tickets				
	Bath only, not transferable				
(a)	Adult (Full Season)	R 234,57	0%	R 234,57	R 270,00
(b)	Adult (Part Season - valid for one month from day issue)	R 117,80	0%	R 117,80	R 135,00
(c)	Scholars and children (Full Season)	R 117,80	0%	R 117,80	R 135,00
(d)	Scholars and children (Part Season valid for one month from day of issue)	R 46,71	0%	R 46,71	R 54,00
	For the purposes of this Section "scholars" shall mean any scholars attending a primary or secondary school and "children" shall mean any children who have not reached the age of 17 years; provided that children have not reached the age of five years may be admitted free				
	School Swimming Classes				
	The Council may permit school swimming classes to use the bath free of charge at such times as the Council may determine from time to time provided that the pupils of such swimming classes are accompanied by and under				

	WITHOUT VAT	Increase for 2020/2021	Current Tariff VAT Excluded 2020/2021	Increase for 2021/2022	New Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023
6	ELECTRICITY CHARGES						
	Electricity tariff subject to National Electricity Regulator S.A approval						
	The charges payable by consumers for the supply of electricity shall be as follows:						
6.1	Scale 1: Domestic Consumers						
(a)	Basic charge, single or three phase per household per month. Plus the following kWh charges per month.	6.22%	R 461.56	14.59%	R 528.90	7.47%	R 568.41
	0-50	6.22%	R 1.02	14.59%	R 1.17	7.47%	R 1.26
	51-350	6.22%	R 1.33	14.59%	R 1.52	7.47%	R 1.64
	351-600	6.22%	R 1.88	14.59%	R 2.16	7.47%	R 2.32
	600 over	6.22%	R 2.25	14.59%	R 2.58	7.47%	R 2.78
(b)	Scale 2: Commercial & Other Consumers						
	Basic charge of consumers with the following kVA installed per month						
	0 - 25 KVA	6.22%	R 511.83	14.59%	R 586.51	7.47%	R 630.32
	Commercial unit charge:	6.22%	R 2.01	14.59%	R 2.30	7.47%	R 2.47
	26 - 64 KVA	6.22%	R 1 908.01	14.59%	R 2 186.39	7.47%	R 2 349.71
	Commercial unit charge:	6.22%	R 2.04	14.59%	R 2.34	7.47%	R 2.51
	65 KVA and more	6.22%	R 11 164.18	14.59%	R 12 793.03	7.47%	R 13 748.67
	Commercial unit charge:	6.22%	R 2.04	14.59%	R 2.34	7.47%	R 2.51
(c)	Scale 3: Pre-Paid Metre Units						
	Domestic:						
	That a flat rate per kWh						
	0-50	6.22%	R 1.01	14.59%	R 1.16	7.47%	R 1.25
	51-350	6.22%	R 1.32	14.59%	R 1.51	7.47%	R 1.63
	351-600	6.22%	R 1.87	14.59%	R 2.15	7.47%	R 2.31
	600 over	6.22%	R 2.25	14.59%	R 2.57	7.47%	R 2.77
	Commercial Prepaid						
	That a flat rate per kWh						
	0 - 2000 kWh	6.22%	R 2.04	14.59%	R 2.34	7.47%	R 2.51
(d)	Scale 4: Schools/School Hostels						
	"Schools defined as the majority of its Teachers paid for by the Government or State Education Department."						
	Basic Charges per month,	6.22%	R 368.22	14.59%	R 421.94	7.47%	R 453.46
	Plus the following charger per kWh per month					7.47%	
	0 - 2000 kWh	6.22%	R 1.39	14.59%	R 1.59	7.47%	R 1.71
	2000 - and more	6.22%	R 1.39	14.59%	R 1.59	7.47%	R 1.71
6.2	Special Agreements						
	The Council reserves the right in special circumstances to enter into special agreements subject to the approval of the Premier of the supply of electrical energy to consumers.						
6.3	Change of Scale						
	Where a consumer elects to change from any one scale to any other scale, he shall notify the Municipal Manager in writing at least 30 days prior to the date on which the elected scale shall take effect, and shall remain on such elected scale for a period of not less than 12 months.						
6.4	Supply to Separate Consumers on same Premises						
	Where electricity is supplied to shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the supply of electricity shall be as prescribed in applicable scales.						
6.5	Payment of Accounts						
(a)	All accounts for the supply of electricity shall become due and payable on demand but not later than the last working day of the month following the month to which such accounts relate. Any account which remains unpaid after such date shall be subject to a penalty of 1.5%. Please note that a portion of a month shall be deemed a full month.						
(b)	The Council may disconnect the supply of electricity where any account remains unpaid at the end of the month following the month in respect of which such account was rendered and the supply of electricity shall only be resumed on payment of a charge of R105.21 excl. VAT in addition to all other outstanding charges.	5%	R 110.48	0%	R 110.48	0%	R 110.48
(c)	Consumers shall be responsible for obtaining statements of their accounts so as to enable them to effect payment thereof within the prescribed period.						

	WITHOUT VAT	Increase for 2020/2021	Current Tariff VAT Excluded 2020/2021	Increase for 2021/2022	New Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
6.6	Deposits		Deposits		Deposits			
	Every consumer shall when making application for a supply of electricity deposit with the Council the applicable amount as tabled hereunder.							
(a)	Domestic consumers	5%	R 4 600.00	0%	R 4 600.00	0%	R 4 600.00	R 4 600.00
(b)	Small power consumers with installation not exceeding 25 KVA	5%	R 11 500.00	0%	R 11 500.00	0%	R11 500.00	R11 500.00
(c)	Medium power consumers with a demand exceeding 25kVA but not exceeding 64 Kva	5%	R 20 125.00	0%	R 20 125.00	0%	R20 125.00	R20 125.00
(d)	Large power consumers with a demand exceeding 65KVA to supply a bank guarantee equal to two months estimated average usage.							
6.7	Connection Fees and other Charges							
(a)	Commercial and other consumers electricity connection fees and be charged at cost of materials, labour, supervision plus 10% payable in advance.							
(b)	Domestic consumers electricity connection fees payable in advance.							
	Cost plus 10% provided that the cost be taken from the boundary of the Erf per property of the applicant.							
(c)	For a connection after a disconnection at consumers request, or in case of a faulty installation exc vat payable in advance.	5%	R 611.63	0%	R 611.63	0%	R 611.63	R 703.00
(d)	For the testing of a metre cost plus 10%							
(e)	For a special reading of metre R50.00 payable in advance.							
(f)	For an investigation to establish the cause of a defect in consumers installation - R63.00 plus VAT payable in advance. (Call out fee)	5%	R 69.46	0%	R 69.46	0%	R 69.46	R 80.00
(g)	For each inspection and testing of an installation after failure to pass the first inspection and test - R100.00 payable in advance.	5%	R 115.76	0%	R 115.76	0%	R 115.76	R 133.00
(h)	Conversion							
	On application from a consumer to convert from the conventional electricity metre to a pre-paid metre the following fee is applicable:	5%	R 7 645.39	0%	R 7 645.39	0%	R 7 645.39	R 8 792.00
(i)	On application from a consumer to convert from the conventional electricity metre or any other meter to a pre-paid metre the following fee is applicable on condition that such application and payment is made before 30 September 2004. After 30 September 2004 - (h) apply.							
(j)	Where supply has been disconnected as a result of unauthorized reconnection, illegal bypassing of meter or for tampering; per disconnection and additional sum for units stolen.	5%	R 9 774.54	0%	R 9 774.54	0%	R 9 774.54	R11 241.00
	Tampering for second time	5%	R 19 549.08	0%	R 19 549.08	0%	R19 549.08	R22 481.00
	Tampering for 3rd time							
	NOTE: In addition to the amounts contained in item (i), reconnection shall only occur once any arrears consumption charges; estimated charges for unmetered consumption and/or additional deposits owed by the consumer have been paid.							

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
7 CEMETERY CHARGES					
	The following fees shall be payable to the Council in				
7,1	<i>Burial Plots - Charge per Burial Plot</i>				
	A non-refundable charge of:	R 184,32	0%	R 184,32	R 212,00
7,2	<i>Burial Fees</i>				
(a)	Adult	R 305,06	0%	R 305,06	R 351,00
(b)	Child	R 305,06	0%	R 305,06	R 351,00
7,3	<i>Miscellaneous Charges</i>				
(a)	Exhumation of body	R 2 307,13	0%	R 2 307,13	R 2 653,00
(b)	Widening or deepening of grave	R 311,42	0%	R 311,42	R 358,00
(c)	Permit to erect a memorial	R 126,94	0%	R 126,94	R 146,00
7,4	Fees for non-residents of the municipal area shall be the prescribed fees in (7.1) and (7.2) above, plus 50%				
7,5	After hours burial request as in (7.1) plus 100%				
7,6	At least 16 working hours notice must be given of a burial				
7,7	Pauper burial fees	R 508,75	0%	R 508,75	R 585,00
7,8	Internment of ashes in excising graves	R 40,62	0%	R 40,62	R 47,00

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
8	PUBLIC HALLS TARIFF				
8.1	<i>Town Hall (Matatiele)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 4 374,72	0%	R 4 374,72	R 5 031,00
(b)	Main hall and kitchen per function exceeding 12 hour.	R 5 091,35	0%	R 5 091,35	R 5 855,00
8.2	<i>Town Hall (Maluti Civic Centre)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 4 374,72	0%	R 4 374,72	R 5 031,00
(b)	Main hall and kitchen per function exceeding 12 hour.	R 5 091,35	0%	R 5 091,35	R 5 855,00
	<i>Town Hall (Cedarville)</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 1 653,75	0%	R 1 653,75	R 1 902,00
(b)	Main hall and kitchen per function exceeding 12 hour.	R 2 386,91	0%	R 2 386,91	R 2 745,00
(c)	Old Cedarville Boardroom	R 159,86	0%	R 159,86	R 184,00
8.3	<i>Harry Gwala Park Community Hall</i>				
(a)	Main hall and kitchen per 12 hour period per day.	R 716,63	0%	R 716,63	R 824,00
(b)	Main hall and kitchen per function exceeding 12 hour.	R 716,63	0%	R 716,63	R 824,00
8.4	<i>Nokhwezi & Msingizi Community Hall</i>				
(a)	Hall per 12 hour period per day	R 716,63	0%	R 716,63	R 824,00
(b)	Hall per kitchen per function exceeding 12 hours	R 716,63	0%	R 716,63	R 824,00
8.5	<i>Library Hall (Matatiele)</i>				
(a)	Hall per 12 hour period per day	R 238,14	0%	R 238,14	R 274,00
8.6	<i>Library Hall (Cedarville)</i>				
(a)	Hall per 12 hour period per day	R 207,27	0%	R 207,27	R 238,00
8.7	<i>Community Halls (Rural Area)</i>				
(a)	Hall per 12 hour period per day	R 159,86	0%	R 159,86	R 184,00
8.8	<i>Equipment</i>				
	The public address system per day or part thereof	R 438,80	0%	R 438,80	R 505,00
8.9	In addition to 8.1 to 8.6 above the hirer shall purchase pre-paid electricity cards for the supply of				
8.10	Where the hall is hired there shall first be deposited with the Chief Financial Officer the following amounts which amounts shall be refunded when the premises is handed	HALL DEPOSIT			
	Town Hall (Matatiele)	R 4 360,00	0%	R 4 360,00	R 4 360,00
	Town Hall (Cedarville)	R 1 720,00	0%	R 1 720,00	R 1 720,00
	Harry Gwala Park Community Hall	R 705,00	0%	R 705,00	R 705,00
	Nokhwezi & Msingizi Community Hall	R 705,00	0%	R 705,00	R 705,00
	Library Hall (Matatiele)	R 235,00	0%	R 235,00	R 235,00
	Library Hall (Cedarville)	R 185,00	0%	R 185,00	R 185,00
8.11	<i>Community Halls</i>				
	The Municipal Manager has delegated Authority to hire the Community Halls to Matatiele Local Registered Non-Profit Organisations/Institutions and to resident members of the community for memorial/personal social activities at a variable charge not less than the following	R 80,00	0%	R 80,00	R 92,00

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
9	MISCELLANEOUS SERVICES				
9,1	<i>Sundry Charges</i> Search Fees				
(a)	Other than from the Minutes of proceedings of the Council, for any document or information required dated				
(b)	More than 12 months but not more than 24 months.	R 81,24	0%	R 81,24	R 94,00
(c)	24 Months or more but not more than 48 months.	R 152,32	0%	R 152,32	R 175,00
(d)	48 months or more	R 304,64	0%	R 304,64	R 350,00
9,2	Copy of valuation roll (Electronic only)	R 760,58	0%	R 760,58	R 875,00
9,3	Copy of voters roll (per ward)	R 760,58	0%	R 760,58	R 875,00
9,4	Rates and Service clearance certificates	R 81,24	0%	R 81,24	R 94,00
	Deed Search Print out	R 31,96	0%	R 31,96	R 37,00
	Title Deed Search	R 141,52	0%	R 141,52	R 163,00
	SG Diagram Search per image (1page)	R 18,26	0%	R 18,26	R 21,00
9,5	Objections or Appeals to property valuations	R 71,08	0%	R 71,08	R 82,00
9,6	Services rendered by Council but not covered in terms of charges				
9,7	Valuation Certificate	R 87,33	0%	R 87,33	R 101,00
9,8	Copy of estimates	R 325,96	0%	R 325,96	R 375,00
9,11	Amendments of conditions of approval (per condition)	R 286,36	0%	R 286,36	R 330,00
9,12	Vehicle pound fees on all impounded vehicles per vehicle per day plus tow-in costs Impounded vehicles not released within 90 (ninety) days will be sold.	R 224,41	0%	R 224,41	R 259,00
9,13	Chemical toilet hire per toilet per day: Fee	R 798,15	0%	R 798,15	R 918,00
	Deposit per toilet	R 399,07	0%	R 399,07	R 400,00
9,14	Sports grounds rental Local clubs for practices per practice	R 89,36	0%	R 89,36	R 103,00
	Local clubs per game	R 445,79	0%	R 445,79	R 513,00
	Outside clubs per game	R 668,18	0%	R 668,18	R 768,00
	Stadium hire for non sporting events.	R 570,69	0%	R 570,69	R 656,00
	Tennis Court Rental				
	PER PRACTICE				
	<i>Practice sessions maximum of 3 hours per session</i> <i>Fees per team of 2 players – (below the age of 18)</i> <i>(18 and above)</i>	R 26,09 R 95,65	0% 0%	R 26,09 R 95,65	R 30,00 R 110,00
	PER MATCH				
	<i>Fees per Match team of 2 players– (below the age of 18 and above)</i>	R 104,35 R 182,61	0% 0%	R 104,35 R 182,61	R 120,00 R 210,00
	SEASON TICKETS (SIX MONTHS)				
	<i>Fees per Practice per team of 2 – (below the age of 18 and above)</i>	R 191,30 R 573,91	0% 0%	R 191,30 R 573,91	R 220,00 R 660,00
	YEAR TICKETS (12 MONTHS)				
	<i>Fees per Practice per team of 2 – (below the age of 18 and above)</i>	R 486,96 R 973,91	0% 0%	R 486,96 R 973,91	R 560,00 R 1 120,00
9,15	Pre-paid Electricity Metering cards to be purchased for the use of lights at the stadium at the Domestic Rates.				
9,16	A penalty will be charged for any dishonoured cheque.	R 200,04	0%	R 200,04	R 230,05
9,17	Damage to any Council property	R 2 173,09	0%	R 2 173,09	R 2 500,00
9,18	Cleaning of over grown property after failing to respond to councils instruction to clean this said property.	R 5 632,76	0%	R 5 632,76	R 6 478,00
9,19	Dog Licenses Dogs	R 22,34	0%	R 22,34	
9,20	Library Fines Lost books + cost of the book. Book/s per day Video/s per day Photocopies per copy Internet per 30 minutes Internet E-Mail address per 6 months.	R 30,47	0%	R 30,47	R 35,00
9,22	Tender Documents				
	Tender that is less than R1 million (including VAT)	R 260,87	0%	R 260,87	R 300,00
	Tender that is between R1 million and R10 million	R 434,79	0%	R 434,79	R 500,00
	Tender that is above R10 million (including VAT)	R 869,57	0%	R 869,57	R 1 000,00
	The fee will increase according to the size of the tender				

	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
10 BUSINESS LICENSES					
11,1	Food Vendors in caravans & carts or similar vessel	R 194,97	0%	R 194,97	R 224,00
11,2	General Dealers	R 649,89	0%	R 649,89	R 747,00
11,3	Supermarkets, Wholesalers & Butcheries	R 649,89	0%	R 649,89	R 747,00
11,4	Restaurants, B&B's, Hotels, Guest Houses, Lodges	R 649,89	0%	R 649,89	R 747,00
11,5	Spaza Shops	R 390,12	0%	R 390,12	R 450,00
11,6	Funeral Parlours	R 649,89	0%	R 649,89	R 747,00
11,7	Hawker License: Trucks & Bakkies	R 194,97	0%	R 194,97	R 224,00
11,8	Hawker License: Street Vendors	R 104,35	0%	R 104,35	R 120,00
11,8.1	Hawker License: Sheltered	R 156,52	0%	R 156,52	R 180,00
11,9	Hawker License: (Special Application – Events)	R 389,94	0%	R 389,94	R 450,00
11,10	Clothing Shops	R 649,89	0%	R 649,89	R 747,00
11,11	Hardware	R 649,89	0%	R 649,89	R 747,00
11,12	Garages	R 649,89	0%	R 649,89	R 747,00
11,13	Livestock Sales	R 259,96	0%	R 259,96	R 300,00
11,14	Car wash	R 259,96	0%	R 259,96	R 300,00
11,15	Laundromat/Dry Cleaning	R 649,89	0%	R 649,89	R 747,00
11,16	Financial Institution	R 649,89	0%	R 649,89	R 747,00
11,17	Beauty Parlour: Hair Salons, Barber Shops etc	R 259,96	0%	R 259,96	R 300,00
11,18	Furniture Shops	R 649,89	0%	R 649,89	R 747,00
11,19	Legal Practice	R 649,89	0%	R 649,89	R 747,00
11,20	Surgeries	R 649,89	0%	R 649,89	R 747,00
11,21	Transport Industry	R 649,89	0%	R 649,89	R 747,00
11,22	Liquor: Bottle Stores, Taverns	R 649,89	0%	R 649,89	R 747,00
11,23	Book Shops	R 649,89	0%	R 649,89	R 747,00
11,24	Brokers: Insurance, Estate agents etc	R 649,89	0%	R 649,89	R 747,00
	WITHOUT VAT	Current Tariff VAT Excluded 2021/2022	Increase for 2022/2023	New Tariff VAT Excluded 2022/2023	New Tariff Including VAT 2022/2023
15 ADVERTISING & SIGNAGE					
15,1	Billboards				
	non refundable application fee per board/sign (annually)	R 2 957,02	0%		R 3 400,00
	+ Approval fee per applicant	R 79,21	0%		R 91,00
15,2	Ground Signs				
	non refundable application fee per board/sign (annually)	R 272,15	0%		R 313,00
	+ Approval fee per applicant	R 43,66	0%		R 50,00
15,3	Wall Sign - Flat				
	non refundable application fee per board/sign (annually)	R 489,45	0%		R 563,00
	+ Approval fee per applicant	R 43,67	0%		R 50,00
15,4	Roof, Veranda, Balcony, Canopy and Under awning Sign				
	non refundable application fee per board/sign (annually)	R 488,44	0%		R 563,00
15,5	Estate Agent Boards				
	non refundable application fee (annually)	R 651,93	0%		R 750,00
	+ per board/sign (annually)	R 53,82	0%		R 62,00
15,6	Portable Boards / Collapsible Structures / Signs				
	non refundable application fee per board/sign (annually)	R 272,15	0%		R 313,00
15,7	Aerial Advertisement				
	non refundable application fee per board/sign (annually)	R 543,27	0%		R 625,00
15,8	Advertising Vehicles				
	non refundable application fee per board/sign (annually)	R 1 303,85	0%		R 1 500,00
15,9	Temporary Signs (Posters, Flags & Others)				
	non refundable application fee per board/sign	R 53,82	0%		R 62,00
	+ non commercial fee per signs, posters, flags & others	R 3,05	0%		R 4,00
	+ commercial fee per signs, posters, flags & others	R 5,08	0%		R 6,00
15,10	Banners				
	non refundable application fee per board/sign	R 163,49	0%		R 188,00

Table 1MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
NEDBANK		DAILY	CALL	Yes	Fixed	5%			30 June 2022	75 185	–		15 877	91 062
NEDBANK MIG		DAILY	CALL	Yes	Fixed	5%			30 June 2022	11 364	364	10 123	12 433	14 038
NEDBANK DOE		DAILY	MONEY MARKET	Yes	Fixed	5%			30 June 2022	6 805	–		–	6 805
NEDBANK SMARTGRD		32 DAY	32 DAY	Yes	Fixed	4%			30 June 2022	6 572	288		–	6 860
NEDBANK RETENTION		DAILY	DAILY CALL	Yes	Fixed	3%			30 June 2022	60 255	4 067	56 210	40 523	48 636
NEDBANK ELECTRIFICATION		DAILY	DAILY CALL	Yes	Fixed	3%			30 June 2022	35 553	296	35 808	–	840
FNB ESTABLISHMENT PLAN		DAILY	DAILY CALL	Yes	Fixed	3%			30 June 2022	64 482	691	46 410	23 987	42 931
FNB HOUSING		DAILY	DAILY CALL	Yes	Fixed	3%			30 June 2022	56	2		–	58
FNB TOURISM		DAILY	DAILY CALL	Yes	Fixed	3%			30 June 2022	27 346	991	13 615	–	14 722
FNB BANK ACC		DAILY	DAILY CALL	Yes	Fixed	3%			30 June 2022	279	10		–	289
DISASTER RELIEF FUND		DAILY	MONEY MARKET	Yes	Fixed	5%			30 June 2022	196	5		–	201
COV-19V SOLIDARITY FUND		DAILY	MONEY MARKET	Yes	Fixed	5%			30 June 2022	2 061	52		–	2 053
TERMINATION GUARANTEE		DAILY	MONEY MARKET	Yes	Fixed	5%			30 June 2022	609	16		–	625
ACCOUNT GUARANTEE		DAILY	CURRENT	Yes	Fixed	5%			30 June 2022	–	–		–	–
CALL ACC STD		DAILY	DAILY CALL	Yes	Fixed	4%			30 June 2022	787	29		–	816
NEDBANK		DAILY	DAILY CALL	Yes	Fixed	3%			30 June 2022	95	1 239		–	1 335
NEDBANK		DAILY	DAILY CALL	Yes	Fixed	4%			30 June 2022	145	1 524		–	1 669
										–			–	
TOTAL INVESTMENTS AND INTEREST	1									291 710	9 775	161 367	92 821	232 938

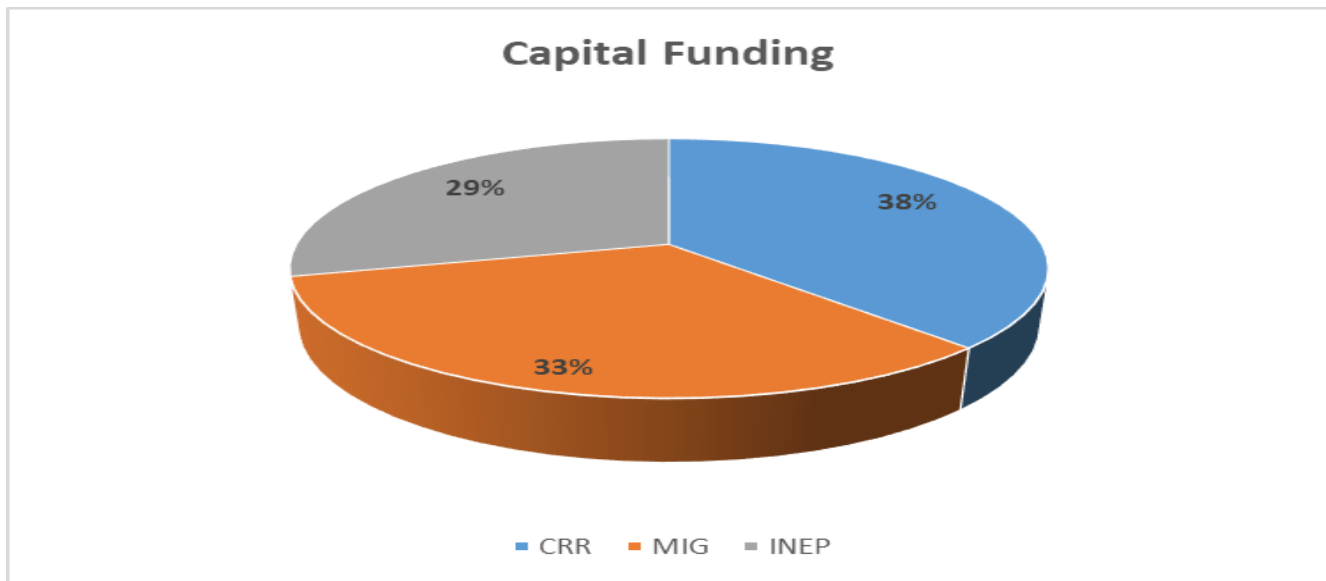
2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2022/23 medium-term capital programme:

Sources of capital revenue for the 2022/23 financial year

FUNDING OF CAPITAL BUDGET	2022/23
INEP	R 46,288,000
Municipal Infrastructure Grant (MIG)	R 53,264,600
Capital Replacement Reserve (CRR)	R71 756 699
TOTAL	R 171,309,299

The above table is graphically represented as follows for the 2022/23 financial year.



The Municipality's capital funding is dependant highly on the external grants as allocated on the DORA.

The following table is of the Municipality's borrowing liability, which is not applicable for the 2022/23 as we have no long term debt

Table 2MBRR Table SA 17 - Detail of borrowings

Table 2MBRR - Supporting Table SA 17 - Borrowings

Borrowing - Categorised by type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	--	--	--	--	--	--	--	--	--
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	1	--	--	--	--	--	--	--	--	--
Total Borrowing	1	--	--	--	--	--	--	--	--	--

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity(reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	--	--	--	--	--	--	--	--	--
Entities										
Long-Term Loans (annuity(reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	--	--	--	--	--	--	--	--	--
Total Unspent Borrowing	1	--	--	--	--	--	--	--	--	--

Table 41 MBRR Table SA 18 - transfers and grants receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		214 943	–	–	265 363	265 363	–	292 768	304 242	321 932
Local Government Equitable Share		207 642			258 826	258 826		286 308	302 542	320 232
Expanded Public Works Programme Integrated Grant		3 185			4 887	4 887		4 810	–	–
Local Government Financial Management Grant		1 701			1 650	1 650		1 650	1 700	1 700
Municipal Disaster Grant					–	–				
Municipal Infrastructure Grant		2 415								
Other transfers/grants [insert description]										
Provincial Government:		676	–	–	650	650	–	650	–	–
Human Settlement Development		–								
IDP		–								
Libraries, Archives and Museums		168			650	650		650	–	–
Library Service		508								
Other transfers/grants [insert description]		–								
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	215 619	–	–	266 013	266 013	–	293 418	304 242	321 932
Capital Transfers and Grants										
National Government:		104 386	–	–	145 471	145 471	–	102 356	111 006	115 965
Municipal Infrastructure Grant (MIG)		43 080			51 971	51 971		56 068	58 514	61 116
Integrated National Electrification Programme (Municipal)		61 306			93 500	93 500		46 288	52 492	54 849
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	104 386	–	–	145 471	145 471	–	102 356	111 006	115 965
TOTAL RECEIPTS OF TRANSFERS & GRANTS		320 005	–	–	411 484	411 484	–	395 774	415 248	437 897

2.6.3 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 understanding ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
 - Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue, and
 - Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 42 MBRR Table A7 - Budget cash flow statement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1	9	17 483	45 975	45 975	45 975	34 843	43 271	45 434	47 706
Service charges		49 707	57 798	54 759	60 729	60 729	60 729	48 543	69 553	73 031	76 683
Other revenue		116 518	44 102	33 631	9 365	9 365	9 365	12 725	7 598	7 710	8 095
Transfers and Subsidies - Operational	1	240 745	259 411	309 461	267 313	267 313	267 313	266 174	293 418	304 242	321 932
Transfers and Subsidies - Capital	1	73 290	108 432	92 926	145 471	174 749	174 749	174 749	102 356	111 006	115 965
Interest		-	-	8 578	-	14 650	14 650	2 425	14 650	15 383	16 152
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(257 700)	(271 512)	(16 811)	(375 402)	(390 269)	(390 269)	(219 861)	(420 687)	(428 371)	(434 427)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Grants	1	(150)	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		222 412	198 241	500 027	153 450	182 511	182 511	319 597	110 160	128 435	152 106
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		-	-	(161 457)	(192 872)	(237 656)	(237 656)	(147 813)	(171 309)	(150 264)	(147 174)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(161 457)	(192 872)	(237 656)	(237 656)	(147 813)	(171 309)	(150 264)	(147 174)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	110	-	-	-	76	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	110	-	-	-	76	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	-	-	153 196	178 309	166 749	166 749	224 422	294 088	232 938	211 109
Cash/cash equivalents at the year end:	2	222 412	198 241	491 876	138 887	111 605	111 605	396 283	232 938	211 109	216 041

2.6.4 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:

- What are the predicted cash and investments that are available at the end of the budget year?

- How are those funds used?
- What is 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 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

2022/23 Medium Term Revenue & Expenditure Framework

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	222 412	198 241	491 876	138 887	125 578	125 578	424 036	248 363	245 442	265 971
Other current investments > 90 days		(98 455)	(45 044)	(267 454)	2 057	1 517	1 517	(102 709)	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		123 957	153 196	224 422	140 943	127 095	127 095	321 327	248 363	245 442	265 971
Application of cash and investments											
Unspent conditional transfers		3 236	1 753	4 461	(0)	(2 224)	2 224	7 765	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(136 561)	(79 859)	(63 750)	(147 091)	(131 152)	(63 150)	(112 044)	22 549	4 129	(14 690)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(133 324)	(78 106)	(59 289)	(147 091)	(133 376)	(60 926)	(104 279)	22 549	4 129	(14 690)
Surplus(shortfall)		257 281	231 302	283 711	288 034	260 471	188 021	425 606	225 814	241 313	280 661

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.

2.6.5.1 Cash/cash equivalent position

The Municipality'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.

2.6.5.2 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 detail reconciliation of the cash backed reserves/surpluses is contained in Table 43, on page 84. 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.

2.6.5.3 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. It is especially important to consider the position should the municipality be faced with an expected disaster that threatens revenue collection such as rate boycotts. As part of the 2022/23 MTREF the municipalities improving cash position causes the ratio to move upwards to 7.3 and then increase slightly to 9 for outer years. As indicated above the Municipality aims to archive at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation 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.

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.

2.6.5.5 Property Rates/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.

2.6.5.6 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. Given that the assumed collection rate was based on a 80 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.

2.6.5.7 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. 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.

2.6.5.8 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 100 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.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality’s ‘own-funded’ capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

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 Municipality has budgeted for all transfers.

2.6.5.10 Consumer debtors change (Current and Non-current)

The purpose of these measures 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 Municipality's policy of settling debtor's accounts within 30 days.

2.6.5.11 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.

2.6.5.12 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.

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		214 943	–	–	255 022	–	–	292 768	304 242	321 932
Local Government Equitable Share		207 642			249 823			286 308	302 542	320 232
Expanded Public Works Programme Integrated Grant		3 185			3 499			4 810	–	–
Local Government Financial Management Grant		1 701			1 700			1 650	1 700	1 700
Municipal Disaster Grant		–			–					
Municipal Infrastructure Grant		2 415			–					
Other transfers/grants [insert description]										
Provincial Government:		676	–	–	650	–	–	650	–	–
Human Settlement Development		–			–					
IDP		–			–					
Libraries, Archives and Museums		168			650			650	–	–
Library Service		508			–					
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants:		215 619	–	–	255 672	–	–	293 418	304 242	321 932
Capital expenditure of Transfers and Grants										
National Government:		104 386	–	–	145 471	–	–	102 356	111 006	115 965
Municipal Infrastructure Grant (MIG)		43 080			51 971			56 068	58 514	61 116
Integrated National Electrification Programme (Municipal)		61 306			93 500			46 288	52 492	54 849
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total capital expenditure of Transfers and Grants		104 386	–	–	145 471	–	–	102 356	111 006	115 965
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		320 005	–	–	401 143	–	–	395 774	415 248	437 897

2.8 Table 3MBRR SA23 - Summary of councillor and staff benefits

[illegible]

Table 49 MBRR SA24—Summary of personnel numbers

Summary of Personnel Numbers		Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
Number		1,2	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)			-	-	-	57	-	57	57	-	57
Board Members of municipal entities	4		-	-	-	-	-	-	-	-	-
Municipal employees											
Municipal Manager and Senior Managers	5		-	-	-	-	-	-	-	-	-
Other Managers	3		-	-	-	6	-	6	6	-	6
	7		-	-	-	19	-	19	19	-	19
Professionals			-	-	-	63	56	-	40	39	-
Finance			-	-	-	40	35	-	25	25	-
Spatial/town planning			-	-	-	14	13	-	4	4	-
Information Technology			-	-	-	9	8	-	3	3	-
Roads			-	-	-	-	-	-	7	7	-
Electricity			-	-	-	-	-	-	-	-	-
Water			-	-	-	-	-	-	-	-	-
Sanitation			-	-	-	-	-	-	-	-	-
Refuse			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	1	-	-
Technicians			-	-	-	6	6	-	58	58	-
Finance			-	-	-	-	-	-	8	8	-
Spatial/town planning			-	-	-	-	-	-	-	-	-
Information Technology			-	-	-	1	1	-	7	7	-
Roads			-	-	-	-	-	-	9	9	-
Electricity			-	-	-	3	3	-	3	3	-
Water			-	-	-	-	-	-	-	-	-
Sanitation			-	-	-	-	-	-	-	-	-
Refuse			-	-	-	-	-	-	1	1	-
Other			-	-	-	2	2	-	30	30	-
Clerks (Clerical and administrative)			-	-	-	-	66	2	65	65	-
Service and sales workers			-	-	-	-	44	1	-	-	-
Skilled agricultural and fishery workers			-	-	-	2	2	-	-	-	-
Craft and related trades			-	-	-	-	-	-	-	-	-
Plant and Machine Operators			-	-	-	3	3	-	11	11	-
Elementary Occupations			-	-	-	178	157	-	96	96	-
TOTAL PERSONNEL NUMBERS	9		-	-	-	334	334	85	352	269	82
% increase						-	-	-	5.4%	(19.5%)	(3.5%)
Total municipal employees headcount	6, 10		-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10		-	-	-	-	-	-	36	33	3
Human Resources personnel headcount	8, 10		-	-	-	-	-	-	16	15	1

2.9 Monthly targets for revenue, expenditure and cash flow

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Revenue By Source																
Property rates		4 507	4 507	4 507	4 507	4 507	4 507	4 507	4 507	4 507	4 507	4 507	54 088	56 793	59 632	
Service charges - electricity revenue		5 951	5 951	5 951	5 951	5 951	5 951	5 951	5 951	5 951	5 951	5 951	71 416	74 987	78 736	
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue		1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	15 526	16 302	17 117	
Rental of facilities and equipment		169	169	169	169	169	169	169	169	169	169	169	2 028	2 129	2 235	
Interest earned - external investments		1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	14 650	15 383	16 152	
Interest earned - outstanding debtors		1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	1 561	18 731	17 462	18 335	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		147	147	147	147	147	147	147	147	147	147	147	1 769	1 521	1 598	
Licences and permits		344	344	344	344	344	344	344	344	344	344	344	4 131	4 337	4 554	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies		24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	293 418	304 242	321 932	
Other revenue		123	123	123	123	123	123	123	123	123	123	123	1 471	1 544	1 621	
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		39 769	39 769	39 769	39 769	39 769	39 769	39 769	39 769	39 769	39 769	39 769	477 227	494 700	521 913	
Expenditure By Type																
Employee related costs		11 772	11 772	11 772	11 772	11 772	11 772	11 772	11 772	11 772	11 772	11 772	141 262	147 094	155 542	
Remuneration of councillors		1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	1 872	22 459	23 582	24 292	
Debt impairment		500	500	500	500	500	500	500	500	500	500	500	6 000	6 300	6 490	
Depreciation & asset impairment		4 445	4 445	4 445	4 445	4 445	4 445	4 445	4 445	4 445	4 445	4 445	53 336	60 335	63 352	
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bulk purchases - electricity		5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	61 383	64 452	67 675	
Inventory consumed		646	646	646	646	646	646	646	646	646	646	646	7 747	8 134	8 541	
Contracted services		9 465	9 465	9 465	9 465	9 465	9 465	9 465	9 465	9 465	9 465	9 465	113 584	110 245	100 643	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure		6 188	6 188	6 188	6 188	6 188	6 188	6 188	6 188	6 188	6 188	6 188	74 252	74 863	77 735	
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	480 023	495 006	504 269	
Surplus/(Deficit)																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(233)	(233)	(233)	(233)	(233)	(233)	(233)	(233)	(233)	(233)	(233)	(2 796)	(306)	17 645	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	102 356	111 006	115 965	
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	99 560	110 700	133 610	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	99 560	110 700	133 610	

Table 4MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Revenue by Vote																
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		31 306	31 306	31 306	31 306	31 306	31 306	31 306	31 306	31 306	31 306	31 306	31 306	375 670	393 799	415 966
Vote 3 - Corporate		29	29	29	29	29	29	29	29	29	29	29	29	350	368	386
Vote 4 - Development and Planning		17	17	17	17	17	17	17	17	17	17	17	17	202	212	223
Vote 5 - Community		7 521	7 521	7 521	7 521	7 521	7 521	7 521	7 521	7 521	7 521	7 521	7 521	90 249	22 795	23 934
Vote 6 - Infrastructure		9 426	9 426	9 426	9 426	9 426	9 426	9 426	9 426	9 426	9 426	9 426	9 426	113 112	188 534	197 369
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		48 299	48 299	48 299	48 299	48 299	48 299	48 299	48 299	48 299	48 299	48 299	48 299	579 583	605 706	637 878
Expenditure by Vote to be appropriated																
Vote 1 - Executive Council		2 487	2 487	2 487	2 487	2 487	2 487	2 487	2 487	2 487	2 487	2 487	2 487	29 845	31 337	32 360
Vote 2 - Finance and Admin		9 852	9 852	9 852	9 852	9 852	9 852	9 852	9 852	9 852	9 852	9 852	9 852	118 223	113 852	122 319
Vote 3 - Corporate		6 101	6 101	6 101	6 101	6 101	6 101	6 101	6 101	6 101	6 101	6 101	6 101	73 215	75 645	82 885
Vote 4 - Development and Planning		2 082	2 082	2 082	2 082	2 082	2 082	2 082	2 082	2 082	2 082	2 082	2 082	24 989	26 238	14 562
Vote 5 - Community		6 444	6 444	6 444	6 444	6 444	6 444	6 444	6 444	6 444	6 444	6 444	6 444	77 323	78 091	80 259
Vote 6 - Infrastructure		12 728	12 728	12 728	12 728	12 728	12 728	12 728	12 728	12 728	12 728	12 728	12 728	152 737	165 966	167 807
Vote 7 - Internal Audit		308	308	308	308	308	308	308	308	308	308	308	308	3 692	3 877	4 075
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	40 002	480 023	495 006	504 269
Surplus/(Deficit) before assoc.		8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	99 560	110 700	133 610
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	8 297	99 560	110 700	133 610

Table 5MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		272	272	272	272	272	272	272	272	272	272	272	272	3 260	-	-
Vote 3 - Corporate		193	193	193	193	193	193	193	193	193	193	193	193	2 310	-	-
Vote 4 - Development and Planning		42	42	42	42	42	42	42	42	42	42	42	42	500	-	-
Vote 5 - Community		530	530	530	530	530	530	530	530	530	530	530	530	6 360	1 265	1 265
Vote 6 - Infrastructure		13 240	13 240	13 240	13 240	13 240	13 240	13 240	13 240	13 240	13 240	13 240	13 240	158 879	148 999	145 909
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	171 309	150 264	147 174
Total Capital Expenditure	2	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	171 309	150 264	147 174

Table 6MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
Cash Receipts By Source																
Property rates	3 606	3 606	3 606	3 606	3 606	3 606	3 606	3 606	3 606	3 606	3 606	3 606	43 271	45 434	47 706	
Service charges - electricity revenue	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	4 761	57 133	59 989	62 989	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	12 421	13 042	13 694	
Rental of facilities and equipment	135	135	135	135	135	135	135	135	135	135	135	135	1 622	1 703	1 788	
Interest earned - external investments	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	14 650	15 383	16 152	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	118	118	118	118	118	118	118	118	118	118	118	118	1 415	1 217	1 278	
Licences and permits	275	275	275	275	275	275	275	275	275	275	275	275	3 305	3 470	3 643	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and Subsidies - Operational	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	24 452	293 418	304 242	321 932	
Other revenue	105	105	105	105	105	105	105	105	105	105	105	105	1 257	1 319	1 385	
Cash Receipts by Source	35 708	35 708	35 708	35 708	35 708	35 708	35 708	35 708	35 708	35 708	35 708	35 708	428 491	445 799	470 567	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	8 530	102 356	111 006	115 965	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source	44 237	44 237	44 237	44 237	44 237	44 237	44 237	44 237	44 237	44 237	44 237	44 237	530 847	556 805	586 532	
Cash Payments by Type																
Employee related costs	13 643	13 643	13 643	13 643	13 643	13 643	13 643	13 643	13 643	13 643	13 643	13 643	163 721	170 676	179 834	
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bulk purchases - electricity	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	5 115	61 383	64 452	67 675	
Acquisitions - water & other inventory	646	646	646	646	646	646	646	646	646	646	646	646	7 747	8 134	8 541	
Contracted services	9 465	9 465	9 465	9 465	9 465	9 465	9 465	9 465	9 465	9 465	9 465	9 465	113 584	110 245	100 643	
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure	6 188	6 188	6 188	6 188	6 188	6 188	6 188	6 188	6 188	6 188	6 188	6 188	74 251	74 863	77 734	
Cash Payments by Type	35 057	35 057	35 057	35 057	35 057	35 057	35 057	35 057	35 057	35 057	35 057	35 057	420 687	428 371	434 427	
Other Cash Flows/Payments by Type																
Capital assets	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	14 276	171 309	150 264	147 174	
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Payments by Type	49 333	49 333	49 333	49 333	49 333	49 333	49 333	49 333	49 333	49 333	49 333	49 333	591 996	578 635	581 600	
NET INCREASE/(DECREASE) IN CASH HELD	(5 096)	(5 096)	(5 096)	(5 096)	(5 096)	(5 096)	(5 096)	(5 096)	(5 096)	(5 096)	(5 096)	(5 096)	(61 150)	2022/05/25 17:08:42		
Cash/cash equivalents at the month/year begin:	294 088	288 992	283 896	278 801	273 705	268 609	263 513	258 417	253 322	248 226	243 130	238 034	232 938	227 842	222 746	217 650
Cash/cash equivalents at the month/year end:	288 992	283 896	278 801	273 705	268 609	263 513	258 417	253 322	248 226	243 130	238 034	232 938	232 938	211 109	216 041	

10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, there were no contracts awarded beyond the medium-term revenue and expenditure framework:-

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
		Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.13 Legislation compliance status

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

1. In year reporting

Reporting to National Treasury uploading financial and non-financial information on the portal 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 Municipality's website.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 4 interns undergoing training in various divisions of the Financial Services Department recruitment processes are still underway for the additional 1 interns to be placed under budget and treasury.

3. Budget and Treasury Office

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

4.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and was tabled with the draft budget 2022/23 MTREF directly aligned and informed by the 2022/23 MTREF.

6. Annual Report

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

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **LIZO MATIWANE**, Municipal Manager of **Matatiele Local Municipality**, hereby certify that the Annual Budget for the 2022/2023 MTREF 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 Lizo Matiwane

Municipal Manager of Matatiele Local Municipality (EC441)

Signature _____

Date _____