

## **CONSIDERATION AND APPROVAL OF THE FINAL BUDGET 2022/2023 AND INDICATIVE FOR THE PROJECTED TWO OUTER YEARS 2023/2024 AND 2024/2025**

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*English is the original version*

### **PURPOSE OF REPORT**

This report serves to submit to Council for consideration the MTREF for 2022/2023, proposed tariffs, and amendments to budget related policies, the IDP, Supply Chain Management Procurement Plan, Service Delivery and Budget Implementation Plan as well as the Service Standards.

### **BACKGROUND**

In accordance with section 16 of the Municipal Finance Management Act, No 56 of 2003 the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget.

### **LEGAL RESPONSIBILITIES**

Section 16 of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting Regulations.

### **FINANCIAL IMPLICATIONS**

As contained in the detail report.

### **RECOMMENDATION**

1. That Council resolves that Final Annual Operating Budget of the municipality for the financial year 2022/2023 and indicative for the two projected Outer Years 2023/2024 and 2024/2025 be approved as set out on Tables A1, A2, A3 and A4.
2. That Council resolves that the Final Annual Capital Budget of the municipality for the financial year 2022/2023 and indicative for the two projected Outer Years 2023/2024 and 2024/2025 be approved as set out on Tables A1, A5 and SA36.
3. That Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2022/2023 financial year as set out on Tables A1 and A7.
4. That Council resolves to adopt the "Spatial Development Framework" as part of the Integrated Development Plan, as regulated by the Municipal Systems Act (Act 32 of 2000), as directed in terms of Section 22 of the Bill on the Land Use Planning Act.
5. That Council resolves that the Final Tariff Charges are approved for the Financial Year 2022/2023. (Annexure A).
6. That Council resolves that the Final Supply Chain Management Procurement Plan are approved for the Financial Year 2022/2023. (Annexure D).
7. That the Final Monthly Indigent Subsidy in respect of 6kl Water, 70Kwh Electricity, Refuse, Sewer and Informal Settlement Plot Rental (where applicable) are approved

and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.

8. That it be noted that “Unfunded Functions” and “Underfunded Functions” are fully budgeted for at present service levels and in respect of Housing.
9. That note is taken that Internal Division of Costs(Departmental Charges) are calculated based on expected budgeted time spent, measurable units/quantities, cost, and that tariffs are determined accordingly.
10. That Council resolves to adopt the following Amendments to the Policies as per Annexure B

Annexure B

- 1) Asset Management Policy
- 2) Credit Control & Debt Collection Policy
- 3) Write-Off Collection Policy
- 4) Tariff Policy
- 5) Terms of reference (Special Indigents) – Indigent Policy
- 6) Cost Containment Policy
- 7) Rates Policy

# Theewaterskloof Municipality



## Final Budget

**2022/2023 to 2024/2025**

**25 May 2022**

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*English is original version*

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- In the foyer of all municipal offices
- All public libraries within the municipality
- At [www.twk.gov.za](http://www.twk.gov.za)

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## **Abbreviations and Acronyms**

IDP	Integrated Development Plan
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
kl	Kilolitre
kWh	Kilowatt
VAT	Value Added Tax
SMME	Small Micro and Medium Enterprises
CPI	Consumer Price index
MFMA	Municipal Finance Management Act 56 of 2003
GFS	Government Financial Statistics
MBRR	Municipal Budget and Reporting Regulations
GRAP	Generally Recognized Accounting Practice
MSA	Municipal Systems Act
MIG	Municipal Infrastructure Grant
LED	Local Economic Development
SDBIP	Service Delivery Budget Implementation Plan
DoRA	Division of Revenue Act
PDO	Predetermined Objectives
KPI	Key Performance Indicator
KPA	Key Performance Area
RBIG	Regional Bulk Infrastructure Grant
MTBPS	Medium Term Budget Policy Statement

## 1. Council Resolutions

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1. That Council take note and adopt the tabling of the budget in terms of section 16(2) of the MFMA.
2. That Council takes note of the following resolutions for consideration for adoption when the final budget is submitted for approval:
3. That Council resolves that the Annual Operating Budget of the municipality for the financial year 2022/2023 and indicative for the two projected Outer Years 2023/2024 and 2024/2025 be approved as set out on Tables A1, A2, A3 and A4.
4. That Council resolves that the Annual Capital Budget of the municipality for the financial year 2022/2023 and indicative for the two projected Outer Years 2023/2024 and 2024/2025 be approved as set out on Tables A1, A5 and SA36.
5. That Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2022/2023 financial year as set out on Tables A1 and A7.
6. That Council resolves to adopt the “Spatial Development Framework” as part of the Integrated Development Plan, as regulated by the Municipal Systems Act (Act 32 of 2000), as directed in terms of Section 22 of the Bill on the Land Use Planning Act.
7. That Council resolves that the Tariff Charges are approved for the Financial Year 2022/2023. (Annexure A).
8. That Council resolves that the Final Supply Chain Management Procurement Plan are approved for the Financial Year 2022/2023. (Annexure D).
9. That the Final Monthly Indigent Subsidy in respect of 6kl Water, 70Kwh Electricity, Refuse, Sewer and Informal Settlement Plot Rental (where applicable) are approved and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.
10. That it be noted that “Unfunded Functions” and “Underfunded Functions” are fully budgeted for at present service levels and in respect of Housing.
11. That note is taken that Internal Division of Costs (Departmental Charges) are calculated based on expected budgeted time spent, measurable units/quantities, cost, and that tariffs are determined accordingly.

That Council resolves to adopt the following Amendments to the Policies as per Annexure B

### Annexure B

- 1) Asset Management Policy
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## 2. Executive summary

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### LEGAL REQUIREMENTS

The MTREF for 2022/23 to 2024/2025 were compiled in accordance with the requirements of the relevant legislation, of which the following are the most important –

- The Constitution of the Republic of South Africa, Act 108 of 1996;
- The Municipal Structures Act, Act 117 of 1998;
- The Municipal Systems Act, Act 32 of 2000;
- The Municipal Finance Management Act, Act 56 of 2003;
- The Municipal Budget and Reporting Regulations promulgated on 17 April 2009; and
- The Division of Revenue Act

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the Integrated Development Plan.

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the Integrated Development Plan.

The following budget principles and guidelines directly informed the compilation of the 2022/23 to 2024/2025 MTREF –

- National Treasury's MFMA Circulars were used to guide the compilation of the MTREF;
- Headline inflation predictions;
- National outcomes and priorities;
- NERSA guidelines;
- The priorities and targets in relation to the key strategic focus areas as determined in the IDP;
- Tariff and property rates revenue stream increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, or instance the cost-of-living increases and cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- External loans will be taken up during this budget year as a means of supporting the Capital Budget, to enhance service delivery.

Growth to the Theewaterskloof Municipality's Medium Term Revenue and Expenditure Framework (MTREF) is based on a combination of factors such as (relatively low) generic growth to core tariff-based services, operational efficiencies, and revenue-related policies aimed at optimising and sustaining all income sources.

The MTREF-based Revenue and Expenditure Projections assumed inflation-linked annual adjustments. The main challenges experienced during the compilation of the 2022/23 MTREF can be summarised as follows:

- The increased costs associated with bulk electricity, placing upward pressure on tariff increases to consumers. Continued high tariff increases may soon render municipal services financially unaffordable and impact negatively on revenue collection targets;
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the cash position into account;



- Salary increases for municipal staff salary requirement to fill funded vacant, critical and essential positions in accordance with the Salary and Wage Collective Agreement;
- National and local economic difficulties (low economic growth)
- Above inflation increases in essential maintenance costs
- Old infrastructure which needs to be consistently maintained or replaced
- Reduced consumption of water and electricity in response to water restrictions and load shedding

The following further key parameters which are informed by the need to recover costs and to balance the budget were considered for the 2022/23 financial year:

Tariff increases:

- Assessment Rates 9.79%
- Electricity 7.47% (Subject to NERSA's final approval)
- Water 8%
- Sanitation (Sewer) 4.6%
- Solid Waste (Refuse) 4.6%

The following table provides a consolidated overview of the proposed 2022/2023 MTREF taking into consideration tariff adjustments and increases to input costs:

Description R thousand	Current Year 2021/22	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total Operating Revenue	(689 190)	(702 775)	(793 189)	(827 079)
Total Operating Expenditure	640 533	671 602	733 207	811 170
(Suplus)/Deficit for the year	(48 657)	(31 173)	(59 983)	(15 910)
Total Capital Expenditure	154 805	158 778	199 103	117 622

Total operating revenue is projected to increase by 1.97 per cent or R 14 million for the 2022/23 financial year when compared to the 2021/22 Budget. For the two outer years, operational revenue will increase by 12.9% and 4.3% respectively, equating to a total revenue growth of R138 million over the MTREF when compared to the 2021/22 financial year.

The major items of operating revenue are as follows:

Description R thousand	Current Year 2021/22	Budget Year 2022/23	% of Total Revenue	Growth 2021/22 - 2022/23
Property Rates	126 035	138 377	20%	9,79%
Service Charges	272 094	290 725	41%	7%
Operational grants	144 871	146 021	21%	1%
Capital grants	77 720	49 882	7%	-36%
Other own Revenue	68 471	77 770	11%	14%
	<b>689 190</b>	<b>702 775</b>	<b>100%</b>	<b>2%</b>

Revenue from service charges is the biggest part (41%) of the municipality's revenue followed by operational grants (21%) and property rates (20%). There has been an increase in operational grants (1%) when compared to the 2021/22 financial year. The reduction in capital grants is attributable to a decrease to the Housing Grant, MIG (Municipal Infrastructure Grant) and no allocation for INEP (Integrated National Electrification Programme) and the EEDSMG (Energy Efficiency and Demand Side Management Grant).

The major operating expenditure items are summarised below:

<b>Description R thousand</b>	<b>Current Year 2021/22</b>	<b>Budget Year 2022/23</b>	<b>% of Total Expenditure</b>	<b>Growth 2021/22 - 2022/23</b>
Employee costs	241 733	275 056	41%	14%
Remuneration of councillors	12 420	13 556	2%	9%
Depreciation & asset impairment	34 782	29 311	4%	-16%
Finance charges	20 351	25 189	4%	24%
Materials and bulk purchases	126 676	133 705	20%	6%
Transfers and grants	14 683	8 735	1%	-41%
Other expenditure	189 888	186 050	28%	-2%
	<b>640 533</b>	<b>671 602</b>	<b>100%</b>	<b>4,9%</b>

Total operating expenditure for the 2022/23 financial year amounts to R 672 million, which represents an increase of R 31 million (5%) from 2021/22. Operating expenditure increases by 9.2% and 10.6% for each of the respective outer years of the MTREF.

<b>Description R thousand</b>	<b>Current Year 2021/22</b>	<b>Budget Year 2022/23</b>	<b>Budget Year +1 2023/24</b>	<b>Budget Year +2 2024/25</b>
Total Capital Expenditure	154 805	158 778	199 103	117 622

The capital expenditure amounts to R 159 million and has increased by 2.6% when compared to the 2021/22 adjustment budget. The outer year's increase to R 199 million in 2023/2024 and decrease to R 118 million in 2024/2025.

Successful alignment of Theewaterskloof Municipality's service delivery priorities, as embodied in the updated IDP and its focus areas, objectives and perspectives, to that of National and Provincial Governments is seen as critical if the Municipality wants to achieve its developmental goals. The Strategic Focus Areas developed by Theewaterskloof Municipality are as follows:

- Financial Viability
- Good Governance
- Institutional Development
- Basic Service Delivery
- Local Economic Development

### 3. Operating Revenue and Expenditure Framework

Functional Classification 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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>									
<b>Revenue - Functional</b>									
<i>Governance and administration</i>	256 049	253 097	258 422	274 144	261 461	261 461	298 648	315 532	335 155
Executive and council	641	901	741	1 578	1 753	1 753	1 252	1 320	1 393
Finance and administration	255 408	252 196	257 681	272 566	259 708	259 708	297 396	314 212	333 762
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	70 713	59 320	30 259	89 852	85 703	85 703	55 492	101 140	91 336
Community and social services	8 729	8 811	10 225	10 998	13 198	13 198	10 843	11 500	11 876
Sport and recreation	429	29	241	52	18	18	12	12	13
Public safety	39 783	24 354	12 544	15 823	25 252	25 252	15 397	16 321	17 300
Housing	21 771	26 126	7 249	62 979	47 236	47 236	29 240	73 307	62 147
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	9 788	8 192	9 809	15 647	12 982	12 982	14 232	11 876	12 578
Planning and development	2 746	2 367	2 395	2 719	4 505	4 505	3 204	2 317	2 456
Road transport	7 041	5 826	7 414	12 928	8 477	8 477	11 028	9 559	10 122
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	252 862	280 101	301 395	327 926	329 043	329 043	334 404	364 642	388 011
Energy sources	90 898	105 143	115 372	136 590	134 219	134 219	130 262	147 604	157 224
Water management	77 670	81 684	87 324	90 829	91 724	91 724	96 299	102 254	108 587
Waste water management	40 552	43 784	49 290	50 231	50 699	50 699	53 032	56 436	60 071
Waste management	43 743	49 490	49 409	50 277	52 400	52 400	54 810	58 349	62 129
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>589 411</b>	<b>600 709</b>	<b>599 886</b>	<b>707 568</b>	<b>689 190</b>	<b>689 190</b>	<b>702 775</b>	<b>793 189</b>	<b>827 079</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>	157 965	162 810	175 363	204 707	200 068	200 068	216 666	229 816	243 776
Executive and council	21 410	24 362	18 410	21 641	19 500	19 500	25 574	27 109	28 735
Finance and administration	134 486	136 347	154 642	180 584	178 143	178 143	185 839	197 139	209 139
Internal audit	2 068	2 100	2 311	2 482	2 425	2 425	5 253	5 568	5 902
<i>Community and public safety</i>	90 884	83 581	64 350	85 839	89 088	89 088	82 171	107 008	145 786
Community and social services	8 154	8 623	10 354	11 260	11 884	11 884	11 472	12 160	12 890
Sport and recreation	9 459	9 018	10 025	11 816	10 141	10 141	12 010	12 732	13 496
Public safety	56 404	47 751	33 293	37 193	44 886	44 886	39 974	42 376	44 921
Housing	16 866	18 189	10 678	25 570	22 177	22 177	18 714	39 740	74 478
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	41 091	42 173	50 844	55 791	56 384	56 384	60 924	64 771	68 878
Planning and development	9 239	10 518	11 093	13 324	14 944	14 944	17 392	18 436	19 542
Road transport	31 851	31 655	39 636	42 308	41 440	41 440	43 372	46 166	49 157
Environmental protection	0	-	116	159	-	-	159	169	179
<i>Trading services</i>	213 926	231 825	259 114	276 021	294 418	294 418	311 221	330 955	352 033
Energy sources	77 099	86 406	95 215	113 986	112 462	112 462	124 459	132 011	140 029
Water management	54 351	60 128	61 155	61 168	65 410	65 410	66 577	70 982	75 713
Waste water management	35 863	38 609	46 157	47 117	49 763	49 763	51 559	54 952	58 593
Waste management	46 614	46 682	56 586	53 750	66 783	66 783	68 625	73 010	77 698
<i>Other</i>	203	4	30	620	575	575	620	657	697
<b>Total Expenditure - Functional</b>	<b>504 068</b>	<b>520 393</b>	<b>549 701</b>	<b>622 978</b>	<b>640 533</b>	<b>640 533</b>	<b>671 602</b>	<b>733 207</b>	<b>811 170</b>
<b>Surplus/(Deficit) for the year</b>	<b>85 343</b>	<b>80 316</b>	<b>50 185</b>	<b>84 590</b>	<b>48 657</b>	<b>48 657</b>	<b>31 173</b>	<b>59 983</b>	<b>15 910</b>

## 4. Capital Expenditure

Vote 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
<b>R thousand</b>										
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>										
Vote 1 - Directorate Finance	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community and social services	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-	-	-	-	-
Vote 4 - Electricity	146	7 507	7 317	8 120	8 120	8 120	8 120	17 383	52 952	51 416
Vote 5 - Environmental protection	-	-	-	-	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	-	-	-	17 950	14 731	14 731	14 731	21 500	45 200	-
Vote 9 - Public safety	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport	978	-	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management	-	5 460	6 117	5 037	9 866	9 866	9 866	-	7 000	10 176
Vote 13 - Waste water management	18 387	13 963	16 268	27 954	13 749	13 749	13 749	13 901	16 864	24 093
Vote 14 - Water	3 756	690	1 845	4 750	2 068	2 068	2 068	26 396	32 327	25 171
Vote 15 - Directorate Development and Community Se	-	-	-	4 780	3 706	3 706	3 706	3 658	3 528	6 765
<b>Capital multi-year expenditure sub-total</b>	<b>23 266</b>	<b>27 621</b>	<b>31 547</b>	<b>68 591</b>	<b>52 240</b>	<b>52 240</b>	<b>52 240</b>	<b>82 839</b>	<b>157 870</b>	<b>117 622</b>
<b>Single-year expenditure to be appropriated</b>										
Vote 1 - Directorate Finance	24	78	174	196	2 456	2 456	2 456	213	-	-
Vote 2 - Community and social services	234	29	-	-	-	-	-	-	-	-
Vote 3 - Corporate services	5 163	7 641	-	-	-	-	-	-	-	-
Vote 4 - Electricity	4 550	3 239	4 990	8 614	6 741	6 741	6 741	10 000	6 000	-
Vote 5 - Environmental protection	-	-	-	-	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	1 137	812	-	-	19	19	19	24	-	-
Vote 7 - Housing	11 112	16 348	-	-	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	13 221	5 189	5 698	30 044	19 283	19 283	19 283	4 022	-	-
Vote 9 - Public safety	1 230	58	-	-	-	-	-	-	-	-
Vote 10 - Road transport	30	1 515	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	826	367	-	-	-	-	-	-	-	-
Vote 12 - Waste management	12 046	5 548	6 544	4 783	4 783	4 783	4 783	7 372	1 000	-
Vote 13 - Waste water management	-	7 427	10 039	21 844	20 773	20 773	20 773	35 720	-	-
Vote 14 - Water	4 155	2 851	7 269	16 997	27 747	27 747	27 747	5 000	23 432	-
Vote 15 - Directorate Development and Community Se	-	-	19 355	30 068	20 763	20 763	20 763	13 587	10 800	-
<b>Capital single-year expenditure sub-total</b>	<b>53 728</b>	<b>51 102</b>	<b>54 068</b>	<b>112 546</b>	<b>102 565</b>	<b>102 565</b>	<b>102 565</b>	<b>75 939</b>	<b>41 232</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>	<b>76 994</b>	<b>78 723</b>	<b>85 615</b>	<b>181 136</b>	<b>154 805</b>	<b>154 805</b>	<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>	<b>6 150</b>	<b>13 292</b>	<b>8 503</b>	<b>10 719</b>	<b>13 323</b>	<b>13 323</b>	<b>13 323</b>	<b>9 633</b>	<b>-</b>	<b>-</b>
Executive and council	-	-	-	-	-	-	-	-	-	-
Finance and administration	6 146	13 292	8 503	10 719	13 323	13 323	13 323	9 608	-	-
Internal audit	4	-	-	-	-	-	-	24	-	-
<b>Community and public safety</b>	<b>12 345</b>	<b>17 228</b>	<b>6 980</b>	<b>58 248</b>	<b>37 174</b>	<b>37 174</b>	<b>37 174</b>	<b>25 108</b>	<b>45 200</b>	<b>-</b>
Community and social services	407	29	206	998	2 410	2 410	2 410	2 866	-	-
Sport and recreation	826	367	100	7 878	20	20	20	515	-	-
Public safety	-	484	818	622	490	490	490	227	-	-
Housing	11 112	16 348	5 856	48 750	34 254	34 254	34 254	21 500	45 200	-
Health	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>15 458</b>	<b>1 515</b>	<b>9 743</b>	<b>14 069</b>	<b>10 461</b>	<b>10 461</b>	<b>10 461</b>	<b>8 264</b>	<b>14 328</b>	<b>6 765</b>
Planning and development	13 221	-	53	2	596	596	596	1 506	-	-
Road transport	2 237	1 515	9 690	14 067	9 865	9 865	9 865	6 758	14 328	6 765
Environmental protection	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>43 040</b>	<b>46 687</b>	<b>60 388</b>	<b>98 097</b>	<b>93 847</b>	<b>93 847</b>	<b>93 847</b>	<b>115 773</b>	<b>139 574</b>	<b>110 857</b>
Energy sources	4 696	10 746	12 307	16 734	14 861	14 861	14 861	27 384	58 952	51 416
Water management	7 911	3 542	9 114	21 747	29 815	29 815	29 815	31 396	55 759	25 171
Waste water management	18 387	21 390	26 307	49 797	34 522	34 522	34 522	49 622	16 864	24 093
Waste management	12 046	11 009	12 660	9 820	14 649	14 649	14 649	7 372	8 000	10 176
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>76 994</b>	<b>78 723</b>	<b>85 615</b>	<b>181 136</b>	<b>154 805</b>	<b>154 805</b>	<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>
<b>Funded by:</b>										
National Government	23 141	28 376	27 159	41 972	41 103	41 103	41 103	25 347	35 057	37 778
Provincial Government	11 722	16 374	8 685	48 790	36 168	36 168	36 168	22 535	45 200	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	13 213	1 550	-	4 421	450	450	450	2 000	-	-
<b>Transfers recognised - capital</b>	<b>48 076</b>	<b>46 300</b>	<b>35 844</b>	<b>95 184</b>	<b>77 720</b>	<b>77 720</b>	<b>77 720</b>	<b>49 882</b>	<b>80 257</b>	<b>37 778</b>
<b>Borrowing</b>	<b>13 695</b>	<b>22 028</b>	<b>36 505</b>	<b>62 750</b>	<b>57 829</b>	<b>57 829</b>	<b>57 829</b>	<b>91 234</b>	<b>100 790</b>	<b>71 279</b>
<b>Internally generated funds</b>	<b>15 222</b>	<b>10 395</b>	<b>13 266</b>	<b>23 203</b>	<b>19 255</b>	<b>19 255</b>	<b>19 255</b>	<b>17 662</b>	<b>18 056</b>	<b>8 565</b>
<b>Total Capital Funding</b>	<b>76 994</b>	<b>78 723</b>	<b>85 615</b>	<b>181 136</b>	<b>154 805</b>	<b>154 805</b>	<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>

## 5. Annual budget tables

The following ten tables set out the municipality's 2022/2023 budget and MTREF to be approved by resolution of Council:  
Budget Summary (Table A1)

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
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	101 760	113 734	121 198	124 584	126 035	126 035	126 035	138 377	146 679	155 480
Service charges	223 645	239 094	253 477	277 189	272 094	272 094	272 094	290 725	308 169	326 659
Investment revenue	10 659	12 236	8 098	11 000	7 800	7 800	7 800	10 200	10 812	11 461
Transfers recognised - operational	104 522	124 159	137 762	142 866	144 871	144 871	144 871	146 021	175 648	219 780
Other own revenue	101 301	60 033	43 493	56 746	60 671	60 671	60 671	67 570	71 624	75 922
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>541 886</b>	<b>549 257</b>	<b>564 027</b>	<b>612 385</b>	<b>611 470</b>	<b>611 470</b>	<b>611 470</b>	<b>652 893</b>	<b>712 932</b>	<b>789 302</b>
Employee costs	192 826	207 555	217 633	254 167	241 733	241 733	241 733	275 056	291 559	309 053
Remuneration of councillors	11 707	12 194	12 148	13 849	12 420	12 420	12 420	13 556	14 370	15 232
Depreciation & asset impairment	23 352	22 477	31 587	22 908	34 782	34 782	34 782	29 311	31 069	32 933
Finance charges	19 878	20 002	21 246	15 507	20 351	20 351	20 351	25 189	28 106	31 409
Inventory consumed and bulk purchases	94 839	102 745	131 199	127 918	126 676	126 676	126 676	133 705	141 727	150 231
Transfers and grants	2 642	4 270	3 224	16 399	14 683	14 683	14 683	8 735	29 162	63 265
Other expenditure	158 824	151 151	132 666	172 231	189 888	189 888	189 888	186 050	197 213	209 046
<b>Total Expenditure</b>	<b>504 068</b>	<b>520 393</b>	<b>549 701</b>	<b>622 978</b>	<b>640 533</b>	<b>640 533</b>	<b>640 533</b>	<b>671 602</b>	<b>733 207</b>	<b>811 170</b>
<b>Surplus/(Deficit)</b>	<b>37 818</b>	<b>28 864</b>	<b>14 326</b>	<b>(10 594)</b>	<b>(29 063)</b>	<b>(29 063)</b>	<b>(29 063)</b>	<b>(18 709)</b>	<b>(20 274)</b>	<b>(21 868)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	34 341	44 749	35 844	95 184	77 720	77 720	77 720	47 882	80 257	37 778
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)	13 184	6 703	15	—	—	—	—	2 000	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>85 343</b>	<b>80 316</b>	<b>—</b>	<b>84 590</b>	<b>48 657</b>	<b>48 657</b>	<b>48 657</b>	<b>31 173</b>	<b>59 983</b>	<b>15 910</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>85 343</b>	<b>80 316</b>	<b>—</b>	<b>84 590</b>	<b>48 657</b>	<b>48 657</b>	<b>48 657</b>	<b>31 173</b>	<b>59 983</b>	<b>15 910</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>76 994</b>	<b>78 723</b>	<b>85 615</b>	<b>181 136</b>	<b>154 805</b>	<b>154 805</b>	<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>
Transfers recognised - capital	48 076	46 300	35 844	95 184	77 720	77 720	77 720	49 882	80 257	37 778
Borrowing	13 695	22 028	36 505	62 750	57 829	57 829	57 829	91 234	100 790	71 279
Internally generated funds	15 222	10 395	13 266	23 203	19 255	19 255	19 255	17 662	18 056	8 565
<b>Total sources of capital funds</b>	<b>76 994</b>	<b>78 723</b>	<b>85 615</b>	<b>181 136</b>	<b>154 805</b>	<b>154 805</b>	<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>
<b>Financial position</b>										
Total current assets	209 312	212 052	236 167	182 666	225 905	225 905	225 905	217 449	199 644	187 537
Total non current assets	903 479	967 554	1 043 013	1 236 504	1 163 630	1 163 630	1 163 630	1 293 721	1 462 410	1 547 786
Total current liabilities	125 189	120 671	125 796	136 951	133 144	133 144	133 144	139 566	149 557	159 844
Total non current liabilities	218 971	209 989	254 252	324 755	308 601	308 601	308 601	392 642	473 552	520 624
Community wealth/Equity	768 631	848 947	899 132	957 463	947 790	947 790	947 790	978 963	1 038 945	1 054 855
<b>Cash flows</b>										
Net cash from (used) operating	128 117	85 209	98 057	100 707	103 370	103 370	103 370	72 751	103 443	62 129
Net cash from (used) investing	(63 962)	(69 111)	(85 765)	(181 136)	(155 399)	(155 399)	(155 399)	(159 402)	(199 758)	(118 310)
Net cash from (used) financing	2 885	(7 850)	12 610	55 127	47 217	47 217	47 217	72 683	72 667	37 880
<b>Cash/cash equivalents at the year end</b>	<b>130 940</b>	<b>139 189</b>	<b>164 090</b>	<b>87 129</b>	<b>159 277</b>	<b>159 277</b>	<b>159 277</b>	<b>145 309</b>	<b>121 662</b>	<b>103 361</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	144 441	150 094	175 978	98 035	171 760	171 760	171 760	158 416	135 424	117 812
Application of cash and investments	65 753	52 853	66 042	54 523	106 211	106 211	78 052	39 150	37 281	35 299
<b>Balance - surplus (shortfall)</b>	<b>78 689</b>	<b>97 241</b>	<b>109 936</b>	<b>43 512</b>	<b>65 549</b>	<b>65 549</b>	<b>93 708</b>	<b>119 266</b>	<b>98 143</b>	<b>82 513</b>
<b>Asset management</b>										
Asset register summary (WDV)	903 237	955 046	1 027 827	1 223 996	1 147 850	1 147 850	1 147 850	1 277 317	1 445 350	1 530 038
Depreciation	23 352	22 477	31 587	22 908	34 782	34 782	34 782	29 311	31 069	32 933
Renewal and Upgrading of Existing Assets	26 910	32 307	47 061	121 090	103 393	103 393	103 393	104 584	62 090	57 940
Repairs and Maintenance	94 776	93 302	112 311	126 852	127 339	127 339	127 339	126 780	134 387	142 451
<b>Free services</b>										
Cost of Free Basic Services provided	28 393	31 856	37 284	38 802	41 322	41 322	43 675	43 675	46 295	49 073
Revenue cost of free services provided	9 404	6 866	6 828	6 788	9 053	9 053	9 867	9 867	10 459	11 087
<b>Households below minimum service level</b>										
Water:	1	1	1	1	1	1	1	1	1	1
Sanitation/sewerage:	2	2	2	2	2	2	2	2	2	2
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

## **Explanatory notes 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.
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 negative 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 and indicates that new borrowing exceeds the repayment of loans
    - iii. Internally generated funds are financed from a combination of the current operating surplus and input VAT reclaimed on conditional grants. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The municipality's cash flow remains positive over the MTREF, however it is declining and care should be exercised to ensure that the Municipality does not experience cash flow problems.
4. The section on Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality are increasing. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Budgeted Financial Performance (Revenue and Expenditure by standard classification)  
(Table A2)

Functional Classification 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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>									
<b>Revenue - Functional</b>									
<i><b>Governance and administration</b></i>	<b>256 049</b>	<b>253 097</b>	<b>258 422</b>	<b>274 144</b>	<b>261 461</b>	<b>261 461</b>	<b>298 648</b>	<b>315 532</b>	<b>335 155</b>
Executive and council	641	901	741	1 578	1 753	1 753	1 252	1 320	1 393
Finance and administration	255 408	252 196	257 681	272 566	259 708	259 708	297 396	314 212	333 762
Internal audit	-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>	<b>70 713</b>	<b>59 320</b>	<b>30 259</b>	<b>89 852</b>	<b>85 703</b>	<b>85 703</b>	<b>55 492</b>	<b>101 140</b>	<b>91 336</b>
Community and social services	8 729	8 811	10 225	10 998	13 198	13 198	10 843	11 500	11 876
Sport and recreation	429	29	241	52	18	18	12	12	13
Public safety	39 783	24 354	12 544	15 823	25 252	25 252	15 397	16 321	17 300
Housing	21 771	26 126	7 249	62 979	47 236	47 236	29 240	73 307	62 147
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	<b>9 788</b>	<b>8 192</b>	<b>9 809</b>	<b>15 647</b>	<b>12 982</b>	<b>12 982</b>	<b>14 232</b>	<b>11 876</b>	<b>12 578</b>
Planning and development	2 746	2 367	2 395	2 719	4 505	4 505	3 204	2 317	2 456
Road transport	7 041	5 826	7 414	12 928	8 477	8 477	11 028	9 559	10 122
Environmental protection	-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>	<b>252 862</b>	<b>280 101</b>	<b>301 395</b>	<b>327 926</b>	<b>329 043</b>	<b>329 043</b>	<b>334 404</b>	<b>364 642</b>	<b>388 011</b>
Energy sources	90 898	105 143	115 372	136 590	134 219	134 219	130 262	147 604	157 224
Water management	77 670	81 684	87 324	90 829	91 724	91 724	96 299	102 254	108 587
Waste water management	40 552	43 784	49 290	50 231	50 699	50 699	53 032	56 436	60 071
Waste management	43 743	49 490	49 409	50 277	52 400	52 400	54 810	58 349	62 129
<i><b>Other</b></i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	<b>589 411</b>	<b>600 709</b>	<b>599 886</b>	<b>707 568</b>	<b>689 190</b>	<b>689 190</b>	<b>702 775</b>	<b>793 189</b>	<b>827 079</b>
<b>Expenditure - Functional</b>									
<i><b>Governance and administration</b></i>	<b>157 965</b>	<b>162 810</b>	<b>175 363</b>	<b>204 707</b>	<b>200 068</b>	<b>200 068</b>	<b>216 666</b>	<b>229 816</b>	<b>243 776</b>
Executive and council	21 410	24 362	18 410	21 641	19 500	19 500	25 574	27 109	28 735
Finance and administration	134 486	136 347	154 642	180 584	178 143	178 143	185 839	197 139	209 139
Internal audit	2 068	2 100	2 311	2 482	2 425	2 425	5 253	5 568	5 902
<i><b>Community and public safety</b></i>	<b>90 884</b>	<b>83 581</b>	<b>64 350</b>	<b>85 839</b>	<b>89 088</b>	<b>89 088</b>	<b>82 171</b>	<b>107 008</b>	<b>145 786</b>
Community and social services	8 154	8 623	10 354	11 260	11 884	11 884	11 472	12 160	12 890
Sport and recreation	9 459	9 018	10 025	11 816	10 141	10 141	12 010	12 732	13 496
Public safety	56 404	47 751	33 293	37 193	44 886	44 886	39 974	42 376	44 921
Housing	16 866	18 189	10 678	25 570	22 177	22 177	18 714	39 740	74 478
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	<b>41 091</b>	<b>42 173</b>	<b>50 844</b>	<b>55 791</b>	<b>56 384</b>	<b>56 384</b>	<b>60 924</b>	<b>64 771</b>	<b>68 878</b>
Planning and development	9 239	10 518	11 093	13 324	14 944	14 944	17 392	18 436	19 542
Road transport	31 851	31 655	39 636	42 308	41 440	41 440	43 372	46 166	49 157
Environmental protection	0	-	116	159	-	-	159	169	179
<i><b>Trading services</b></i>	<b>213 926</b>	<b>231 825</b>	<b>259 114</b>	<b>276 021</b>	<b>294 418</b>	<b>294 418</b>	<b>311 221</b>	<b>330 955</b>	<b>352 033</b>
Energy sources	77 099	86 406	95 215	113 986	112 462	112 462	124 459	132 011	140 029
Water management	54 351	60 128	61 155	61 168	65 410	65 410	66 577	70 982	75 713
Waste water management	35 863	38 609	46 157	47 117	49 763	49 763	51 559	54 952	58 593
Waste management	46 614	46 682	56 586	53 750	66 783	66 783	68 625	73 010	77 698
<i><b>Other</b></i>	<b>203</b>	<b>4</b>	<b>30</b>	<b>620</b>	<b>575</b>	<b>575</b>	<b>620</b>	<b>657</b>	<b>697</b>
<b>Total Expenditure - Functional</b>	<b>504 068</b>	<b>520 393</b>	<b>549 701</b>	<b>622 978</b>	<b>640 533</b>	<b>640 533</b>	<b>671 602</b>	<b>733 207</b>	<b>811 170</b>
<b>Surplus/(Deficit) for the year</b>	<b>85 343</b>	<b>80 316</b>	<b>50 185</b>	<b>84 590</b>	<b>48 657</b>	<b>48 657</b>	<b>31 173</b>	<b>59 983</b>	<b>15 910</b>



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

1. Table A2 is an illustration 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 enable the National Treasury to compile standardised reports.
2. 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.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity and Water.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Budget and treasury office.



## Budgeted Financial Performance (Revenue and Expenditure by municipal vote) (Table A3)

Vote Description R thousand	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
<b>Revenue by Vote</b>									
Vote 1 - Directorate Finance	224 847	224 479	233 051	237 323	224 257	224 257	267 083	284 866	303 172
Vote 2 - Community and social services	8 729	8 811	-	-	-	-	-	-	-
Vote 3 - Corporate services	30 561	27 716	-	-	-	-	-	-	-
Vote 4 - Electricity	90 898	105 143	115 372	136 590	134 219	134 219	130 262	147 604	157 224
Vote 5 - Environmental protection	-	-	-	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	641	901	499	1 446	1 911	1 911	1 140	1 208	1 281
Vote 7 - Housing	21 771	26 126	-	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	2 746	2 367	31 830	98 583	82 182	82 182	59 604	102 696	92 773
Vote 9 - Public safety	39 783	24 354	-	-	-	-	-	-	-
Vote 10 - Road transport	7 041	5 826	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	429	29	-	-	-	-	-	-	-
Vote 12 - Waste management	43 743	49 490	49 409	50 277	52 400	52 400	54 810	58 349	62 129
Vote 13 - Waste water management	40 552	43 784	49 290	50 231	50 699	50 699	53 032	56 436	60 071
Vote 14 - Water	77 670	81 684	87 324	90 829	91 724	91 724	96 299	102 254	108 587
Vote 15 - Directorate Development and Community Se	-	-	33 110	42 290	51 797	51 797	40 544	39 777	41 843
<b>Total Revenue by Vote</b>	<b>589 411</b>	<b>600 709</b>	<b>599 886</b>	<b>707 568</b>	<b>689 190</b>	<b>689 190</b>	<b>702 775</b>	<b>793 189</b>	<b>827 079</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Directorate Finance	60 026	59 286	62 155	72 446	69 966	69 966	71 772	76 078	80 643
Vote 2 - Community and social services	7 746	8 130	-	-	-	-	-	-	-
Vote 3 - Corporate services	56 911	58 263	-	-	-	-	-	-	-
Vote 4 - Electricity	77 099	86 406	95 215	113 986	112 462	112 462	124 459	132 011	140 029
Vote 5 - Environmental protection	0	-	-	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	39 601	43 927	6 291	8 613	8 850	8 850	13 549	14 362	15 223
Vote 7 - Housing	16 866	18 189	-	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	11 278	12 348	31 202	51 368	47 483	47 483	46 188	68 862	105 348
Vote 9 - Public safety	56 404	47 751	-	-	-	-	-	-	-
Vote 10 - Road transport	31 851	31 655	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	9 459	9 018	-	-	-	-	-	-	-
Vote 12 - Waste management	46 614	46 682	56 586	53 750	66 783	66 783	68 625	73 010	77 698
Vote 13 - Waste water management	35 863	38 609	46 157	47 117	49 763	49 763	51 559	54 952	58 593
Vote 14 - Water	54 351	60 128	61 155	61 168	65 410	65 410	66 577	70 982	75 713
Vote 15 - Directorate Development and Community Se	-	-	190 939	214 530	219 815	219 815	228 873	242 950	257 923
<b>Total Expenditure by Vote</b>	<b>504 068</b>	<b>520 393</b>	<b>549 701</b>	<b>622 978</b>	<b>640 533</b>	<b>640 533</b>	<b>671 602</b>	<b>733 207</b>	<b>811 170</b>
<b>Surplus/(Deficit) for the year</b>	<b>85 342</b>	<b>80 316</b>	<b>50 185</b>	<b>84 590</b>	<b>48 657</b>	<b>48 657</b>	<b>31 173</b>	<b>59 983</b>	<b>15 910</b>

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

- Table A3 illustrates 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 GFS classification and not necessarily the organisational structure of the Municipality.

Function	Income R'000	Expenditure R'000	Admin Charges R'000	Surplus/(Deficit) R'000
<b>Water</b>	<b>96 299</b>	<b>66 577</b>	<b>9 548</b>	<b>20 174</b>
<b>Electricity</b>	<b>130 262</b>	<b>124 459</b>	<b>8 983</b>	<b>(3 180)</b>
<b>Waste Water Management</b>	<b>53 032</b>	<b>51 559</b>	<b>6 947</b>	<b>(5 475)</b>
<b>Refuse Removal</b>	<b>54 810</b>	<b>68 625</b>	<b>6 735</b>	<b>(20 550)</b>

**Budgeted Financial Performance (Revenue and Expenditure) (Table A4)**

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
<b>R thousand</b>										
<b>Revenue By Source</b>										
Property rates	101 760	113 734	121 198	124 584	126 035	126 035	126 035	138 377	146 679	155 480
Service charges - electricity revenue	87 577	96 122	102 525	119 225	117 226	117 226	117 226	125 983	133 542	141 554
Service charges - water revenue	72 368	74 625	77 056	80 576	79 183	79 183	79 183	85 576	90 711	96 153
Service charges - sanitation revenue	31 012	33 644	37 625	38 909	37 786	37 786	37 786	39 524	41 896	44 409
Service charges - refuse revenue	32 687	34 704	36 271	38 479	37 899	37 899	37 899	39 642	42 021	44 542
Rental of facilities and equipment	1 811	1 935	2 060	2 279	2 065	2 065	2 065	2 189	2 321	2 460
Interest earned - external investments	10 659	12 236	8 098	11 000	7 800	7 800	7 800	10 200	10 812	11 461
Interest earned - outstanding debtors	16 472	11 609	12 318	22 472	15 800	15 800	15 800	22 472	23 820	25 250
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	41 308	24 461	13 929	15 657	25 121	25 121	25 121	15 355	16 276	17 253
Licences and permits	36	35	109	68	22	22	22	23	25	26
Agency services	6 898	5 745	7 284	8 376	8 347	8 347	8 347	8 848	9 379	9 942
Transfers and subsidies	104 522	124 159	137 762	142 866	144 871	144 871	144 871	146 021	175 648	219 780
Other revenue	34 776	16 248	7 793	7 893	9 315	9 315	9 315	18 682	19 803	20 992
Gains	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>541 886</b>	<b>549 257</b>	<b>564 027</b>	<b>612 385</b>	<b>611 470</b>	<b>611 470</b>	<b>611 470</b>	<b>652 893</b>	<b>712 932</b>	<b>789 302</b>
<b>Expenditure By Type</b>										
Employee related costs	192 826	207 555	217 633	254 167	241 733	241 733	241 733	275 056	291 559	309 053
Remuneration of councillors	11 707	12 194	12 148	13 849	12 420	12 420	12 420	13 556	14 370	15 232
Debt impairment	74 346	69 047	62 817	64 321	78 173	78 173	78 173	63 104	66 890	70 904
Depreciation & asset impairment	23 352	22 477	31 587	22 908	34 782	34 782	34 782	29 311	31 069	32 933
Finance charges	19 878	20 002	21 246	15 507	20 351	20 351	20 351	25 189	28 106	31 409
Bulk purchases - electricity	61 540	69 359	75 569	87 217	87 217	87 217	87 217	96 105	101 871	107 984
Inventory consumed	33 299	33 385	55 630	40 701	39 459	39 459	39 459	37 600	39 856	42 247
Contracted services	38 045	46 167	43 057	52 912	48 993	48 993	48 993	57 585	61 040	64 703
Transfers and subsidies	2 642	4 270	3 224	16 399	14 683	14 683	14 683	8 735	29 162	63 265
Other expenditure	45 407	34 916	25 794	54 998	62 722	62 722	62 722	65 361	69 283	73 440
Losses	1 027	1 021	997	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>504 068</b>	<b>520 393</b>	<b>549 701</b>	<b>622 978</b>	<b>640 533</b>	<b>640 533</b>	<b>640 533</b>	<b>671 602</b>	<b>733 207</b>	<b>811 170</b>
<b>Surplus/(Deficit)</b>	<b>37 818</b>	<b>28 864</b>	<b>14 326</b>	<b>(10 594)</b>	<b>(29 063)</b>	<b>(29 063)</b>	<b>(29 063)</b>	<b>(18 709)</b>	<b>(20 274)</b>	<b>(21 868)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	34 341	44 749	35 844	95 184	77 720	77 720	77 720	47 882	80 257	37 778
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	15	-	-	-	-	2 000	-	-
Transfers and subsidies - capital (in-kind - all)	13 184	6 703	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>85 343</b>	<b>80 316</b>	<b>50 185</b>	<b>84 590</b>	<b>48 657</b>	<b>48 657</b>	<b>48 657</b>	<b>31 173</b>	<b>59 983</b>	<b>15 910</b>
Taxation	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>85 343</b>	<b>80 316</b>	<b>50 185</b>	<b>84 590</b>	<b>48 657</b>	<b>48 657</b>	<b>48 657</b>	<b>31 173</b>	<b>59 983</b>	<b>15 910</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>85 343</b>	<b>80 316</b>	<b>50 185</b>	<b>84 590</b>	<b>48 657</b>	<b>48 657</b>	<b>48 657</b>	<b>31 173</b>	<b>59 983</b>	<b>15 910</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>85 343</b>	<b>80 316</b>	<b>50 185</b>	<b>84 590</b>	<b>48 657</b>	<b>48 657</b>	<b>48 657</b>	<b>31 173</b>	<b>59 983</b>	<b>15 910</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure) excluding capital transfers and contributions.**

1. Total operating revenue is R 703 million in 2022/23 and increases to R 827 million by 2024/2025. Operating revenue increase by 1.9 per cent for 2023/24 and increase by 4.3 per cent for the 2024/25 financial year.
2. Revenue to be generated from property rates is R 138 million in the 2022/23 financial year and increases to R 147 million by 2023/24 which represents 20 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R 291 million for the 2022/23 financial year and increasing to R 327 million by 2024/2025. For the 2022/23 financial year services charges amount to 41 per cent of the total revenue base.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. Employee related costs and bulk purchases are the main cost drivers within the municipality.

# Budgeted Capital Expenditure by vote, standard classification and funding (Table A5)

Vote 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
<b>R thousand</b>										
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>										
Vote 1 - Directorate Finance	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community and social services	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate services	-	-	-	-	-	-	-	-	-	-
Vote 4 - Electricity	146	7 507	7 317	8 120	8 120	8 120	8 120	17 383	52 952	51 416
Vote 5 - Environmental protection	-	-	-	-	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	-	-	-	17 950	14 731	14 731	14 731	21 500	45 200	-
Vote 9 - Public safety	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport	978	-	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management	-	5 460	6 117	5 037	9 866	9 866	9 866	-	7 000	10 176
Vote 13 - Waste water management	18 387	13 963	16 268	27 954	13 749	13 749	13 749	13 901	16 864	24 093
Vote 14 - Water	3 756	690	1 845	4 750	2 068	2 068	2 068	26 396	32 327	25 171
Vote 15 - Directorate Development and Community Se	-	-	-	4 780	3 706	3 706	3 706	3 658	3 528	6 765
<b>Capital multi-year expenditure sub-total</b>	<b>23 266</b>	<b>27 621</b>	<b>31 547</b>	<b>68 591</b>	<b>52 240</b>	<b>52 240</b>	<b>52 240</b>	<b>82 839</b>	<b>157 870</b>	<b>117 622</b>
<b>Single-year expenditure to be appropriated</b>										
Vote 1 - Directorate Finance	24	78	174	196	2 456	2 456	2 456	213	-	-
Vote 2 - Community and social services	234	29	-	-	-	-	-	-	-	-
Vote 3 - Corporate services	5 163	7 641	-	-	-	-	-	-	-	-
Vote 4 - Electricity	4 550	3 239	4 990	8 614	6 741	6 741	6 741	10 000	6 000	-
Vote 5 - Environmental protection	-	-	-	-	-	-	-	-	-	-
Vote 6 - Office of the Municipal Manager	1 137	812	-	-	19	19	19	24	-	-
Vote 7 - Housing	11 112	16 348	-	-	-	-	-	-	-	-
Vote 8 - Directorate Technical Services and Planning	13 221	5 189	5 698	30 044	19 283	19 283	19 283	4 022	-	-
Vote 9 - Public safety	1 230	58	-	-	-	-	-	-	-	-
Vote 10 - Road transport	30	1 515	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	826	367	-	-	-	-	-	-	-	-
Vote 12 - Waste management	12 046	5 548	6 544	4 783	4 783	4 783	4 783	7 372	1 000	-
Vote 13 - Waste water management	-	7 427	10 039	21 844	20 773	20 773	20 773	35 720	-	-
Vote 14 - Water	4 155	2 851	7 269	16 997	27 747	27 747	27 747	5 000	23 432	-
Vote 15 - Directorate Development and Community Se	-	-	19 355	30 068	20 763	20 763	20 763	13 587	10 800	-
<b>Capital single-year expenditure sub-total</b>	<b>53 728</b>	<b>51 102</b>	<b>54 068</b>	<b>112 546</b>	<b>102 565</b>	<b>102 565</b>	<b>102 565</b>	<b>75 939</b>	<b>41 232</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>	<b>76 994</b>	<b>78 723</b>	<b>85 615</b>	<b>181 136</b>	<b>154 805</b>	<b>154 805</b>	<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>	<b>6 150</b>	<b>13 292</b>	<b>8 503</b>	<b>10 719</b>	<b>13 323</b>	<b>13 323</b>	<b>13 323</b>	<b>9 633</b>	<b>-</b>	<b>-</b>
Executive and council	-	-	-	-	-	-	-	-	-	-
Finance and administration	6 146	13 292	8 503	10 719	13 323	13 323	13 323	9 608	-	-
Internal audit	4	-	-	-	-	-	-	24	-	-
<b>Community and public safety</b>	<b>12 345</b>	<b>17 228</b>	<b>6 980</b>	<b>58 248</b>	<b>37 174</b>	<b>37 174</b>	<b>37 174</b>	<b>25 108</b>	<b>45 200</b>	<b>-</b>
Community and social services	407	29	206	998	2 410	2 410	2 410	2 866	-	-
Sport and recreation	826	367	100	7 878	20	20	20	515	-	-
Public safety	-	484	818	622	490	490	490	227	-	-
Housing	11 112	16 348	5 856	48 750	34 254	34 254	34 254	21 500	45 200	-
Health	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>15 458</b>	<b>1 515</b>	<b>9 743</b>	<b>14 069</b>	<b>10 461</b>	<b>10 461</b>	<b>10 461</b>	<b>8 264</b>	<b>14 328</b>	<b>6 765</b>
Planning and development	13 221	-	53	2	596	596	596	1 506	-	-
Road transport	2 237	1 515	9 690	14 067	9 865	9 865	9 865	6 758	14 328	6 765
Environmental protection	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>43 040</b>	<b>46 687</b>	<b>60 388</b>	<b>98 097</b>	<b>93 847</b>	<b>93 847</b>	<b>93 847</b>	<b>115 773</b>	<b>139 574</b>	<b>110 857</b>
Energy sources	4 696	10 746	12 307	16 734	14 861	14 861	14 861	27 384	58 952	51 416
Water management	7 911	3 542	9 114	21 747	29 815	29 815	29 815	31 396	55 759	25 171
Waste water management	18 387	21 390	26 307	49 797	34 522	34 522	34 522	49 622	16 864	24 093
Waste management	12 046	11 009	12 660	9 820	14 649	14 649	14 649	7 372	8 000	10 176
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>76 994</b>	<b>78 723</b>	<b>85 615</b>	<b>181 136</b>	<b>154 805</b>	<b>154 805</b>	<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>
<b>Funded by:</b>										
National Government	23 141	28 376	27 159	41 972	41 103	41 103	41 103	25 347	35 057	37 778
Provincial Government	11 722	16 374	8 685	48 790	36 168	36 168	36 168	22 535	45 200	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	13 213	1 550	-	4 421	450	450	450	2 000	-	-
<b>Transfers recognised - capital</b>	<b>48 076</b>	<b>46 300</b>	<b>35 844</b>	<b>95 184</b>	<b>77 720</b>	<b>77 720</b>	<b>77 720</b>	<b>49 882</b>	<b>80 257</b>	<b>37 778</b>
<b>Borrowing</b>	<b>13 695</b>	<b>22 028</b>	<b>36 505</b>	<b>62 750</b>	<b>57 829</b>	<b>57 829</b>	<b>57 829</b>	<b>91 234</b>	<b>100 790</b>	<b>71 279</b>
<b>Internally generated funds</b>	<b>15 222</b>	<b>10 395</b>	<b>13 266</b>	<b>23 203</b>	<b>19 255</b>	<b>19 255</b>	<b>19 255</b>	<b>17 662</b>	<b>18 056</b>	<b>8 565</b>
<b>Total Capital Funding</b>	<b>76 994</b>	<b>78 723</b>	<b>85 615</b>	<b>181 136</b>	<b>154 805</b>	<b>154 805</b>	<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>

## **Explanatory 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. The capital budget of 2022/23 makes provision for an amount of R 159 million. This allocation increase to R 199 million in 2023/24 and R 118 million in 2024/25.
3. The capital programme is funded from National and Provincial grants, which includes Municipal Infrastructure Grant, National Electrification Grant, Drought Relief, Energy Efficiency and Demand Side Management Grant and Housing, borrowing and internally generated funds from current year surpluses. For 2022/23, capital transfers (excluding VAT) totals R 48 million and decrease to R 38 million by 2024/25. Borrowing has been provided at R 91 million for the 2022/23 financial year. Internally generated funding totaling R 18 million for 2022/2023 and R 9 million for 2024/2025. These funding sources are further discussed in detail in section 12 (Overview of Budget Funding).

## Budgeted Financial Position (Table A6)

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
<b>R thousand</b>										
<b>ASSETS</b>										
<b>Current assets</b>										
Cash	130 940	139 189	116 560	32 129	104 277	104 277	104 277	90 309	66 662	48 361
Call investment deposits	13 260	–	47 530	55 000	55 000	55 000	55 000	55 000	55 000	55 000
Consumer debtors	43 566	51 817	47 943	75 126	42 401	42 401	42 401	46 622	51 097	55 840
Other debtors	15 796	13 845	12 076	13 209	12 169	12 169	12 169	13 459	14 827	16 277
Current portion of long-term receivables	1	769	1 896	769	1 896	1 896	1 896	1 896	1 896	1 896
Inventory	5 748	6 432	10 163	6 432	10 163	10 163	10 163	10 163	10 163	10 163
<b>Total current assets</b>	<b>209 312</b>	<b>212 052</b>	<b>236 167</b>	<b>182 666</b>	<b>225 905</b>	<b>225 905</b>	<b>225 905</b>	<b>217 449</b>	<b>199 644</b>	<b>187 537</b>
<b>Non current assets</b>										
Long-term receivables	0	1 603	3 298	1 603	3 298	3 298	3 298	3 298	3 298	3 298
Investments	241	10 906	11 888	10 906	12 483	12 483	12 483	13 107	13 762	14 450
Investment property	68 105	73 092	69 982	73 092	68 409	68 409	68 409	68 409	68 409	68 409
Investment in Associate	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	834 095	881 045	957 066	1 150 260	1 078 791	1 078 791	1 078 791	1 208 394	1 376 571	1 461 412
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	1 038	908	779	643	650	650	650	514	370	217
Other non-current assets	–	–	–	–	–	–	–	–	–	–
<b>Total non current assets</b>	<b>903 479</b>	<b>967 554</b>	<b>1 043 013</b>	<b>1 236 504</b>	<b>1 163 630</b>	<b>1 163 630</b>	<b>1 163 630</b>	<b>1 293 721</b>	<b>1 462 410</b>	<b>1 547 786</b>
<b>TOTAL ASSETS</b>	<b>1 112 791</b>	<b>1 179 607</b>	<b>1 279 180</b>	<b>1 419 169</b>	<b>1 389 535</b>	<b>1 389 535</b>	<b>1 389 535</b>	<b>1 511 170</b>	<b>1 662 054</b>	<b>1 735 323</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	7 819	7 265	10 990	12 136	12 136	12 136	12 136	13 136	18 136	23 136
Consumer deposits	4 751	4 765	4 833	5 403	5 074	5 074	5 074	5 328	5 594	5 874
Trade and other payables	91 099	82 998	83 155	90 872	87 775	87 775	87 775	91 253	94 187	97 296
Provisions	21 521	25 643	26 818	28 541	28 159	28 159	28 159	29 849	31 640	33 538
<b>Total current liabilities</b>	<b>125 189</b>	<b>120 671</b>	<b>125 796</b>	<b>136 951</b>	<b>133 144</b>	<b>133 144</b>	<b>133 144</b>	<b>139 566</b>	<b>149 557</b>	<b>159 844</b>
<b>Non current liabilities</b>										
Borrowing	82 348	75 038	83 855	173 400	129 684	129 684	129 684	201 113	268 514	301 114
Provisions	136 623	134 951	170 397	151 355	178 917	178 917	178 917	191 529	205 038	219 510
<b>Total non current liabilities</b>	<b>218 971</b>	<b>209 989</b>	<b>254 252</b>	<b>324 755</b>	<b>308 601</b>	<b>308 601</b>	<b>308 601</b>	<b>392 642</b>	<b>473 552</b>	<b>520 624</b>
<b>TOTAL LIABILITIES</b>	<b>344 160</b>	<b>330 660</b>	<b>380 048</b>	<b>461 706</b>	<b>441 745</b>	<b>441 745</b>	<b>441 745</b>	<b>532 208</b>	<b>623 108</b>	<b>680 468</b>
<b>NET ASSETS</b>	<b>768 631</b>	<b>848 947</b>	<b>899 132</b>	<b>957 463</b>	<b>947 790</b>	<b>947 790</b>	<b>947 790</b>	<b>978 963</b>	<b>1 038 945</b>	<b>1 054 855</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated Surplus/(Deficit)	747 809	824 680	861 913	933 196	910 570	910 570	910 570	941 743	1 001 726	1 017 636
Reserves	20 822	24 267	37 220	24 267	37 220	37 220	37 220	37 220	37 220	37 220
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>768 631</b>	<b>848 947</b>	<b>899 132</b>	<b>957 463</b>	<b>947 790</b>	<b>947 790</b>	<b>947 790</b>	<b>978 963</b>	<b>1 038 945</b>	<b>1 054 855</b>

## Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with the standards of Generally Recognized Accounting Practice (GRAP), as with the financial Statements, and improves understandability of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily convertible into cash, or liabilities immediately required to be met from cash, appear first.

3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. 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.
5. 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.

## Budgeted Cash Flows (Table A7)

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
<b>R thousand</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates	100 520	103 740	117 331	105 721	110 768	110 768	110 768	121 615	128 912	136 646
Service charges	189 973	201 304	218 112	235 219	239 135	239 135	239 135	255 509	270 840	287 090
Other revenue	41 365	28 928	23 395	21 231	22 288	22 288	22 288	31 182	33 053	35 036
Transfers and Subsidies - Operational	136 006	87 354	136 872	142 866	142 880	142 880	142 880	146 021	175 648	219 780
Transfers and Subsidies - Capital	34 341	46 393	39 729	95 184	76 326	76 326	76 326	49 882	80 257	37 778
Interest	10 659	12 236	8 098	30 070	21 686	21 686	21 686	29 950	31 747	33 652
Dividends	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees	(373 421)	(381 477)	(432 429)	(501 834)	(483 679)	(483 679)	(483 679)	(537 052)	(569 888)	(603 930)
Finance charges	(8 683)	(9 000)	(9 827)	(11 351)	(11 351)	(11 351)	(11 351)	(15 621)	(17 964)	(20 658)
Transfers and Grants	(2 642)	(4 270)	(3 224)	(16 399)	(14 683)	(14 683)	(14 683)	(8 735)	(29 162)	(63 265)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>128 117</b>	<b>85 209</b>	<b>98 057</b>	<b>100 707</b>	<b>103 370</b>	<b>103 370</b>	<b>103 370</b>	<b>72 751</b>	<b>103 443</b>	<b>62 129</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE	780	313	817	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(932)	2 596	(982)	-	(594)	(594)	(594)	(624)	(655)	(688)
<b>Payments</b>										
Capital assets	(63 810)	(72 020)	(85 599)	(181 136)	(154 805)	(154 805)	(154 805)	(158 778)	(199 103)	(117 622)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(63 962)</b>	<b>(69 111)</b>	<b>(85 765)</b>	<b>(181 136)</b>	<b>(155 399)</b>	<b>(155 399)</b>	<b>(155 399)</b>	<b>(159 402)</b>	<b>(199 758)</b>	<b>(118 310)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	10 420	-	22 094	62 750	57 829	57 829	57 829	91 234	100 790	71 279
Increase (decrease) in consumer deposits	(82)	14	68	257	242	242	242	254	266	280
<b>Payments</b>										
Repayment of borrowing	(7 454)	(7 864)	(9 552)	(7 879)	(10 854)	(10 854)	(10 854)	(18 805)	(28 389)	(33 678)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>2 885</b>	<b>(7 850)</b>	<b>12 610</b>	<b>55 127</b>	<b>47 217</b>	<b>47 217</b>	<b>47 217</b>	<b>72 683</b>	<b>72 667</b>	<b>37 880</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>67 040</b>	<b>8 248</b>	<b>24 901</b>	<b>(25 301)</b>	<b>(4 813)</b>	<b>(4 813)</b>	<b>(4 813)</b>	<b>(13 968)</b>	<b>(23 648)</b>	<b>(18 300)</b>
Cash/cash equivalents at the year begin:	63 901	130 940	139 189	112 431	164 090	164 090	164 090	159 277	145 309	121 662
Cash/cash equivalents at the year end:	130 940	139 189	164 090	87 129	159 277	159 277	159 277	145 309	121 662	103 361

## 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. Cash and cash equivalents totals R 145 million for 2022/23 financial year and decrease to R 103 million by the end of 2024/25.



## Cash Backed reserves/accumulated surplus reconciliation (Table A8)

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
<b>R thousand</b>										
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	130 940	139 189	164 090	87 129	159 277	159 277	159 277	145 309	121 662	103 361
Other current investments > 90 days	13 260	0	(0)	(0)	(0)	(0)	(0)	0	0	0
Non current assets - Investments	241	10 906	11 888	10 906	12 483	12 483	12 483	13 107	13 762	14 450
<b>Cash and investments available:</b>	<b>144 441</b>	<b>150 094</b>	<b>175 978</b>	<b>98 035</b>	<b>171 760</b>	<b>171 760</b>	<b>171 760</b>	<b>158 416</b>	<b>135 424</b>	<b>117 812</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers	-	-	-	1 858	7 409	7 409	7 409	7 409	7 409	7 409
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	44 931	28 586	28 822	17 975	33 423	33 423	33 423	31 741	29 872	27 890
Other provisions	-	-	-	10 424	28 159	28 159	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	20 822	24 267	37 220	24 267	37 220	37 220	37 220	-	-	-
<b>Total Application of cash and investments:</b>	<b>65 753</b>	<b>52 853</b>	<b>66 042</b>	<b>54 523</b>	<b>106 211</b>	<b>106 211</b>	<b>78 052</b>	<b>39 150</b>	<b>37 281</b>	<b>35 299</b>
<b>Surplus(shortfall)</b>	<b>78 689</b>	<b>97 241</b>	<b>109 936</b>	<b>43 512</b>	<b>65 549</b>	<b>65 549</b>	<b>93 708</b>	<b>119 266</b>	<b>98 143</b>	<b>82 513</b>

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

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. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that the situation deteriorates from R 119 million surplus to R 83 million surplus.

# Asset Management (Table A9)

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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>50 084</b>	<b>46 416</b>	<b>38 554</b>	<b>60 046</b>	<b>51 411</b>	<b>51 411</b>	<b>54 194</b>	<b>137 013</b>	<b>59 682</b>
Roads Infrastructure	2 336	3 209	4 344	29 400	25 734	25 734	14 206	24 075	5 653
Storm water Infrastructure	1 318	781	-	5 950	3 282	3 282	3 375	7 500	-
Electrical Infrastructure	-	7 198	10 312	1 229	2 013	2 013	11 233	49 902	46 066
Water Supply Infrastructure	7 174	6 194	2 267	7 000	1 997	1 997	3 375	33 434	938
Sanitation Infrastructure	4 980	6 158	4 724	6 650	5 442	5 442	6 784	12 102	7 025
Solid Waste Infrastructure	12 046	10 544	12 660	-	3 824	3 824	6 446	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>27 855</b>	<b>34 083</b>	<b>34 307</b>	<b>50 229</b>	<b>42 292</b>	<b>42 292</b>	<b>45 418</b>	<b>127 013</b>	<b>59 682</b>
Community Facilities	13 184	3 684	1 019	800	2 190	2 190	2 000	10 000	-
Sport and Recreation Facilities	37	-	-	-	450	450	-	-	-
<b>Community Assets</b>	<b>13 221</b>	<b>3 684</b>	<b>1 019</b>	<b>800</b>	<b>2 640</b>	<b>2 640</b>	<b>2 000</b>	<b>10 000</b>	<b>-</b>
<b>Heritage Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	88	97	57	2 390	1 140	1 140	-	-	-
Housing	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>88</b>	<b>97</b>	<b>57</b>	<b>2 390</b>	<b>1 140</b>	<b>1 140</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment	1 174	58	804	990	990	990	186	-	-
Furniture and Office Equipment	1 664	303	585	2 195	2 390	2 390	315	-	-
Machinery and Equipment	1 974	419	1 782	2 752	1 869	1 869	4 725	-	-
Transport Assets	-	6 700	-	600	-	-	1 550	-	-
Land	4 108	1 070	-	90	90	90	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>2 610</b>	<b>6 253</b>	<b>6 635</b>	<b>43 792</b>	<b>42 770</b>	<b>42 770</b>	<b>14 684</b>	<b>10 800</b>	<b>13 076</b>
Roads Infrastructure	-	-	2	4 421	415	415	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	465	3 376	1 913	13 631	12 630	12 630	9 401	2 800	2 900
Water Supply Infrastructure	-	2 432	4 601	8 238	16 639	16 639	5 000	-	-
Sanitation Infrastructure	-	-	-	4 230	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	9 820	10 825	10 825	-	8 000	10 176
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-

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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Infrastructure</b>	<b>465</b>	<b>5 808</b>	<b>6 516</b>	<b>40 340</b>	<b>40 509</b>	<b>40 509</b>	<b>14 401</b>	<b>10 800</b>	<b>13 076</b>
Community Facilities	-	-	-	2 028	1 510	1 510	-	-	-
Sport and Recreation Facilities	-	-	-	1 025	-	-	-	-	-
<b>Community Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 053</b>	<b>1 510</b>	<b>1 510</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>	<b>-</b>	<b>265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Furniture and Office Equipment</b>	<b>4</b>	<b>25</b>	<b>51</b>	<b>88</b>	<b>170</b>	<b>170</b>	<b>8</b>	<b>-</b>	<b>-</b>
<b>Machinery and Equipment</b>	<b>-</b>	<b>154</b>	<b>68</b>	<b>312</b>	<b>581</b>	<b>581</b>	<b>276</b>	<b>-</b>	<b>-</b>
<b>Transport Assets</b>	<b>2 141</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Land</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Upgrading of Existing Assets</b>	<b>24 300</b>	<b>26 054</b>	<b>40 426</b>	<b>77 297</b>	<b>60 623</b>	<b>60 623</b>	<b>89 899</b>	<b>51 290</b>	<b>44 864</b>
<i>Roads Infrastructure</i>	-	808	9 487	7 050	5 614	5 614	4 658	2 953	1 112
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	4 203	-	-	-	-	-	1 100	6 250	2 450
<i>Water Supply Infrastructure</i>	3 048	680	2 190	12 459	12 783	12 783	26 396	29 825	24 234
<i>Sanitation Infrastructure</i>	15 453	17 722	21 001	43 177	33 382	33 382	46 713	12 262	17 068
<i>Solid Waste Infrastructure</i>	-	464	1 166	-	-	-	926	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>22 704</b>	<b>19 674</b>	<b>33 844</b>	<b>62 686</b>	<b>51 778</b>	<b>51 778</b>	<b>79 793</b>	<b>51 290</b>	<b>44 864</b>
Community Facilities	-	-	-	-	-	-	1 000	-	-
Sport and Recreation Facilities	826	367	100	6 833	-	-	500	-	-
<b>Community Assets</b>	<b>826</b>	<b>367</b>	<b>100</b>	<b>6 833</b>	<b>-</b>	<b>-</b>	<b>1 500</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	-	-	-	250	2 200	2 200	4 000	-	-
Housing	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>2 200</b>	<b>2 200</b>	<b>4 000</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>	<b>209</b>	<b>450</b>	<b>-</b>	<b>258</b>	<b>345</b>	<b>345</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Furniture and Office Equipment</b>	<b>561</b>	<b>36</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>506</b>	<b>-</b>	<b>-</b>
<b>Machinery and Equipment</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transport Assets</b>	<b>-</b>	<b>5 526</b>	<b>6 481</b>	<b>7 250</b>	<b>6 300</b>	<b>6 300</b>	<b>4 100</b>	<b>-</b>	<b>-</b>
<b>Land</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
<b>CAPITAL EXPENDITURE</b>									
<b>Total Capital Expenditure</b>	<b>76 994</b>	<b>78 723</b>	<b>85 615</b>	<b>181 136</b>	<b>154 805</b>	<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>
Roads Infrastructure	2 336	4 017	13 833	40 872	31 762	31 762	18 864	27 028	6 765
Storm water Infrastructure	1 318	781	–	5 950	3 282	3 282	3 375	7 500	–
Electrical Infrastructure	4 668	10 574	12 225	14 860	14 643	14 643	21 734	58 952	51 416
Water Supply Infrastructure	10 222	9 305	9 057	27 697	31 420	31 420	34 771	63 259	25 171
Sanitation Infrastructure	20 433	23 879	25 725	54 057	38 824	38 824	53 497	24 364	24 093
Solid Waste Infrastructure	12 046	11 009	13 827	9 820	14 649	14 649	7 372	8 000	10 176
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
<b>Infrastructure</b>	<b>51 024</b>	<b>59 565</b>	<b>74 667</b>	<b>153 255</b>	<b>134 580</b>	<b>134 580</b>	<b>139 612</b>	<b>189 103</b>	<b>117 622</b>
Community Facilities	13 184	3 684	1 019	2 828	3 700	3 700	3 000	10 000	–
Sport and Recreation Facilities	863	367	100	7 858	450	450	500	–	–
<b>Community Assets</b>	<b>14 047</b>	<b>4 051</b>	<b>1 119</b>	<b>10 686</b>	<b>4 150</b>	<b>4 150</b>	<b>3 500</b>	<b>10 000</b>	<b>–</b>
<b>Heritage Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Revenue Generating	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
<b>Investment properties</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Operational Buildings	88	97	57	2 640	3 340	3 340	4 000	–	–
Housing	–	–	–	–	–	–	–	–	–
<b>Other Assets</b>	<b>88</b>	<b>97</b>	<b>57</b>	<b>2 640</b>	<b>3 340</b>	<b>3 340</b>	<b>4 000</b>	<b>–</b>	<b>–</b>
<b>Biological or Cultivated Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computer Equipment	1 383	773	804	1 248	1 335	1 335	186	–	–
Furniture and Office Equipment	2 230	364	636	2 302	2 559	2 559	828	–	–
Machinery and Equipment	1 974	575	1 850	3 064	2 450	2 450	5 001	–	–
Transport Assets	2 141	12 226	6 481	7 850	6 300	6 300	5 650	–	–
Land	4 108	1 070	–	90	90	90	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>76 994</b>	<b>78 723</b>	<b>85 615</b>	<b>181 136</b>	<b>154 805</b>	<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>903 237</b>	<b>955 046</b>	<b>1 027 827</b>	<b>1 223 996</b>	<b>1 147 850</b>	<b>1 147 850</b>	<b>1 277 317</b>	<b>1 445 350</b>	<b>1 530 038</b>
Roads Infrastructure	164 724	163 046	165 336	208 662	192 990	192 990	208 210	231 375	234 046
Storm water Infrastructure	–	–	48 858	62 650	51 664	51 664	54 536	61 504	60 940
Electrical Infrastructure	78 272	83 569	132 838	128 932	144 904	144 904	164 335	220 845	269 675
Water Supply Infrastructure	138 478	140 020	178 855	209 796	205 171	205 171	235 009	293 038	312 666
Sanitation Infrastructure	160 049	177 232	229 848	302 584	264 097	264 097	312 996	332 486	351 413
Solid Waste Infrastructure	18 737	12 739	29 729	34 003	32 806	32 806	31 093	29 463	29 431
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	116 549	138 299	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
<b>Infrastructure</b>	<b>676 809</b>	<b>714 904</b>	<b>785 464</b>	<b>946 627</b>	<b>891 631</b>	<b>891 631</b>	<b>1 006 178</b>	<b>1 168 712</b>	<b>1 258 170</b>
<b>Community Assets</b>	<b>334</b>	<b>311</b>	<b>289</b>	<b>11 987</b>	<b>4 417</b>	<b>4 417</b>	<b>7 893</b>	<b>17 868</b>	<b>17 842</b>
<b>Heritage Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Investment properties</b>	<b>68 105</b>	<b>73 092</b>	<b>69 982</b>	<b>73 092</b>	<b>68 409</b>	<b>68 409</b>	<b>68 409</b>	<b>68 409</b>	<b>68 409</b>
<b>Other Assets</b>	<b>78 715</b>	<b>78 863</b>	<b>78 859</b>	<b>122 941</b>	<b>81 346</b>	<b>81 346</b>	<b>84 534</b>	<b>83 673</b>	<b>82 761</b>
<b>Biological or Cultivated Assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Intangible Assets</b>	<b>1 038</b>	<b>908</b>	<b>779</b>	<b>643</b>	<b>650</b>	<b>650</b>	<b>514</b>	<b>370</b>	<b>217</b>
Computer Equipment	6 059	5 252	5 340	6 314	6 022	6 022	5 695	5 151	4 575
Furniture and Office Equipment	4 805	4 489	4 471	6 550	6 576	6 576	6 941	6 450	5 930
Machinery and Equipment	5 004	5 242	6 227	13 746	8 037	8 037	12 472	11 872	11 236
Transport Assets	24 652	30 159	34 555	41 506	38 810	38 810	42 728	40 892	38 946
<b>Land</b>	<b>37 716</b>	<b>41 825</b>	<b>41 862</b>	<b>590</b>	<b>41 952</b>	<b>41 952</b>	<b>41 952</b>	<b>41 952</b>	<b>41 952</b>
<b>Zoo's, Marine and Non-biological Animals</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>903 237</b>	<b>955 046</b>	<b>1 027 827</b>	<b>1 223 996</b>	<b>1 147 850</b>	<b>1 147 850</b>	<b>1 277 317</b>	<b>1 445 350</b>	<b>1 530 038</b>

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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand									
<b>CAPITAL EXPENDITURE</b>									
<b>EXPENDITURE OTHER ITEMS</b>	<b>118 128</b>	<b>115 778</b>	<b>143 898</b>	<b>149 760</b>	<b>162 120</b>	<b>162 120</b>	<b>156 091</b>	<b>165 456</b>	<b>175 384</b>
Depreciation	23 352	22 477	31 587	22 908	34 782	34 782	29 311	31 069	32 933
<b>Repairs and Maintenance by Asset Class</b>	<b>94 776</b>	<b>93 302</b>	<b>112 311</b>	<b>126 852</b>	<b>127 339</b>	<b>127 339</b>	<b>126 780</b>	<b>134 387</b>	<b>142 451</b>
Roads Infrastructure	20 528	19 507	23 261	23 730	24 339	24 339	25 445	26 972	28 590
Storm water Infrastructure	-	86	265	168	163	163	175	186	197
Electrical Infrastructure	9 152	8 978	10 925	15 374	14 775	14 775	17 329	18 369	19 471
Water Supply Infrastructure	16 415	15 461	15 364	15 464	16 529	16 529	18 473	19 581	20 756
Sanitation Infrastructure	18 170	19 768	24 477	25 979	27 281	27 281	29 198	30 950	32 807
Solid Waste Infrastructure	2 375	1 209	3 810	4 878	4 613	4 613	4 648	4 927	5 222
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>66 640</b>	<b>65 008</b>	<b>78 102</b>	<b>85 592</b>	<b>87 699</b>	<b>87 699</b>	<b>95 269</b>	<b>100 985</b>	<b>107 044</b>
Community Facilities	9 873	9 152	10 932	13 124	11 615	11 615	12 960	13 738	14 562
Sport and Recreation Facilities	1 011	595	884	928	666	666	785	832	882
<b>Community Assets</b>	<b>10 884</b>	<b>9 747</b>	<b>11 816</b>	<b>14 052</b>	<b>12 281</b>	<b>12 281</b>	<b>13 745</b>	<b>14 569</b>	<b>15 444</b>
<b>Heritage Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	80	85	90
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>85</b>	<b>90</b>
Operational Buildings	8 063	8 183	9 464	10 833	10 317	10 317	10 459	11 086	11 751
Housing	-	350	192	1 554	1 074	1 074	667	707	749
<b>Other Assets</b>	<b>8 063</b>	<b>8 533</b>	<b>9 655</b>	<b>12 387</b>	<b>11 391</b>	<b>11 391</b>	<b>11 125</b>	<b>11 793</b>	<b>12 500</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	4 202	5 343	6 859	5 269	9 283	9 283	-	-	-
<b>Intangible Assets</b>	<b>4 202</b>	<b>5 343</b>	<b>6 859</b>	<b>5 269</b>	<b>9 283</b>	<b>9 283</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	338	300	286	450	287	287	273	289	307
Machinery and Equipment	881	713	1 039	1 761	939	939	1 057	1 121	1 188
Transport Assets	3 769	3 658	4 554	7 341	5 459	5 459	5 232	5 545	5 878
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>118 128</b>	<b>115 778</b>	<b>143 898</b>	<b>149 760</b>	<b>162 120</b>	<b>162 120</b>	<b>156 091</b>	<b>165 456</b>	<b>175 384</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	35,0%	41,0%	55,0%	66,9%	66,8%	66,8%	65,9%	31,2%	49,3%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	115,2%	143,7%	149,0%	528,6%	297,3%	297,3%	356,8%	199,8%	175,9%
<i>R&amp;M as a % of PPE</i>	11,4%	10,6%	11,7%	11,0%	11,8%	11,8%	10,5%	9,8%	9,7%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	13,0%	13,0%	16,0%	20,0%	20,0%	20,0%	18,0%	14,0%	13,0%

## Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The 2022/23 final capital budget allocation for renewal of existing assets amounts to 65.9% which is above the National treasury requirement. The recommendation on repairs and maintenance are met as the repairs and maintenance spends as a percentage of written down value of assets is 10.5%. The reasons for the compliance to this National Treasury guideline are due to the implementation of mSCOA where the repairs and maintenance is allocated to projects which include all components related to repairs and maintenance. Repairs and maintenance expenditure will also gradually increase to above the guideline levels of 8%. The spending should also be aligned with the municipality's maintenance plans with regard to affordability and other priorities.

## Basic Service Delivery measurement (Table A10)

Description	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
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	27 175	29 078	31 114	32 177	33 143	33 143	33 143	34 137	35 161
Piped water inside yard (but not in dwelling)	5 441	5 822	6 230	6 417	6 417	6 417	6 609	6 807	7 012
Using public tap (at least min.service level)	6 865	7 345	7 859	8 094	8 275	8 275	8 336	8 587	8 844
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	39 481	42 245	45 203	46 688	47 835	47 835	48 088	49 531	51 017
Using public tap (< min.service level)	206	206	206	213	213	213	220	228	236
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	1 143	1 143	1 143	1 085	1 085	1 085	1 085	1 085	1 085
<i>Below Minimum Service Level sub-total</i>	1 349	1 349	1 349	1 298	1 298	1 298	1 305	1 313	1 321
<b>Total number of households</b>	<b>40 830</b>	<b>43 594</b>	<b>46 552</b>	<b>47 986</b>	<b>49 133</b>	<b>49 133</b>	<b>49 393</b>	<b>50 844</b>	<b>52 338</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	15 390	16 487	17 641	18 170	18 170	18 170	18 715	19 276	19 855
Flush toilet (with septic tank)	12 354	13 219	14 144	14 568	14 568	14 568	15 005	15 455	15 919
Chemical toilet	82	82	82	85	85	85	85	85	85
Pit toilet (ventilated)	140	140	140	140	140	140	140	140	140
Other toilet provisions (> min.service level)	7 368	7 368	7 368	7 368	7 368	7 368	7 368	7 368	7 368
<i>Minimum Service Level and Above sub-total</i>	35 334	37 296	39 375	40 331	40 331	40 331	41 313	42 324	43 367
Bucket toilet	70	70	70	70	70	70	70	70	70
Other toilet provisions (< min.service level)	159	159	159	159	159	159	159	159	159
No toilet provisions	1 373	1 373	1 373	1 373	1 373	1 373	1 373	1 373	1 373
<i>Below Minimum Service Level sub-total</i>	1 602	1 602	1 602	1 602	1 602	1 602	1 602	1 602	1 602
<b>Total number of households</b>	<b>36 936</b>	<b>38 898</b>	<b>40 977</b>	<b>41 933</b>	<b>41 933</b>	<b>41 933</b>	<b>42 915</b>	<b>43 926</b>	<b>44 969</b>
<b>Energy:</b>									
Electricity (at least min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	–	–	–	–	–	–	–	–	–
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Refuse:</b>									
Removed at least once a week	36 936	38 898	40 977	41 933	41 933	41 933	42 915	43 926	44 969
<i>Minimum Service Level and Above sub-total</i>	36 936	38 898	40 977	41 933	41 933	41 933	42 915	43 926	44 969
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	<b>36 936</b>	<b>38 898</b>	<b>40 977</b>	<b>41 933</b>	<b>41 933</b>	<b>41 933</b>	<b>42 915</b>	<b>43 926</b>	<b>44 969</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	5 252	–	–	5 600	5 600	5 600	6 235	6 235	6 235
Sanitation (free minimum level service)	5 299	–	–	5 600	5 600	5 600	6 235	6 235	6 235
Electricity/other energy (50kwh per household per month)	2 373	–	–	2 600	2 600	2 600	6 235	6 235	6 235
Refuse (removed at least once a week)	5 354	–	–	5 000	5 000	5 000	6 235	6 235	6 235
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>									
Water (6 kilolitres per indigent household per month)	4 997	6 927	8 388	8 370	9 929	9 929	10 723	11 367	12 049
Sanitation (free sanitation service to indigent households)	9 538	10 139	11 666	12 163	12 910	12 910	13 504	14 314	15 173
Electricity/other energy (50kwh per indigent household per month)	2 995	3 316	4 093	4 448	3 982	3 982	4 280	4 536	4 809
Refuse (removed once a week for indigent households)	10 863	11 473	13 138	13 821	14 501	14 501	15 168	16 078	17 043
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>									
<b>Total cost of FBS provided</b>	<b>28 393</b>	<b>31 856</b>	<b>37 284</b>	<b>38 802</b>	<b>41 322</b>	<b>41 322</b>	<b>43 675</b>	<b>46 295</b>	<b>49 073</b>
<b>Highest level of free service provided per household</b>									
Property rates (R value threshold)	–	–	–	–	–	–	100 000	100 000	100 000
Water (kilolitres per household per month)	6	6	–	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)	173	184	–	182	182	182	190	202	214
Electricity (kwh per household per month)	70	70	–	70	70	70	70	70	70
Refuse (average litres per week)	250	250	–	250	250	250	213	226	239
<b>Revenue cost of subsidised services provided (R'000)</b>									
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)	9 404	6 866	6 828	6 788	9 053	9 053	9 867	10 459	11 087
Water (in excess of 6 kilolitres per indigent household per month)	–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)	–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
<b>Total revenue cost of subsidised services provided</b>	<b>9 404</b>	<b>6 866</b>	<b>6 828</b>	<b>6 788</b>	<b>9 053</b>	<b>9 053</b>	<b>9 867</b>	<b>10 459</b>	<b>11 087</b>

## **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 Municipality continues to make good progress with the eradication of backlogs:
  - a. Water services
  - b. Sanitation services
  - c. Electricity services
  - d. Refuse services
3. It is anticipated that these Free Basic Services will cost the municipality R 44 million in 2022/23, increasing to R 49 million in 2024/25. This is covered by the municipality's equitable share allocation from national government. The budgeted amount does not include the cost of R 12 million for the ± 10 769 informal settlements.
4. The Threshold to receive FBE in Theewaterskloof is two times the state old age pension. This threshold was decided on after taking into account the socio-economic and other conditions presently prevalent in the Theewaterskloof Municipal area. The methodology behind this threshold is viewed to be one that is practical, fair, equitable, and justifiable and it does not alienate any group of households. The old age pension is viewed as a relatively accurate measurement of poverty and affordability of municipal services. Decreasing the threshold will in any event result in an escalation of bad debt.

## 6. Overview of Annual Budget Process

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- **Political oversight of the budget process**

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that the Mayor of a municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Executive Mayor (chairperson), councillors and the Municipal Manager and senior officials of the Municipality advising the committee members.

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

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

Budget guidelines were developed by the Budget and Treasury Office and submitted and approved by the Budget Steering Committee. Various Budget Steering Committee meetings were held where the draft budget was discussed. These meetings were held as follows:

- 11 January 2022
- 03 February 2022
- 15 February 2022
- 07 March 2022
- 15 March 2022
- 04 April 2022
- 13 May 2022

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

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

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

The IDP and Budget time schedule of the 2022/2023 budget cycle was approved by Council on the 25<sup>th</sup> of August 2021, ten months before the start of the budget year in compliance with legislative directives.



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

Updating the IDP and Budget is an evolving and re-iterative process over a 10 month period. Due to the late local government election the consultative process was limited, the municipality did however embark on a full-scale public participation process in all of its wards.

The compilation of the new five year IDP process was undertaken in 2021, the draft IDP was adopted in March 2022 and will be presented to council for final adoption in May 2022.

### **IDP and Service Delivery and Budget Implementation Plan**

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Strategic Plan included the following key IDP Performance Areas:

- Financial Sustainability
- Good Governance and Clean Audit
- Institutional Development
- Basic Service Delivery and Infrastructure
- Local Economic Development and Social Upliftment

The IDP has been taken into a business and financial planning process leading up to the 2022/23 MTREF, based on the approved 2021/22 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

## 7. Overview of Alignment of Annual Budget with IDP

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An IDP should be utilised as a method to plan for future developments in the areas and to find the best solutions to achieve 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. It is important that the IDP developed by municipalities correlate with National and Provincial intent.

The aim of the IDP was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. It gave council the opportunity to review the progress made in terms of its previous 5 year plan and objectives. This further allows for the opportunity to decide whether council should remain with current strategies, adapt, amend or implement new strategies should changing circumstances so demand. One of the key objectives is therefore to ensure that there exists alignment between national, provincial and local priorities, policies and strategies

It is considered that a well-run budget process that incorporates the IDP will facilitate community input, encourage discussion, promote a better understanding of community needs, provide an opportunity for feedback, and improve accountability, transparency, and responsiveness to the needs of the local communities.

### **Vision of Theewaterskloof Municipality**

A Theewaterskloof where all of its people and key stakeholders are working together in establishing and developing a sustainable environment within which all of its people can live in peace, harmony and dignity and an economy able to create working and wealth opportunities for all.

### **Mission of Theewaterskloof Municipality**

To create and sustain an environment which shall enhance the socio-economic development capacity and impact of the Theewaterskloof Municipality in accordance with the Vision as stated above.

### **STRATEGIC FOCUS AREAS (SFA)**

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. The municipality opted to focus on five strategic areas which would result **in it overcoming its challenges and achieving its vision.**

## SFA 1: FINANCIAL VIABILITY

**Strategic Goal** Improved Financial Sustainability of the Municipality

### **Municipal Strategic Focus areas: SFA1: Financial Viability**

<b>Strategic Objective</b>	<b>SO1: Work towards a sustainable future through sound financial management and continuous revenue growth</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Low recovery rate</li> <li>- Reliant on grants (due to high unemployment rate and large indigent population)</li> <li>- Converting to Municipal Standard Chart of Accounts: staffing, financial resources, time constraints, constantly changing legislation formats or directives, national treasury inability to give clear and precise direction</li> <li>- Broadening of the rates base through initiatives aimed at encouraging and stimulating local economy</li> <li>- Cost of compliance</li> <li>- Influx of indigents</li> </ul>
<b>Outcome / Impact</b>	Financial Sustainability and improved audit opinion
<b>Strategic Risks</b>	<ul style="list-style-type: none"> <li>- Implementation of MSCOA</li> <li>- Slow recovery of potential revenue</li> </ul>
<b>Directorate</b>	<b>Financial Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Work towards obtaining a clean audit</li> <li>- Vigorous driving and management of projects of the financial sustainability steering committee</li> <li>- Review Tariff structure</li> <li>- Improved functioning and results of the Revenue Section/improve the collection rate</li> </ul>

	- Improved Financial Management
<b>Objectives</b>	Improved Financial Management
<b>Alignment with National and Provincial Strategies</b>	
<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Municipal Financial Viability and Management
<b>National Outcome</b>	A responsive and accountable, effective and efficient local government system
<b>National Development Plan (2030)</b>	Developing a capable and Development State
<b>Provincial Strategic Objective</b>	Mainstreaming sustainability and optimising resource-use efficiency
<b>District Strategic Objective</b>	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National Policy and guidelines

**Main Functions and Sector Plans associated with this SO**

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
Good systems, compliance, revenue optimisation, financial sustainability planning	National Treasury and Provincial Treasury; ensuring clean audit	Budgets and 3 yr. plans; SDBIP

## SFA 2: GOOD GOVERNANCE

<b>Strategic Goal</b>	<b>Good Governance and Clean Audit</b>
<b>Municipal Strategic Focus Area</b>	Good Governance
<b>Strategic Objective</b>	<b>SO 2: To provide democratic, responsive and accountable government for the local communities</b>
<b>Challenges</b>	<i>The <u>cost of compliance</u> with increased legislation, regulations and accounting standards is not only costing more without any significant tangible benefits to the communities, it is also time-consuming and counter-productive.</i>
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>- Clean audit</li> <li>- Improved stakeholder relations</li> <li>- Improved communication</li> <li>- Improved community engagements</li> <li>- Functional and effective ward committees</li> </ul>
<b>Strategic Risks</b>	Excessive expectations in relation to institutional capacity
<b>Municipal Directorate</b>	<b>Corporate Services</b>
<b>Departmental Objectives</b>	<ul style="list-style-type: none"> <li>• Improve the functioning of the ward committee system</li> </ul>
<b>Municipal Directorate</b>	<b>Corporate Services</b>
<b>Departmental Interventions</b>	<p>Know your ward campaign</p> <p>Host a Ward Committee Submit</p> <p>Ward Councillor Report back Meetings</p>
<b>Municipal Directorate</b>	<b>Office of the MM</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Work towards obtaining a clean audit</li> </ul>

	<ul style="list-style-type: none"> <li>- Improved relationships</li> <li>- Improved Communication and community involvement</li> </ul>
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**Alignment with National and Provincial Strategies**

<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Good Governance and Public Participation
<b>National Outcome</b>	A responsive and accountable, effective and efficient local government system
<b>National Development Plan (2030)</b>	Developing a capable and Development State
<b>Provincial Strategic Objective</b>	Embed good governance and integrated service delivery through partnerships and spatial planning
<b>District Strategic Objective</b>	To ensure Good Governance practice by providing a democratic and proactive accountable government and ensuring community participation through existing IGR structures

**Main Functions and Sector Plans associated with this SO**

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
<b>Council, public and stakeholder participation, ward Committees, policies, bylaws</b>	legislative framework and support	

### SFA 3: INSTITUTIONAL DEVELOPMENT

#### Strategic Goal

#### Optimisation of Capacity

<b>Municipal Strategic Focus Area</b>	Institutional Development
<b>Strategic Objectives</b>	<b>SO3:To ensure a healthy and productive workforce by creating a conducive working environment</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Inadequate systems and SOP's</li> <li>- Lack of office space</li> <li>- Shortage of Fleet (Traffic, refuse removal etc.)</li> </ul>
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>- Improved safety in working environment</li> <li>- Clean audit</li> <li>- Improved processes and productivity</li> <li>- Improved legal compliance</li> </ul>
<b>Strategic Risks</b>	Excessive expectations in relation to institutional capacity
<b>Municipal Directorate</b>	<b>Corporate Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Implement outcome based training strategies and programmes</li> <li>- Continuous review of policies and delegations and by-laws</li> <li>- Establishment of a Municipal Court</li> <li>- Implementation of MCGICT Policies</li> </ul>
<b>Municipal Directorate</b>	<b>Office of the MM</b>
<b>Departmental Interventions</b>	Optimum optimizing of PMS to ensure continuous performance improvement working towards a clean performance audit

**Alignment with National and Provincial Strategies**

<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Municipal Transformation and Institutional Development
<b>National Outcome</b>	A responsive and accountable, effective and efficient local government system
<b>National Development Plan (2030)</b>	Developing a capable and Development State
<b>Provincial Strategic Objective</b>	Mainstreaming sustainability and optimizing resource-use efficiency
<b>District Strategic Objective</b>	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development.

**Main Functions and Sector Plans associated with this SO**

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
<b>Organisational Development, Systems</b>		Operational plan, Performance Management System

**Strategic Goal**

**Optimisation of Capacity**

<b>Municipal Strategic Focus Area</b>	Institutional Development
<b>Strategic Objectives</b>	<b>SO4: Refine and improve the institutional capacity of the municipality</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Lack of succession planning</li> <li>- Trained workforce (water, sanitation, road works etc)</li> </ul>



	<ul style="list-style-type: none"> <li>- Lack/shortage of Man power</li> <li>- Constant changes to systems &amp; service providers creates security risk areas, strain on ICT resources</li> </ul>
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>- Clean audit</li> <li>- Improved processes and productivity</li> <li>- Improved ICT systems</li> <li>- Improved municipal capacity</li> <li>- Improved legal compliance</li> </ul>
<b>Strategic Risks</b>	Excessive expectations in relation to institutional capacity
<b>Municipal Directorate</b>	<b>Corporate Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Full organisational design investigation</li> <li>- Improve ICT service and infrastructure</li> <li>- Implement outcome based training strategies and programmes</li> <li>- Continuous review of policies and delegations and by-laws</li> <li>- Establishment of a Municipal Court</li> <li>- Implementation of MCGICT Policies</li> </ul>
<b>Municipal Directorate</b>	<b>Office of the MM</b>
<b>Departmental Interventions</b>	Optimum optimizing of PMS to ensure continuous performance improvement working towards a clean performance audit
<b>Alignment with National and Provincial Strategies</b>	
<b>Sphere</b>	<b>Description</b>

National KPA	Municipal Transformation and Institutional Development	
National Outcome	A responsive and accountable, effective and efficient local government system	
National Development Plan (2030)	Developing a capable and Development State	
Provincial Strategic Objective	Mainstreaming sustainability and optimizing resource-use efficiency	
District Strategic Objective	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development.	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
Organisational Development, Systems		Operational plan, Performance Management System

#### SFA 4: BASIC SERVICE DELIVERY

<b>Strategic Goal</b>	<b>Improve Service Delivery Levels</b>
<b>Municipal Strategic Focus Area</b>	Basic Service Delivery
<b>Strategic Objective</b>	<b>SO 5: To ensure a continuous and sustainable maintenance, replacement and upgrades of municipal infrastructure</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Budget (poor payment rate)</li> <li>- Shortage of Fleet (Traffic, refuse removal etc.)</li> <li>- Lack/shortage of Man power</li> </ul>

<b>Outcome / Impact</b>	<ul style="list-style-type: none"><li>- Provide residents with adequate basic services</li><li>- Sustainable water provision</li><li>- Backlog reduction</li><li>- Maintained fleet</li><li>- Improved electricity provision</li><li>- Rehabilitation and maintenance of urban streets</li></ul>	<ul style="list-style-type: none"><li>- Improved sewerage provision</li><li>- Improved and sustainable solid waste management</li><li>- Increased capacity for sustainable sewerage network</li><li>- Improved storm water network</li><li>- Increased revenue collection</li></ul>
<b>Strategic Risks</b>	<ul style="list-style-type: none"><li>- Bulk water provision</li><li>- Backlog in infrastructure</li></ul>	
<b>Municipal Directorate</b>	<b>Technical Services</b>	
<b>Departmental Interventions</b>	<ul style="list-style-type: none"><li>- Implementation of three year infrastructure and basic services upgrade, expansion and replacement program linked to the MIG Program, Capital Reserve Development Program and development contribution program</li></ul>	
<b>Municipal Directorate</b>	<b>Operational Services</b>	
<b>Departmental Interventions</b>	<ul style="list-style-type: none"><li>- Day to Day Service Delivery</li><li>- Infrastructure and bulk upgrades</li></ul>	
<b>Alignment with National and Provincial Strategies</b>		
<b>Sphere</b>	<b>Description</b>	
<b>National KPA</b>	Basic Service Delivery	
<b>National Outcome</b>	<ul style="list-style-type: none"><li>- An effective, competitive and responsive economic infrastructure network</li><li>- Protection and enhancement of environmental assets and natural resources</li></ul>	

National Development Plan (2030)	<ul style="list-style-type: none"><li>- Nation building and social cohesion</li><li>- Economy and Development</li></ul>	
Provincial Strategic Objective	Mainstreaming sustainability and optimising resource-use efficiency	
District Strategic Objective	To ensure the Health and safety of all in the Overberg through the provision of efficient basic services and infrastructure	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
Water, sanitation, roads, transport infrastructure, storm water, waste removal, parks, recreation. Forward Planning and integration with Human Settlements	MIG funds and other external funding, DWA initiatives	Master plans; MIG project plans, Water Services Plans,

<b>Strategic Goal</b>	<b>Improve Service Delivery Levels</b>
<b>Municipal Strategic Focus areas</b>	Basic Service Delivery
<b>Strategic Objective</b>	<b>SO6:To maintain and improve basic service delivery and social amenities for the TWK community</b>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Lack of adequate sport facilities to cater for all sporting codes</li> <li>- Lack of sport and recreational facilities in rural areas (farms)</li> <li>- Limited budget for implementation of sport programmes</li> <li>- Vandalism of municipal property</li> </ul>
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>- Maintained community facilities</li> </ul>
<b>Strategic Risks</b>	

Municipal Directorate	Operational Services	
Departmental Interventions	<ul style="list-style-type: none"><li>- Functioning and effective sport forums in all towns</li><li>- Perform an audit on all sport facilities</li><li>- Draft and implement a Sport</li></ul>	
Alignment with National and Provincial Strategies		
Sphere	Description	
National KPA	Basic Service Delivery	
National Outcome	All people in south Africa protected and feel safe	
National Development Plan (2030)	Building Safer Communities	
Provincial Strategic Objective	Increasing wellness, safety and tackle social ills	
District Strategic Objective	To ensure the Health and safety of all in the Overberg through the provision of efficient basic services and infrastructure	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
Coordinating .facilitating sport, maintenance	MIG funds and other external funding, DCAS	
Strategic Goal	Improve Service Delivery Levels	
Municipal Strategic Focus Area	Basic Service Delivery	
Strategic Objective	SO7: Improved Environmental Management	
Challenges	<ul style="list-style-type: none"><li>- Lack of updated by-laws</li></ul>	

	- Capacity to develop policies	
Outcome / Impact	Sustainable environmental management	
Strategic Risks		
Municipal Directorate	Technical Services	
Departmental Interventions	<ul style="list-style-type: none"><li>- Conserve and rehabilitate the natural environment</li><li>- Mitigate the risk of potential disasters</li><li>- Increased cemetery capacity</li><li>- Mitigate the risk of potential disasters</li><li>- Manage the municipality's natural resources (Reserves, public open spaces, waterways)</li></ul>	
Alignment with National and Provincial Strategies		
Sphere	Description	
National KPA	Basic Service Delivery	
National Outcome	Environmental Sustainability and Resilience	
National Development Plan (2030)	Building Safer Communities	
Provincial Strategic Objective	Increasing safety	
District Strategic Objective	To ensure the Health and safety of all in the Overberg through the provision of efficient basic services and infrastructure	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans

<b>Planning and Functioning of Settlements and Conservation,</b>	Planning support (DEADP) and Compliance e.g. NEMA	Law Enforcement Strategy, SDF
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**Strategic Goal**                      **Improve Service Delivery Levels**

<b>Municipal Strategic Focus Area</b>	Basic Service Delivery
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**Strategic Objective**                      **SO8: Increase community safety through traffic policing, bylaw enforcement**

<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Shortage of Fleet (Traffic)</li> <li>- Lack/shortage of Man power</li> <li>- Lack of updated by-laws</li> <li>- Theft and vandalism of municipal property, goods and assets</li> <li>- Uncontrolled expanding of informal settlements</li> <li>- Illegal land grabs</li> </ul>
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**Outcome / Impact**

- Increased community safety
- Reduced crime within TWK municipal area

**Strategic Risks**                      Immigration leading to land invasion and the increase in informal settlements

**Municipal Directorate**                      **Operational Services**

<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Establishment of Land Invasion Special Task Team</li> <li>- Effective management of informal settlements</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation of Community Safety Programmes</li> <li>- Establish municipal court</li> <li>- Implement District Safety Plan to address road safety</li> <li>- Training of personnel for effective Law Enforcement</li> </ul>
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	<ul style="list-style-type: none"> <li>- Traffic and Law Enforcement turnaround strategy</li> <li>- Road safety and by-law awareness and building strong community partnerships – “Be part of the solution”</li> </ul>	
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**Alignment with National and Provincial Strategies**

<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Basic Service Delivery
<b>National Outcome</b>	All people in south Africa protected and feel safe
<b>National Development Plan (2030)</b>	Building Safer Communities
<b>Provincial Strategic Objective</b>	Increasing safety
<b>District Strategic Objective</b>	To ensure the Health and safety of all in the Overberg through the provision of efficient basic services and infrastructure

**Main Functions and Sector Plans associated with this SO**

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
Traffic, Law Enforcement	DoCS	Law Enforcement Strategy, SDF

**Strategic Goal**                      **Improve Service Delivery Levels**

<b>Municipal Strategic Focus Area</b>	Basic Service Delivery
<b>Strategic Objective</b>	<b>SO9:Ensure the provision of sustainable and integrated Human Settlements through accelerating affordable housing projects</b>



	<b>S010: Upgrading of informal settlements and prioritising the most needy in housing allocation</b>	
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- Influx of indigent people</li> <li>- Uncontrolled influx of seasonal workers</li> <li>- Insufficient municipal land for housing development</li> <li>- Increased demand for housing</li> <li>- Insufficient Funding</li> </ul>	<ul style="list-style-type: none"> <li>- Security of tenure</li> <li>- Slow delivery of rental opportunities and affordable housing</li> <li>- Land invasion</li> <li>- Weak development control measures</li> <li>- Compliance with national housing policies</li> </ul>
<b>Outcome / Impact</b>	Sustainable integrated human settlements	
<b>Strategic Risks</b>	Immigration leading to land invasion and the increase in informal settlements	
<b>Municipal Directorate</b>	<b>Development Services</b>	
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Strengthen the policy instruments and encourage compliance with legislation</li> <li>- Strengthen policies to manage/control migration</li> <li>- Provision of GAP housing</li> <li>- Provision of economic and social facilities</li> <li>- Ensure unbiased allocation of housing opportunities</li> </ul>	<ul style="list-style-type: none"> <li>- Acquire well located land for planned integrated Human Settlements</li> <li>- Implementation of the Human Settlements Program which includes programs such as IRDP, EHP &amp; EPHP)</li> <li>- Provision and Implementation of serviced sites</li> <li>- Speed up land release to transfer properties</li> </ul>
<b>Alignment with National and Provincial Strategies</b>		
<b>Sphere</b>	<b>Description</b>	

National KPA	Basic Service Delivery		
National Outcome	Sustainable human settlements and improved quality of household life		
National Development Plan (2030)	Transforming Human Settlements		
Provincial Strategic Objective	Developing integrated and sustainable human settlements		
District Strategic Objective	To ensure the Health and safety of all in the Overberg District through the provision of efficient basic services and infrastructure		
Main Functions and Sector Plans associated with this SO			
Municipal Functions		Other spheres	Specific Plans
Planning and implementing housing projects with govt funds, GAP housing, managing emerging settlements		DHS, Human Settlement Projects	Human Settlement Plan & Housing Pipeline

#### SFA 5: LOCAL ECONOMIC DEVELOPMENT

**Strategic Goal** To make Theewaterskloof a desirable place to live and work in

<b>Municipal Strategic Focus Area</b>	Local Economic Development
<b>Strategic Objective</b>	SO11: Create an enabling environment in order to maintain existing business and attract new investment into the TWK area
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- High level of unemployment</li> <li>- Lack of interest of local labour in working in the Agricultural sector</li> <li>- Poor quality of education</li> <li>- Not enough housing stock in the area to attract paying residents</li> </ul>

	<ul style="list-style-type: none"> <li>- High level of imports into the municipal area increasing costs.</li> <li>- High level of substance abuse among youth</li> </ul>
<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>• Improved economic growth</li> <li>• Improved social conditions</li> </ul>
<b>Strategic Risks</b>	Job creation via LED initiatives
<b>Municipal Directorate</b>	<b>Development Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Implement the Youth Development Strategy in line with National programs such as EPWP, CWP and the youth entrepreneurial project</li> <li>- Encourage investors to invest in TWK (Labour intensive work opportunities in textile industry and agri-processing)</li> <li>- Roll out of Land Disposal Strategy</li> <li>- Expand the Biggest Deal Challenge to develop entrepreneurs</li> <li>- Review of Tourism Structure</li> <li>- SMME/ Contractor development linked to Capital Projects i.e. Housing and Infrastructure</li> </ul>
<b>Alignment with National and Provincial Strategies</b>	
<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Local Economic Development
<b>National Outcome</b>	Decent employment through inclusive economic growth
<b>National Development Plan (2030)</b>	Economy and Development
<b>Provincial Strategic Objective</b>	Creating opportunities for growth and jobs

District Strategic objective	To promote local economic development by supporting initiatives in the District for the Development of a sustainable district economy	
Main Functions and Sector Plans associated with this SO		
Municipal Functions	Other spheres	Specific Plans
Creating Framework for Growth, Job Creation, Tourism, Specific Projects, PPPs, Town Planning	DEADP, DoEDT	SDF, LED strategy
	Thusong initiative, CDWs, DECAS, DoE, DoSD, Rural Development	Youth Development Strategy. EPWP Strategy, 2030 Strategy, 2030 Projections, Green Economy, Tourism sector plan, Destination Marketing Plan
Health and Safety,, everything to do with soft services and recreation, human development, education and training		

**Strategic Goal** To make Theewaterskloof a desirable place to live and work in

<b>Municipal Strategic Focus Area</b>	Local Economic Development
<b>Strategic Objective</b>	SO11:Create an enabling environment in order to maintain existing business and attract new investment into the TWK area
<b>Challenges</b>	<ul style="list-style-type: none"> <li>- High level of unemployment'</li> <li>- Lack of interest of local labour in working in the Agricultural sector</li> <li>- Poor quality of education</li> <li>- Not enough housing stock in the area to attract paying residents</li> <li>- High level of imports into the municipal area increasing costs.</li> <li>- High level of substance abuse among youth</li> </ul>

<b>Outcome / Impact</b>	<ul style="list-style-type: none"> <li>• Improved economic growth</li> <li>• Improved social conditions</li> </ul>
<b>Strategic Risks</b>	Job creation via LED initiatives
<b>Municipal Directorate</b>	<b>Development Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Implement the Youth Development Strategy in line with National programs such as EPWP, CWP and the youth entrepreneurial project</li> <li>- Encourage investors to invest in TWK (Labour intensive work opportunities in textile industry and agri-processing)</li> <li>- Roll out of Land Disposal Strategy</li> <li>- Expand the Biggest Deal Challenge to develop entrepreneurs</li> <li>- Review of Tourism Structure</li> <li>- SMME/ Contractor development linked to Capital Projects i.e. Housing and Infrastructure</li> </ul>
<b>Alignment with National and Provincial Strategies</b>	
<b>Sphere</b>	<b>Description</b>
<b>National KPA</b>	Local Economic Development
<b>National Outcome</b>	Decent employment through inclusive economic growth
<b>National Development Plan (2030)</b>	Economy and Development
<b>Provincial Strategic Objective</b>	Creating opportunities for growth and jobs
<b>District Strategic objective</b>	To promote local economic development by supporting initiatives in the District for the Development of a sustainable district economy
<b>Main Functions and Sector Plans associated with this SO</b>	

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
<p><b>Creating Framework for Growth, Job Creation, Tourism, Specific Projects, PPPs, Town Planning</b></p> <p><b>Health and Safety,, everything to do with soft services and recreation, human development, education and training</b></p>	<p>DEADP, DoEDT</p> <p>Thusong initiative, CDWs, DECAS, DoE, DoSD, Rural Development</p>	<p>SDF, LED strategy</p> <p>Youth Development Strategy. EPWP Strategy, 2030 Strategy, 2030 Projections, Green Economy, Tourism sector plan, Destination Marketing Plan</p>

**Strategic Goal**

**Creating and enabling environment favourable for economic and human development in a sustainable manner**

**Municipal Strategic Focus Area**

Local Economic Development

**Strategic Objective**

**SO 13: Improve the social fabric of the TWK Community**

**Challenges**

- Divided communities
- Isolation and limited access to opportunities
- Patterns of inequality
- Exclusion of marginalised groups (women, disabled & elderly)
- Challenge with availability of land for emerging farmers
- Limited funding for community development programmes

**Outcome / Impact**

**Improved social conditions:**

- Sustainable emerging agricultural sector that contribute to food security

	<ul style="list-style-type: none"> <li>- Quality Early Childhood Development facilities and programs</li> <li>- Sustainable SMME's</li> <li>- Decrease in social ills</li> <li>- Increase in social cohesion</li> <li>- Increase in opportunities for the youth</li> <li>- Increase support to the elderly and individuals with disabilities</li> </ul>
<b>Strategic Risks</b>	None identified
<b>Municipal Directorate</b>	<b>Development Services</b>
<b>Departmental Interventions</b>	<ul style="list-style-type: none"> <li>- Facilitation of NGO stakeholder</li> <li>- Youth Entrepreneurship and capacity building</li> <li>- Emerging Farmer Support</li> <li>- ECD Sector Facilitation</li> <li>- SMME Support</li> <li>- Facilitate the Comprehensive Rural Development Program (CRDP)</li> <li>- Facilitate Thusong Program</li> <li>- Facilitate Thusong Program</li> </ul>
<b>Alignment with National and Provincial Strategies</b>	
<b>Sphere</b>	<b>Description</b>

<b>National KPA</b>	Local Economic Development
<b>National Outcome</b>	Decent employment through inclusive economic growth
<b>National Development Plan (2030)</b>	Economy and Development
<b>Provincial Strategic Objective</b>	Creating opportunities for growth and jobs
<b>District Strategic objective</b>	To promote local economic development by supporting initiatives in the District for the Development of a sustainable district economy

**Main Functions and Sector Plans associated with this SO**

<b>Municipal Functions</b>	<b>Other spheres</b>	<b>Specific Plans</b>
<b>Creating Framework for Growth, Job Creation, Tourism, Specific Projects, PPPs, Town Planning Health and Safety,, everything to do with soft services and recreation, human development, education and training</b>	DEADP, DoEDT  Thusong initiative, CDWs, DECAS, DoE, DoSD, Rural Development	SDF, LED strategy  Youth Development Strategy. EPWP Strategy, 2030 Strategy, 2030 Projections, Green Economy, Tourism sector plan, Destination Marketing Plan

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

The 2022/23 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.



# Reconciliation between the IDP strategic objectives and budgeted revenue (Table SA4)

Recommendations between the 12 Strategic Objectives and Budgeted Revenues (Table 3.1.1)											
Strategic Objective	Goal	Goal Code	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											
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1	211 663	217 776	233 036	237 322	223 756	223 756	267 082	284 865	303 170
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2	1 948	2 414	1 980	3 556	3 402	3 402	2 580	2 728	2 885
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3	509	438	405	190	286	286	76	81	86
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4	37 277	32 021	15	1	801	801	1	1	1
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5	–	–	22 112	32 755	32 754	32 754	27 998	26 892	27 990
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6	268 121	290 982	314 104	345 824	344 501	344 501	349 676	378 706	402 594
Basic Service Delivery	Improved Environmental Management	SO7	–	–	–	–	–	–	–	–	–
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8	46 681	30 099	19 828	24 199	33 599	33 599	24 245	25 700	27 242
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects,	SO9	21 771	26 126	7 249	62 979	47 236	47 236	29 240	73 307	62 147
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10	–	–	–	–	–	–	–	–	–
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11	1 439	854	1 157	742	2 856	2 856	1 876	909	964
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12	–	–	–	–	–	–	–	–	–
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			589 411	600 709	599 886	707 568	689 190	689 190	702 775	793 189	827 079

# Reconciliation between the IDP strategic objectives and budgeted operating expenditure (Table SA5)

Strategic Objective	Goal	Goal Code	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											
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1	50 827	51 922	53 724	64 063	61 774	61 774	61 371	65 054	68 957
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2	29 441	32 839	28 079	33 099	30 908	30 908	41 657	44 156	46 806
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3	27 149	26 158	29 603	36 668	35 708	35 708	40 560	43 010	45 610
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4	28 230	28 002	20 770	19 632	23 798	23 798	24 281	25 857	27 545
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5	1 499	1 630	14 666	18 098	16 591	16 591	19 007	20 148	21 356
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6	283 458	302 339	343 361	369 470	385 551	385 551	403 955	429 460	456 685
Basic Service Delivery	Improved Environmental Management	SO7	2 361	3 331	2 931	3 440	3 024	3 024	3 534	3 746	3 971
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8	58 734	49 545	39 325	44 464	51 218	51 218	46 699	49 504	52 477
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects	SO9	15 294	15 366	6 774	20 666	18 567	18 567	14 531	35 306	69 778
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10	1 572	2 823	3 904	4 904	3 610	3 610	4 183	4 434	4 700
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11	5 504	6 438	6 565	8 464	9 783	9 783	11 813	12 521	13 273
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12	–	–	–	10	–	–	10	11	11
Allocations to other priorities											
Total Expenditure			504 068	520 393	549 701	622 978	640 533	640 533	671 602	733 207	811 170

Reconciliation between the IDP strategic objectives and budgeted capital expenditure  
(Table SA6)

Strategic Objective	Goal	Goal Code	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											
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1	20	78	81	96	2 056	2 056	11	–	–
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2	1 141	812	–	–	19	19	121	–	–
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3	13 378	74	–	235	184	184	114	–	–
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4	2 194	450	7 358	7 333	7 690	7 690	4 327	–	–
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5	2 638	6 690	4	4	39	39	4 016	–	–
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6	45 568	53 689	71 377	121 545	107 468	107 468	124 857	143 903	117 622
Basic Service Delivery	Improved Environmental Management	SO7	–	–	–	–	–	–	6	–	–
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8	942	582	886	3 167	2 517	2 517	2 321	10 000	–
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects	SO9	11 112	16 348	5 693	47 900	33 873	33 873	21 500	45 200	–
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10	–	–	163	850	381	381	–	–	–
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11	–	–	53	5	577	577	1 506	–	–
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12	–	–	–	–	–	–	–	–	–
Allocations to other priorities											
Total Capital Expenditure			76 994	78 723	85 615	181 136	154 805	154 805	158 778	199 103	117 622

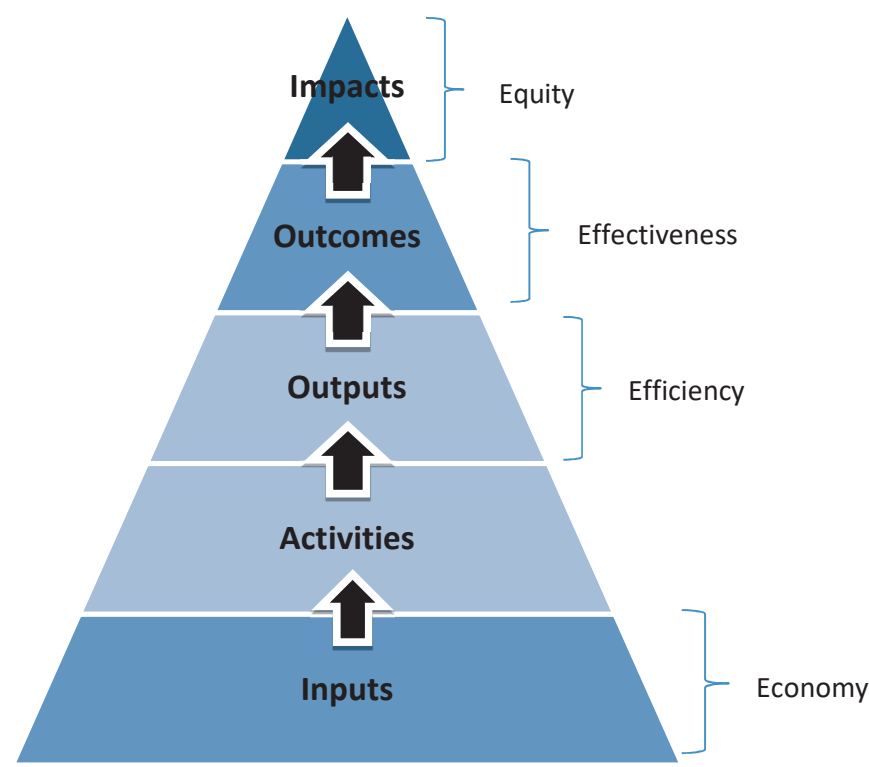
## 8. Measurable performance objectives and Indicators

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Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

Performance information needs to be structured to demonstrate clearly how the municipality uses available resources to deliver on its strategic objectives.

In managing for results, budgets are developed in relation to inputs, activities and outputs, while the aim is to manage towards achieving the outcomes and impacts. The image below illustrates the relationship between these core performance information concepts.



**Economy indicators:** explore whether specific inputs are acquired at the lowest cost and at the right time.

**Efficiency indicators:** explore how productively inputs are translated into outputs. An efficient operation maximises the level of output for a given set of inputs, or it minimises the inputs required to produce a given level of output.

**Effectiveness indicators:** explore the extent to which the outputs of an institution achieve the desired outcomes. An effectiveness indicator assumes a model of how inputs and outputs relate to the achievement of an institution's strategic objectives and goals.

**Equity indicators:** explore whether services are being provided impartially, fairly and equitably. Equity indicators reflect the extent to which an institution has achieved and been able to maintain an equitable supply of comparable outputs across demographic groups, regions, urban and rural areas, and so on.

The following table sets out the municipalities main performance objectives and benchmarks for the 2022/23 MTREF.

### Key financial indicators and ratios (table SA8)

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
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	5,4%	5,4%	5,6%	3,8%	4,9%	4,9%	4,9%	6,6%	7,7%	8,0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	6,2%	6,6%	7,2%	5,0%	6,7%	6,7%	6,7%	8,7%	10,5%	11,4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	36,0%	0,0%	44,4%	73,0%	75,0%	75,0%	75,0%	83,8%	84,8%	89,3%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	395,5%	309,2%	225,3%	714,6%	348,4%	348,4%	348,4%	540,3%	721,4%	809,0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1,7	1,8	1,9	1,3	1,7	1,7	1,7	1,6	1,3	1,2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,7	1,8	1,9	1,3	1,7	1,7	1,7	1,6	1,3	1,2
Liquidity Ratio	Monetary Assets/Current Liabilities	1,2	1,2	1,3	0,6	1,2	1,2	1,2	1,0	0,8	0,6
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		89,3%	86,5%	89,5%	84,9%	87,9%	87,9%	87,9%	87,9%	87,9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		89,3%	86,5%	89,5%	84,9%	87,9%	87,9%	87,9%	87,9%	87,9%	87,9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11,0%	12,4%	11,6%	14,8%	9,8%	9,8%	9,8%	10,0%	10,0%	9,8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	0,0%	0,0%	0,0%	0,0%
Creditors to Cash and Investments		69,6%	59,6%	50,7%	67,5%	28,5%	28,5%	28,5%	33,6%	42,6%	53,1%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	4229697	4412490	3426717	3426717	3426717	3426717	3426717	3426717	3426717	3426717
	Total Cost of Losses (Rand '000)	3	3	3	3	3	3	–	3	3	3
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	500,0%	500,0%	500,0%	500,0%	500,0%	500,0%	0,0%	500,0%	500,0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	767	1 628	1132123	1132123	1132123	1132123	–	1132123	1132123	1132123
	Total Cost of Losses (Rand '000)			7,234	7,234	7,234	7,234	0	7,234	7,234	7,234
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	19,0%	19,0%	19,0%	19,0%	19,0%	0,0%	19,0%	19,0%	19,0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	35,6%	37,8%	38,6%	41,5%	39,5%	39,5%	39,5%	42,1%	40,9%	39,2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	37,7%	40,0%	40,7%	43,8%	41,6%	41,6%		44,2%	42,9%	41,1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	17,5%	17,0%	19,9%	20,7%	20,8%	20,8%		19,4%	18,8%	18,0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8,0%	7,7%	9,4%	6,3%	9,0%	9,0%	9,0%	8,3%	8,3%	8,2%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	21,8	24,1	11,2	14,4	14,4	14,4	9,6	8,4	8,0	8,5
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	18,1%	18,7%	16,4%	22,1%	14,1%	14,1%	14,1%	14,4%	14,8%	15,3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3,7	3,8	4,3	2,0	3,7	3,7	3,7	3,2	2,5	2,0

## Performance indicators and benchmarks

### Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Theewaterskloof Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The municipality's debt portfolio is consisting out of annuity loans. The following financial performance indicators have formed part of the compilation of the 2022/23 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality.
- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is 6.6 per cent in 2022/2023 and 7.7 per cent from 2023/2024 and 8 per cent for 2024/2025.
- While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the municipality has to consider the impact of finance charges and capital repayments on tariffs.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

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.

### Safety of Capital

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. Lower figures are more acceptable, showing that the company is predominantly financed by equity whilst high gearing shows an over reliance on borrowings for a significant proportion of the municipality's capital requirements.

### Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and the benchmark would normally be set at a limit of 1, hence at no point in time should this ratio be less than 1. In the 2022/23 financial year the current ratio is 1.6 in 2023/24 financial year 1.3 and in the 2024/25 financial year 1.2. Going forward it will be necessary to increase these levels to allow the municipality to be able to pay its liabilities when it falls due.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below one indicates a shortage in cash to meet creditor obligations. The ratio is forecast at 1.0, 0.8 and 0.6 over the MTREF.

## **Revenue Management**

As part of the financial sustainability strategy, initiatives have been implemented to increase cash inflow such as demand management water and prepaid electricity meters for all. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection. Various other interventions are currently in process such as data cleansing, the restructuring of the revenue function and the task team for revenue management investigating the critical causes of a low collection rate which include systems, processes and data management.

## **Creditors Management**

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. 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.

## **Other Indicators**

- The electricity distribution losses have been set at 3,426,717 kw for 2022/23. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity, including prepaid meters.
- The water distribution losses target is set at 1,132,123 kl. Initiatives such as free water leakage repair for indigent and prepaid water meters will assist in this regards.
- Employee costs as a percentage of operating revenue is 42.1% in the 2022/23 and 40.9% in 2023/24 and 39.2% in 2024/25.

## **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.

For the 2022/23 financial year R 44 million provision have been made for indigent's household in the budget but do not include the cost of services of ± 10 769 informal settlements. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water and sanitation, 70 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 A10 (Basic Service Delivery Measurement).



## Drinking Water Quality and Waste Water Management in TWK Municipality.

Theewaterskloof Municipality is responsible for the management of the water and waste water treatment works in all its towns except for water treatment in Caledon. The latter receives treated water from a service provider, Overberg Water and Ikusasa Water. Berea and Voorstekaal package plants were installed as part of drought alleviation and also receives water from a service provider, Ikusasa Water.

### 1. Blue Drop Assessment

The Blue Drop Assessment strives to get municipalities to become more risk averse in their commitment to safe-guard public health in a precautionary manner by delivering water of high quality. It is sad to report that latest report released by the DWS was in 2014. The latest assessment for 2021 was concluded but the findings was not yet released.

In General the performance of all municipalities declined. Theewaterskloof Municipality ranked 15<sup>th</sup> on the Provincial Blue Drop log, with improvements at Botriver, Caledon and RSE. With this audit Risk Management had more weighting then previous year. In 2013 TWK drafted their first Water Safety Plan. Implementation of risk mitigation identified in the Water Safety plan was implemented. The rate of drinking water quality compliance not being according to expectation also contributed to the decline. Each water system was assessed against a set of criteria in a Performance Area. The overall score generated in the specific performance area is displayed in table below.

Performance Area	System	Caledon	Botrivier	Genadendal	Grabouw
Water Safety Planning (35%)		30.29	18.20	16.98	11.20
Treatment Process Management (8%)		8.00	1.20	3.16	2.56
DWQ Compliances (30%)		28.95	29.40	8.10	24.75
Management, Accountability (10%)		7.58	5.40	4.65	5.40
Asset Management (14%)		9.42	9.31	8.79	5.08
Use efficiency, Loss Management (3%)		2.85	2.82	3.00	3.00
Bonus score		1.56	4.55	6.15	5.91
Penalties		0.00	0.00	0.0	0.00
<b>Blue Drop Score</b>		<b>90.63</b>	<b>70.88</b>	<b>50.83</b>	<b>57.90</b>



Performance Area	System	Greyton	Riviersonderend	Tesselaardal	Villiersdorp
Water Safety Planning (35%)		20.48	20.48	17.50	19.5
Treatment Process Management (8%)		3.76	3.16	1.20	5.16
DWQ Compliances (30%)		6.75	18.00	6.75	8.10
Management, Accountability (10%)		4.20	5.40	5.40	5.40
Asset Management (14%)		8.79	6.62	8.47	6.41
Use efficiency, Loss Management (3%)		2.85	2.10	3.00	3.00
Bonus score		5.25	5.97	6.75	5.25
Penalties		1.4	0.00	0.0	0.00
<b>Blue Drop Score</b>		<b>50.68%</b>	<b>61.73%</b>	<b>49.07%</b>	<b>52.82%</b>

### 1.1 Water Safety Plan

Caledon – only system scoring well. Lessons learnt from Caledon was implemented at other supply systems. DWS assisted us to draw up these plans for at least one of our town. All role players were involved in this project and completed the plans for the remaining systems. Implementation of Water Safety Plans was gradually implemented. New water Safety plans was drawn up to mitigate new risk identified in the plans.

### 1.2 Treatment Process Management

All process controllers and treatment works are registered and uploaded on the IRIS (Integrated Regulatory Information System) systems but, compliance with regulation 2834 is standing at 80.6%. The regulation states that the registered process controllers comply with the legislative requirements in terms of Number of Process Controller per shift. Great progress has been made in this regard, appointing suitable process controllers as required by Regulation 2834 were done. Process Controllers received and are still receiving accredited training which resulted in improved classifications of PC.

It is a Blue and Green Drop necessity to have a qualified process controller on a Water and Wastewater Treatment System. The lack of skilled process controller and supervisors is just one of the many criteria that are needed for Blue & Green Drop Status achievements. Our senior process controllers have completed NQF 4 training, currently NQF 2 training underway (2021/22) in water & wastewater treatment. This type of training will allow these process controllers to be fully qualified and skilled in their current position.

### 1.3 Drinking Water Quality Compliances

Drinking water quality compliance for period 2020/21 financial year was 98.4%.

In general, the quality compliance of the municipality is good.

The following are measures to improve to try and achieve 100% compliance:

- Continue training of the process controllers.
- Increase daily operational monitoring to detect failures earlier before its reach the consumers.
- Proper equipment's need to be place in order to do sampling
- Treatment Works operate above its design capacity or treatment works not design to remove certain parameters. Implementation of Process audit findings.

### **1.1 Management, Accountability**

Management accountability weight 10% of the total allocated blue drop score. Management commitment is measured by approval of the Water Management Plans, as the municipality has a responsibility towards the direct consumer and broader public that we serve. We therefore need to inform them about the status of the drinking water delivered. Communication is now being done via SLA's; notice boards and data submission to DWS and the DoH.

### **1.5 Asset Management**

The limited implementation of the Operational & Maintenance manuals on site, calibration certificates of water meters and availability of maintenance team competency from service providers influence the overall marked scored in this performance area. Some of the old treatment system lack proper or full O&M manual but with the assistance of Wamtechnology the Operational and Maintenance manuals were updated.

### **1.6 Water Use Efficiency**

Water use efficiency was good, with good scores in the Tesselaarsdal, Villiersdorp, Genadendal and Grabouw systems.

### **Green drop Assessment (Waste water treatment plants)**

Critical Risk Ratings were released in 2014. Risk-based regulation allows the municipality to identify and prioritize the critical risk areas within its wastewater treatment process and to take corrective measure to abate these. Risk analysis is used to identify, quantify and manage the corresponding risk according to their potential impact on the water source. High/critical risk can be prioritized.

A Cumulative Risk Rating value is calculated for each of the Waste Water Treatment Plants taking into account the plants Design Capacity, Operational Flow, Compliance or non – compliance (PC Classification) and Number of noncompliance trends i.r.t quality of effluent.

Theewaterskloof Municipality ranked 11th on the overall Provincial risk profile in 2013 with a low risk of 49%. The latest assessment for 2021 was concluded but the findings was not yet released.

In 2013 Green drop scores regressed for Botrivier, Caledon, Grabouw and Villiersdorp Waste Water Treatment Plants. Caledon, Grabouw and Villiersdorp was due to hydraulic overload of which the latter two's upgraded, Grabouw and Villiersdorp was completed. Caledon's upgrade is almost completed and construction at Greyton WWTW is also in progress.

Genadendal, Greyton and RSE Waste Water Treatment Plants performance improved although Greyton WWTW is still above 60% and is expected to increase.

Upgrades at Grabouw, Villiersdorp Waste Water Treatment plants will decrease the Critical Risk Rating. Caledon Waste Water Treatment plant has become a high risk. The upgrade commenced and will also decrease the Critical Risk Rating for Theewaterskloof Municipality once the upgrade is completed.

See table below for each town's individual risk rating as at 2014 which was done by the Department of Water and Sanitation. This was the last audit done by the Department. The Department is in process to appoint a service provider to resume the Blue and Green drop Programs after the long brake.

Theewaterskloof Municipality								
%CRR/CRRmax	100							
	90							
	80							
	70							
	60							
	50							
	40							
	30							
	20							
	10							
	0							
	Town	Botrivier	Caledon	Genadendal	Grabouw	Greyton	RSE	Villiersdorp
	Rating	41	71	18	59	65	29	65

## **9. Overview of Budget Related Policies**

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The following Budget-Related Policies have been approved by Council or have been reviewed and amended in line with National Guidelines and Legislation.

### **7.1. Tariff Policy**

The municipality wishes to achieve the following by adopting this policy:

1. To comply with the provisions of Section 74 of the Local Government: Municipal Systems Act, 2000 (MSA): the municipality must adopt and implement a Tariff Policy on the levying of fees for municipal services provided by municipality
2. To comply with Section 62(1) (f) of the MFMA which states that the Accounting Officer must ensure that a municipality has and implement a Tariff Policy
3. To prescribe Procedures and Principles (as defined in Section 74 (2) of the MSA for calculating tariffs where the municipality wishes to implement service providers in terms of Section 76(b) of the Act.
4. To give guidance regarding tariff proposals and calculations to provide a framework to determine fair, transparent and affordable charges that also promote sustainable service delivery.

The policy ensures a holistic and comprehensive overview on all the revenues / charges levied.

### **7.2. Credit Control and Debt Collection Policy**

This policy has been formulated and developed in order to comply with Section 96 - 98 of the Local Government: Municipal Systems Act, 2000 which states:

In terms of Section 96 of the MSA a municipality-

- (a) must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and
- (b) for this purpose, must adopt, maintain and implement a Credit Control and Debt Collection Policy which is consistent with its rates and tariff policies and complies with the provisions of the MSA.

This policy is also aimed at guiding officials in the legislative implementation of processes necessary to ensure optimal revenue generation and collection. Increased revenue forms the basis for effective service delivery, infrastructure development, and economic growth.

In line with the objective of creating a vibrant and growing municipality, the Credit Control, and Debt Collection Policy is also aligned to the Batho-Pele Principles.

### **7.4. Cash Management and Investment Policy**

In terms of Section 13 (2) of the Municipal Finance Management Act, 2003 the municipality must establish an appropriate and effective Cash Management and Investment Policy.

The objectives of the policy are to ensure optimal performance with the least possible risk, in managing and investing the cash resources of the municipality and to ensure transparency, accountability, and appropriate lines of responsibility.

### **7.5. Grant in Aid Policy**

A Grant in Aid Policy was developed and approved by council in 29 May 2018 in terms of Section 67 of the MFMA.

It deals with processes and procedure to be followed when the municipality allocates grants to other institutions in an equitable and transparent manner and in line with IDP Objectives.

Provisions and disclosure must be made for Allocations under consideration in the budget and other prescribed budget related documents for public comments.

Applications are made in line with Section 67 of the MFMA and the policy on a prescribed application form. The name of the institution, grant amount and description should be disclosed on the Grant Statement.

### **7.6. Asset Management Policy**

This policy has been designed to assist management and officials of the Theewaterskloof Municipality with the description and management procedures for Property, Plant and Equipment, Intangible Assets, and Investment Property.

It further aims to ensure that the assets of the municipality are properly accounted for, marked and to ensure that assets are utilized and maintained in an economic, effective, and efficient manner to ensure optimal utilization, value for money and sustainable service delivery.

### **7.7. Risk Management Policy**

Section 62 (1) of the MFMA requires that the Accounting Officer takes all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of Financial and Risk Management, of internal control and of internal audit as well as the effective, efficient, and economical use of the resources of the municipality.

The purpose of the Risk Management Policy is to enable the municipality not only to comply with legislation but also to manage risks by reducing/eliminating the likelihood and impact of risks in a pro-active, responsible and structured manner.

### **7.8. Virement Policy**

Virement is process of transferring funds from one line item to another within one vote with the approval of the relevant Senior Manager and CFO, to enable Budget Manager to transfer funds from one vote line-item with anticipated savings to another.

The aim is to improve financial controls over the processes and procedures of transferring funds and to ensure accountability and improved Budgetary Control.

### **7.9. Anti-Corruption Policy**

To ensure that the Municipality is in compliance with the Municipal Systems Act, Act No 32 of 2000 which requires the Municipality, amongst other things to develop and adopt appropriate systems and procedures that contribute to effective and efficient management of the municipality and its resources.

### **7.10. Funds and Reserves Policy**

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes. and
- Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced with if the funding sources have been considered, are available and have not been committed for other purposes.

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines in ensuring financial viability over both the short- and long term and includes funding- as well as reserves requirements.

#### **7.11. Short Term Insurance Policy**

The MFMA was introduced with the following objective:

- *The object of this Act is to secure sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for—*
  - a. ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities;*
  - b. the management of their revenues, expenditures, assets and liabilities and the handling of their financial dealings;*

The objective of this Short Term Insurance Management Policy is to ensure that the;

- municipality has transparent Insurance claim processes and procedures;
- general public are informed about the correct processes & procedures when filing a claim with the municipality;
- general public are aware of the required documentation when filing a claim with the municipality;
- managers and staff are aware of their responsibilities with regards to insurance management;
- managers and staff are informed about the correct processes & procedures when reporting;
- managers and staff are aware of the required documentation when filing a claim with the municipality;
- unions are informed about the correct processes & procedures;
- unions are aware of the required documentation;

All the above-mentioned Policies were approved by Council and are reviewed at least annually. The policies are available on the municipality's website.

#### **a) Policy on the Writing-Off of Irrecoverable Debt**

The purpose of this policy is to ensure that the principles and procedures for the writing-off of irrecoverable debt are formalised to ensure that consumers (especially households) are relieved of their spiral of debt.

## 10. Overview of Budget Assumptions

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**The Challenge** of the International, National and Local Economy is limited Resources versus unlimited needs. Theewaterskloof Municipality is no exception as the unlimited needs of the community as outlined in the IDP are far more than the limited revenue and resource capacity of the municipality. This is largely the reason for adopting Financial Viability as one of our long-term themes defined as improved sustainable revenue capacity versus sound financial resource management.

The Ministerial Advisory Committee defines **Financial Viability** as “the ability of a local authority to fulfil its constitutional and legislative responsibilities. Resources to fulfil these obligations are derived from both the Equitable Share received and distributed nationally, as well as the revenue a municipality can raise locally”.

### It is important to highlight the following assumptions:

#### **Expenditure:**

- **Salaries:**
  - Proposed salary increase based on inflation 4.9% plus a notch increase of 2.5% has been provided for in draft budget. Salary and Wage Collective agreement comes to an end on 30 June 2024.
- **Councillors Remuneration:**
  - 4% increase is budgeted for.
  - 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).
- **Eskom Bulk Electricity Tariff**
  - Bulk purchases will increase with 10% (With the final approval of NERSA)
- **Bulk Water Tariff:**
  - Overberg Water has announced a 8% increase in the bulk water price

#### **Revenue**

- **Tariffs& Revenue Projections:**
  - Tariffs must be cost-reflective as far as possible because any subsidisation places a burden on another group of consumers. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible.

Increases are as follows:

Particulars	2022/2023
Property Rates	9,79%
Water	8%
Sewerage	4,6%
Electricity (Subject to NERSA approval)	7,47%
Refuse removal	4,6%



- **Households**

It is assumed that the total number of households in the municipal area (the tax base) will stay stable during the financial year.

- **Collection rate for municipal services**

It is assumed that the collection rate (percentage of service charges recovered) for the financial year will be the same as the previous payment rate. In accordance with relevant legislation and national directives, the estimated revenue recovery rates are based on realistic and sustainable trends. The Municipality's collection rate is set at 87.9%. Adequate provision is made for non-recovery

- **Grants**

It is assumed that the National and Provincial grants as per the Division of Revenue Bill (DORA Bill) which has been included in the budget will be received during the 2022/23 financial year.

- **Indigents**

We provided for +/- 6 287 indigents households excl. the +/- 10 769 informal households. This figure seems to be realistic as there are many occupants of RDP Houses whether the beneficiaries or not who would qualify for Indigents Subsidy. Revenue Cost = R 44 million.

The following problem areas are key factors to be addresses to ensure that the municipality is financial viable:

- Subsidisation of rates funded services from trading services
- No contribution to a capital replacement reserve fund
- Productivity and Cost Cutting Measures
- Ageing Infrastructure and inadequate provision for repairs and maintenance
- Out-dated fiscal model and limited grant funding for the benefit of indigent communities only
- Institutional capacity and development sustainability
- Uncontrolled Influx of Indigent People
- Narrow Revenue Base of the municipality
- Lack of Accurate Data Required for Longer Term Financial Planning
- Unfunded/Underfunded Mandates

“**Mind the Gap**” has been identified in a previous financial year. It remains relevant as it is crucial to narrow the gap between the expectations of the departments, the wider community of TWK and the financial and other resource capacity of the municipality. This includes managing and reducing high stakeholder's/ community expectations and increasing capacity/ resources/ efficiency and effectiveness. First, it is important to determine/ assess the financial health and potential (where we are). Then match available resources and potential resources (including financial) against Service Delivery, Infrastructure and Capital Needs for the next years.

**Local Economic Development (LED)** is a very important focus area as we need to broaden our Revenue Capacity by developing in the area. The Successful implementation of the Local Economic Development Strategy is a very important to enhance the Financial Viability of the municipality as LED have a definite impact on job creation, development, etc.

The Primary Focus of LED is:

- Social and Economic Development and Tourism.
- Tourism promotion and destination marketing
- SMME Development and Support



## **Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2022/23 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors, such as Demographics, Socio-Economic and Financial Factors and Principles and planning strategies have informed the compilation of the 2022/23 MTREF:

- CPI
- Interest Rates
- Fuel Price
- Economic Growth
- Economic Recession/ Job Losses
- Councillor's and Officials' Remuneration
- Debt Collection Rate
- Tariff Adjustment
- Indigent Increase
- Informal Settlement Control
- Migration/ Population Increase
- Equitable Share
- Bulk Purchase Tariff Increase

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

## **Economic Growth**

This 2022/2023 budget has to be prepared at the back of what is happening in the local, national and international economy

## **The Local Economy**

The local economy of Theewaterskloof is not immune to the global and national economic conditions, in-fact as a rural municipality the effect of the worsening economic conditions will have a more detrimental impact on us which may be compounded by the drought.

## **Guideline from National Treasury to Strengthen Municipalities**

Government continues to invest in improving the financial capability of municipalities.

In the period ahead, National Treasury and provincial treasuries have agreed to focus their efforts on four "game changers":

- The new Municipal Standard Chart of Accounts, which was implemented from 1 July 2017, contributing to greater transparency and consistency of municipal finances.
- Targeted supply chain management interventions to achieve cost savings and combat fraud.
- Enhanced revenue management, including appropriate tariff-setting, regular billing and effective collection systems.
- Improved asset management, including adherence to 8 per cent of the value of assets being spent on their maintenance.

If we make progress in local financial management, we will transform the lives of millions of people.

## **Tariff Adjustment**

A “zero-base” approach to improve on tariff setting, ensuring that the principles of benefit received, cost of service and cost-recovery, affordability and sustainability is taken into consideration.

A briefing session was conducted and one-on-one sessions was held with Directorates Operations, Development and Technical Services and Town Managers on the 7th and the 8th of February 2022.

These engagements were dedicated to tariffs and the process of rationalization of services, identification of various categories of consumers, the level of services rendered/demanded and the levying of appropriate cost-recovery tariffs.

## **Factors impacting on Tariff Increases**

The following factors were taken into consideration when calculating proposed tariff increases:

- Affordability
- Economic Recession, Job Losses
- Councillors Remuneration
- Personnel Cost
- Escalating Fuel Prices
- Economic Indicators (CPI, Interest Rates)
- Escalating Bulk Purchases Prices (Water and Electricity)
- Increasing Indigents
- Electricity Bulk Price Increases (Eskom)
- Repairs and Maintenance
- Willingness and Ability to Pay
  - ✓ The Level/Standard of Service: the higher the level and standard, the higher the tariffs.
  - ✓ Benefit Received
  - ✓ Affordability
  - ✓ Reputation: Good Governance
  - ✓ Good Service Delivery also ensures improved willingness to pay
  - ✓ Recover of Capital and Usage Costs

## **Deliverables**

- The possibilities of Rationalisation of Tariffs (number reduced)
- Tariffs and Tariff Policy simplified for easy understanding and enhanced transparency.
- Service Delivery Cost fully calculated and tariffs should reflect full cost.
- Tariff Setting ensures the Sustainability of Services.
- Tariff Policy must reflect the Financial Strategies.

## **Tariff Goals**

- Revenue Sufficiency
- Affordability of services
- Promoting local economic development
- Wasteful use of service discourages
- Rate of return on assets (in order to ensure allowance is made for the future expansion of infrastructure)

### **Equitable Share**

The Equitable Share increased from **R 106 million** in 2021/22 to **R 120 million** 2022/23.

<b>Years</b>	<b>Equitable share '000</b>	<b>Indigent subsidy '000</b>	<b>Subsidy as a % of Equitable Share</b>
2018/2019	87 385	26 039	30%
2019/2020	95 274	25 281	27%
2020/2021	103 419	36 324	35%
2021/2022	106 976	38 802	36%
2022/2023	120 101	43 675	36%

It is anticipated that Free Basic Services will cost the municipality R 44 million in 2022/23. The budgeted amount does not include the cost of R 12 million for the ± 10 769 informal settlements.

### **Indigent Subsidy**

The number of indigent Households is projected to increase. This anticipated increase is mainly caused by high levels of unemployment in the Theewaterskloof region, Agricultural Seasonal Employment and Influx of Indigent people seeking greener pastures. This trend will have a significant impact on the Equitable Share Grant Allocation.

### **Informal Settlement Control**

It is evident that squatter control is becoming an unavoidable issue which needs to be managed more pro-effectively. The municipality is actively pursuing ideas to establish a squatter control unit to address this issue.

### **Migration/ Population Increase**

According to the census 2001 Theewaterskloof had a population of 93,276, and the results of the 2011 census the population is 108,790 which shows an estimated increase of 14%.

The population growth is especially in the Grabouw and Villiersdorp. Farms is due to the agriculture sector being one of the major economic activities in TWK. The agriculture sector, more intensively in the Fruit production is labour-intensive and seasonal. These farm workers are only economically active for a certain period of the year and can contribute to revenue (municipal service) only during that period.

The result of the increase in the population is that there is an increase pressure on our public services such as Clinics, Law Enforcement, and our infrastructure and land availability for houses.

### **Community Consultation**

The draft 2022/23 MTREF was tabled before Council on 30 March 2022 for community consultation, the draft budget was published on the municipality's website, and advertise in the local newspaper. A summary document of the budget was distributed via social media to make the public aware of the draft budget which was approve and it is open for public comments.

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

## 11. Overview of Budget and Funding

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In terms of Section 18 of the Municipal Finance Management Act, an Annual Budget may only be funded from:

- Realistically anticipated revenues to be collected
- Cash backed accumulated funds from previous years surpluses not committed for other purposes
- Borrowed funds, but only for the Capital Budget (Fixed assets, Infrastructure, Property, Plant and Equipment)

The budget recognizes compliance to the following:

- Credible, consistent and responsive to the municipality's IDP
- Funded and achievable in terms of service delivery
- Institutional Needs Analyses and takes into consideration Risk Analyses, Internal, and External Factors impacting on service delivery.
- Contains Revenue and Expenditure Projections that are consistent with current and past year performances.
- The municipality has overcome all the major obstacles which had an impact on its capacity to spend its budget and render services. These include blockages in the form of staff, policies, procedures, and processes.
- Does not jeopardize the Financial Viability of the municipality.

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 water, electricity, sanitation and solid waste removal and property rates.

Revenue was based on:

- Growth in the municipality and economic development
- Revenue management and enhancement
- Achievement of 89 per cent annual collection rate for consumer revenue
- Electricity tariff increase within the National Electricity Regulator of South Africa (NERSA) approval
- Changes in consumer behaviour in response to drought and utility price increases. 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
- 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.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R 291 million for the 2022/23 financial year and increasing to R 326 million for the 2024/25 financial year

Operational grants and subsidies amount to R 146 million, R 176 million and R 220 million for each of the respective financial years of the MTREF.

Investment revenue actual performance will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

#### Monetary investments by type (Table SA15)

WC031 Theewaterskloof - Supporting Table SA15 Investment particulars by type									
Investment type	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
<b>R thousand</b>									
<b>Parent municipality</b>									
Securities - National Government	-	-	-	-	-	-	-	-	-
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	13 501	10 906	59 418	65 906	67 483	67 483	68 107	68 762	69 450
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	<b>13 501</b>	<b>10 906</b>	<b>59 418</b>	<b>65 906</b>	<b>67 483</b>	<b>67 483</b>	<b>68 107</b>	<b>68 762</b>	<b>69 450</b>
<b>Entities</b>									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>	<b>13 501</b>	<b>10 906</b>	<b>59 418</b>	<b>65 906</b>	<b>67 483</b>	<b>67 483</b>	<b>68 107</b>	<b>68 762</b>	<b>69 450</b>

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

Detail of borrowings (Table SA17)

Borrowing - Categorised by type	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
<b>Parent municipality</b>									
Annuity and Bullet Loans	66 325	59 015	69 385	158 931	115 214	115 214	186 643	260 044	292 645
Long-Term Loans (non-annuity)	-	-	-	-	-	-	-	-	-
Local registered stock	16 023	16 023	14 470	14 470	14 470	14 470	14 470	8 470	8 470
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	-	-	-	-	-	-
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	-	-	-	-	-	-	-	-	-
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	<b>82 348</b>	<b>75 038</b>	<b>83 855</b>	<b>173 400</b>	<b>129 684</b>	<b>129 684</b>	<b>201 113</b>	<b>268 514</b>	<b>301 114</b>
<b>Entities</b>									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowing</b>	<b>82 348</b>	<b>75 038</b>	<b>83 855</b>	<b>173 400</b>	<b>129 684</b>	<b>129 684</b>	<b>201 113</b>	<b>268 514</b>	<b>301 114</b>
<b>Unspent Borrowing - Categorised by type</b>									
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)	-	-	-	-	-	-	-	-	-
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	-	-	-	-	-	-
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	-	-	-	-	-	-	-	-	-
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Entities</b>									
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Unspent Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 1.3 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 the ability for councillors and management to understand. 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 provide 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).

Budget cash flow statement (Table A7)

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
<b>R thousand</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates	100 520	103 740	117 331	105 721	110 768	110 768	110 768	121 615	128 912	136 646
Service charges	189 973	201 304	218 112	235 219	239 135	239 135	239 135	255 509	270 840	287 090
Other revenue	41 365	28 928	23 395	21 231	22 288	22 288	22 288	31 182	33 053	35 036
Transfers and Subsidies - Operational	136 006	87 354	136 872	142 866	142 880	142 880	142 880	146 021	175 648	219 780
Transfers and Subsidies - Capital	34 341	46 393	39 729	95 184	76 326	76 326	76 326	49 882	80 257	37 778
Interest	10 659	12 236	8 098	30 070	21 686	21 686	21 686	29 950	31 747	33 652
Dividends	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees	(373 421)	(381 477)	(432 429)	(501 834)	(483 679)	(483 679)	(483 679)	(537 052)	(569 888)	(603 930)
Finance charges	(8 683)	(9 000)	(9 827)	(11 351)	(11 351)	(11 351)	(11 351)	(15 621)	(17 964)	(20 658)
Transfers and Grants	(2 642)	(4 270)	(3 224)	(16 399)	(14 683)	(14 683)	(14 683)	(8 735)	(29 162)	(63 265)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>128 117</b>	<b>85 209</b>	<b>98 057</b>	<b>100 707</b>	<b>103 370</b>	<b>103 370</b>	<b>103 370</b>	<b>72 751</b>	<b>103 443</b>	<b>62 129</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE	780	313	817	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(932)	2 596	(982)	-	(594)	(594)	(594)	(624)	(655)	(688)
<b>Payments</b>										
Capital assets	(63 810)	(72 020)	(85 599)	(181 136)	(154 805)	(154 805)	(154 805)	(158 778)	(199 103)	(117 622)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(63 962)</b>	<b>(69 111)</b>	<b>(85 765)</b>	<b>(181 136)</b>	<b>(155 399)</b>	<b>(155 399)</b>	<b>(155 399)</b>	<b>(159 402)</b>	<b>(199 758)</b>	<b>(118 310)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	10 420	-	22 094	62 750	57 829	57 829	57 829	91 234	100 790	71 279
Increase (decrease) in consumer deposits	(82)	14	68	257	242	242	242	254	266	280
<b>Payments</b>										
Repayment of borrowing	(7 454)	(7 864)	(9 552)	(7 879)	(10 854)	(10 854)	(10 854)	(18 805)	(28 389)	(33 678)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>2 885</b>	<b>(7 850)</b>	<b>12 610</b>	<b>55 127</b>	<b>47 217</b>	<b>47 217</b>	<b>47 217</b>	<b>72 683</b>	<b>72 667</b>	<b>37 880</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>67 040</b>	<b>8 248</b>	<b>24 901</b>	<b>(25 301)</b>	<b>(4 813)</b>	<b>(4 813)</b>	<b>(4 813)</b>	<b>(13 968)</b>	<b>(23 648)</b>	<b>(18 300)</b>
Cash/cash equivalents at the year begin:	63 901	130 940	139 189	112 431	164 090	164 090	164 090	159 277	145 309	121 662
Cash/cash equivalents at the year end:	130 940	139 189	164 090	87 129	159 277	159 277	159 277	145 309	121 662	103 361

## 1.4 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. 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.



## Cash backed reserves/accumulated surplus reconciliation (Table A8)

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
<b>R thousand</b>										
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	130 940	139 189	164 090	87 129	159 277	159 277	159 277	145 309	121 662	103 361
Other current investments > 90 days	13 260	0	(0)	(0)	(0)	(0)	(0)	0	0	0
Non current assets - Investments	241	10 906	11 888	10 906	12 483	12 483	12 483	13 107	13 762	14 450
<b>Cash and investments available:</b>	<b>144 441</b>	<b>150 094</b>	<b>175 978</b>	<b>98 035</b>	<b>171 760</b>	<b>171 760</b>	<b>171 760</b>	<b>158 416</b>	<b>135 424</b>	<b>117 812</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers	-	-	-	1 858	7 409	7 409	7 409	7 409	7 409	7 409
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	44 931	28 586	28 822	17 975	33 423	33 423	33 423	31 741	29 872	27 890
Other provisions	-	-	-	10 424	28 159	28 159	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	20 822	24 267	37 220	24 267	37 220	37 220	37 220	-	-	-
<b>Total Application of cash and investments:</b>	<b>65 753</b>	<b>52 853</b>	<b>66 042</b>	<b>54 523</b>	<b>106 211</b>	<b>106 211</b>	<b>78 052</b>	<b>39 150</b>	<b>37 281</b>	<b>35 299</b>
<b>Surplus(shortfall)</b>	<b>78 689</b>	<b>97 241</b>	<b>109 936</b>	<b>43 512</b>	<b>65 549</b>	<b>65 549</b>	<b>93 708</b>	<b>119 266</b>	<b>98 143</b>	<b>82 513</b>

From the above table it can be seen that the cash and investments available total R 158 million in the 2022/23 financial year and decrease to R 118 million by 2024/25, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.
- There is no unspent borrowing from the previous financial years. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. It needs to be noted that, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.
- Other provision liability is informed by, amongst others, the supplementary pension liability.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites and quarries.



The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

## 1.5 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.

Funding compliance measurement (Table SA10)

Description	MFMA section	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
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	130 940	139 189	164 090	87 129	159 277	159 277	159 277	145 309	121 662	103 361
Cash + investments at the yr end less applications - R'000	18(1)b	78 689	97 241	109 936	43 512	65 549	65 549	93 708	119 266	98 143	82 513
Cash year end/monthly employee/supplier payments	18(1)b	3,7	3,8	4,3	2,0	3,7	3,7	3,7	3,2	2,5	2,0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	85 343	80 316	50 185	84 590	48 657	48 657	48 657	31 173	59 983	15 910
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	2,4%	0,2%	1,2%	(6,9%)	(6,0%)	(6,0%)	1,8%	(0,0%)	0,0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	77,8%	80,9%	85,8%	79,0%	81,1%	81,1%	81,1%	82,2%	82,2%	82,2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	22,8%	19,6%	16,8%	16,0%	19,6%	19,6%	19,6%	14,7%	14,7%	14,7%
Capital payments % of capital expenditure	18(1)c;19	82,9%	91,5%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	36,0%	0,0%	44,4%	73,0%	75,0%	75,0%	75,0%	83,8%	84,8%	89,3%
Grants % of Govt. legislated/gazetted allocations	18(1)a								100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	11,9%	(6,8%)	43,9%	(36,6%)	0,0%	0,0%	9,8%	9,4%	9,1%
Long term receivables % change - incr(decr)	18(1)a	N.A.	1143115,0%	105,7%	(51,4%)	105,7%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	11,4%	10,6%	11,7%	11,0%	11,8%	11,8%	11,8%	10,5%	9,8%	9,7%
Asset renewal % of capital budget	20(1)(vi)	3,4%	7,9%	7,8%	24,2%	27,6%	27,6%	0,0%	9,2%	5,4%	11,1%

### 1.5.1.1 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.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2022/23 MTREF shows R 145 million, R 122 million and R 103 million for each respective financial year.

#### *1.5.1.2 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 A8. 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.

#### *1.5.1.3 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. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. The ratio for the period 2022/23 is 3.2 decreasing to 2.5 and 2.0 over the outer years of the MTREF. Currently it is estimated that the municipality will have 2 months cash available (2022/23). This measure will have to be carefully monitored going forward.

#### *1.5.1.4 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. For the 2022/23 MTREF the indicative outcome is a surplus excluding depreciation off sets of R 31 million, R 60 million and R 16 million.

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.

#### *1.5.1.5 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.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above the percentage for the 2022/23 MTREF is 1.8% and decrease to 0% for the outer years. The outcome is lower than it should be due to the slowdown

in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

**1.5.1.6      *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. It can be seen that the outcome is at 82.2 per cent each of the respective financial years. Given that the assumed collection rate for rates and service charges was based on an 87.9 per cent performance target, the cash flow statement has been conservatively determined.

**1.5.1.7      *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. The provision has been appropriated at 14.7 per cent over the MTREF.

**1.5.1.8      *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.

**1.5.1.9      *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. It can be seen that borrowing equates to 83.8 per cent of own funded capital.

**1.5.1.10      *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.

**1.5.1.11      *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. The ratio reflected in 2022/23 financial year for current consumer debtors is 9.8% and long term receivables percentage change are 0%.

#### *1.5.1.12 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table SA34C. As previously illustrated the municipality has a relatively low expenditure percentage on Repairs and Maintenance.

#### *1.5.1.13 Asset renewal/rehabilitation expenditure level*

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

## 12. Expenditure on allocations and grant programmes

Expenditure on allocations and grant programmes (Table SA19)

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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>									
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>94 488</b>	<b>103 684</b>	<b>127 080</b>	<b>117 097</b>	<b>116 966</b>	<b>116 966</b>	<b>128 209</b>	<b>136 839</b>	<b>146 620</b>
Local Government Equitable Share	87 385	95 587	118 783	106 976	106 976	106 976	120 101	129 283	139 255
Expanded Public Works Programme [Schedule 5B]	1 451	1 781	1 924	1 721	1 721	1 721	2 059	–	–
Local Government Financial Management Grant [Schedule 5B]	1 700	1 698	1 702	1 610	1 610	1 610	1 650	1 700	1 700
Municipal Infrastructure Grant [Schedule 5B]	3 904	3 892	3 550	5 079	5 079	5 079	4 399	4 553	4 196
Integrated National Electrification Programme [Schedule 5B]	–	654	652	929	929	929	–	782	817
Energy Efficiency and Demand Side Management	–	–	469	457	326	326	–	521	652
Municipal Disaster Relief Fund	49	72	–	–	–	–	–	–	–
Water Services Infrastructure Grant	–	–	–	326	326	326	–	–	–
	<b>21 179</b>	<b>9 907</b>	<b>10 359</b>	<b>25 770</b>	<b>27 552</b>	<b>27 552</b>	<b>17 812</b>	<b>38 809</b>	<b>73 160</b>
<b>Provincial Government:</b>									
Municipal Capacity Building	336	506	473	550	757	757	–	–	–
Community Development Workers	37	97	170	132	237	237	112	112	112
Human Settlement Development	11 593	–	–	15 779	14 063	14 063	7 740	28 107	62 147
Library Service	7 823	8 123	9 044	9 029	10 212	10 212	9 780	10 260	10 721
Maintenance of Main Roads	113	81	130	130	130	130	180	180	180
Western Cape Municipal Interventions Grant	–	–	–	150	150	150	–	–	–
Regional socio economic projects	–	–	–	–	–	–	–	–	–
FMSG: Strategic planning/survey	–	300	–	–	396	396	–	–	–
FMSG: Revenue Enhancement	550	–	4	–	–	–	–	–	–
FMSG: mSCOA	330	–	149	–	–	–	–	–	–
FMSG: Long-Term Financial Plan	332	–	–	–	–	–	–	–	–
Local Government Support Grant	–	800	–	–	–	–	–	–	–
LG Public Employment Support Grant	–	–	–	–	1 600	1 600	–	–	–
Thusing Centre	64	–	150	–	–	–	–	150	–
Development of Sport and Recreation Facilities	–	–	238	–	7	7	–	–	–
	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>90</b>	<b>90</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>District Municipality:</b>									
Safety Audit & Safety Plan Grant (ODM)	–	–	–	–	90	90	–	–	–
	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other grant providers:</b>	<b>448</b>	<b>936</b>	<b>342</b>	<b>–</b>	<b>263</b>	<b>263</b>	<b>–</b>	<b>–</b>	<b>–</b>
SETA	443	370	342	–	213	213	–	–	–
DBSA Local Economic Development	–	566	–	–	–	–	–	–	–
Economic Development	5	–	–	–	–	–	–	–	–
DBSA	–	–	–	–	50	50	–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>	<b>116 115</b>	<b>114 527</b>	<b>137 782</b>	<b>142 866</b>	<b>144 871</b>	<b>144 871</b>	<b>146 021</b>	<b>175 648</b>	<b>219 780</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>22 589</b>	<b>26 874</b>	<b>27 139</b>	<b>41 972</b>	<b>41 103</b>	<b>–</b>	<b>25 347</b>	<b>35 057</b>	<b>37 778</b>
Municipal Infrastructure Grant [Schedule 5B]	22 024	22 363	19 563	30 523	30 523	–	25 329	26 360	27 978
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	326	4 365	4 348	6 191	6 191	–	–	5 218	5 452
Energy Efficiency and Demand Side Management	–	–	3 078	3 043	2 174	–	–	3 479	4 348
Local Government Financial Management Grant [Schedule 5B]	–	–	–	40	40	–	–	–	–
Expanded Public Works Programme [Schedule 5B]	–	–	–	–	–	–	18	–	–
Public Works	–	146	–	–	–	–	–	–	–
Water Services Infrastructure Grant	–	–	–	2 174	2 174	–	–	–	–
Emergency Disaster Relief Grant	240	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant	–	–	150	–	–	–	–	–	–
	<b>11 722</b>	<b>17 875</b>	<b>8 685</b>	<b>48 790</b>	<b>36 168</b>	<b>36 168</b>	<b>22 535</b>	<b>45 200</b>	<b>–</b>
<b>Provincial Government:</b>									
Library Service	234	25	206	890	1 716	1 716	35	–	–
Human Settlements	11 112	16 348	5 693	47 200	33 173	33 173	21 500	45 200	–
Western Cape Municipal Interventions Grant	–	–	–	700	–	–	–	–	–
Municipal Service Delivery and Capacity Building Grant	–	–	–	–	700	700	–	–	–
Regional socio economic projects	–	–	53	–	447	447	1 000	–	–
FMSG: Strategic planning/survey	–	–	–	–	19	19	–	–	–
Drought Relief	–	–	1 875	–	–	–	–	–	–
Municipal Drought Relief (PT)	–	112	–	–	–	–	–	–	–
Municipal Capacity and Service Delivery Grant (Elec)	–	–	858	–	–	–	–	–	–
Municipal Capacity Building	–	1 390	–	–	–	–	–	–	–
Development of Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
LG Public Employment Support Grant	–	–	–	–	–	–	–	–	–
Sport and Recreation	376	–	–	–	–	–	–	–	–
Emergency Disaster Relief Grant	–	–	–	–	113	113	–	–	–
	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>District Municipality:</b>									
Safety Audit & Safety Plan Grant (ODM)	–	–	–	–	–	–	–	–	–
	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other grant providers:</b>	<b>30</b>	<b>–</b>	<b>–</b>	<b>4 421</b>	<b>450</b>	<b>450</b>	<b>2 000</b>	<b>–</b>	<b>–</b>
SANRAL	30	–	–	4 421	–	–	2 000	–	–
DBSA	–	–	–	–	450	450	–	–	–
<b>Total capital expenditure of Transfers and Grants</b>	<b>34 341</b>	<b>44 749</b>	<b>35 824</b>	<b>95 184</b>	<b>77 720</b>	<b>36 618</b>	<b>49 882</b>	<b>80 257</b>	<b>37 778</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>150 456</b>	<b>159 276</b>	<b>173 605</b>	<b>238 050</b>	<b>222 591</b>	<b>181 488</b>	<b>195 903</b>	<b>255 905</b>	<b>257 558</b>

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

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
<b>Councillors</b>							
Speaker	1	789 717	-	48 947			838 664
Chief Whip	-	-	-	-			-
Executive Mayor	1	987 380	-	48 947			1 036 327
Deputy Executive Mayor	1	789 717	-	48 947			838 664
Executive Committee	5	3 667 171	-	277 805			3 944 976
Total for all other councillors	19	5 958 314	-	1 075 319			7 033 633
<b>Total Councillors</b>	<b>27</b>	<b>12 192 299</b>	<b>-</b>	<b>1 499 965</b>			<b>13 692 264</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)	1	1 284 723	-	396 895	-		1 681 618
Chief Finance Officer	1	1 023 940	220 312	131 995	-		1 376 247
Director Development and Community Services	2	2 472 160	-	289 166	-		2 761 326
Director Technical Services and Planning	1	1 236 080	-	144 583	-		1 380 663
<i>List of each official with packages &gt;= senior manager</i>							
<b>Total Senior Managers of the Municipality</b>	<b>5</b>	<b>6 016 903</b>	<b>220 312</b>	<b>962 639</b>	<b>-</b>		<b>7 199 854</b>
<b>A Heading for Each Entity</b>							
List each member of board by designation							
<b>Total for municipal entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>32</b>	<b>18 209 202</b>	<b>220 312</b>	<b>2 462 604</b>	<b>-</b>		<b>20 892 118</b>

## Summary councillor and staff benefits (Table SA22)

Summary of Employee and Councillor remuneration	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
	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	9 606	10 177	10 171	11 486	10 494	10 494	12 056	12 780	13 546
Pension and UIF Contributions	82	85	88	99	99	99	-	-	-
Medical Aid Contributions	54	20	-	98	98	98	-	-	-
Motor Vehicle Allowance	777	719	692	823	387	387	178	189	200
Cellphone Allowance	1 188	1 192	1 197	1 343	1 343	1 343	1 322	1 401	1 485
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>	<b>11 707</b>	<b>12 194</b>	<b>12 148</b>	<b>13 849</b>	<b>12 420</b>	<b>12 420</b>	<b>13 556</b>	<b>14 370</b>	<b>15 232</b>
<b>% increase</b>		<b>4,2%</b>	<b>(0,4%)</b>	<b>14,0%</b>	<b>(10,3%)</b>	<b>-</b>	<b>9,2%</b>	<b>6,0%</b>	<b>6,0%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3 245	2 122	1 133	4 519	4 071	4 071	5 349	5 670	6 010
Pension and UIF Contributions	445	324	-	9	10	10	174	184	195
Medical Aid Contributions	50	-	-	55	55	55	58	61	65
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	484	479	(22)	444	482	482	512	543	575
Motor Vehicle Allowance	108	-	-	534	591	591	869	921	977
Cellphone Allowance	17	-	-	90	99	99	94	99	105
Housing Allowances	13	-	-	-	-	-	-	-	-
Other benefits and allowances	9	1	-	57	62	62	85	90	96
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 372</b>	<b>2 926</b>	<b>1 111</b>	<b>5 709</b>	<b>5 371</b>	<b>5 371</b>	<b>7 140</b>	<b>7 569</b>	<b>8 023</b>
<b>% increase</b>		<b>(33,1%)</b>	<b>(62,0%)</b>	<b>414,0%</b>	<b>(5,9%)</b>	<b>-</b>	<b>32,9%</b>	<b>6,0%</b>	<b>6,0%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	128 521	138 849	150 044	165 985	154 432	154 432	179 807	190 596	202 031
Pension and UIF Contributions	21 763	23 403	25 108	28 556	28 026	28 026	31 183	33 054	35 037
Medical Aid Contributions	6 811	7 634	8 338	8 854	8 834	8 834	8 947	9 484	10 053
Overtime	7 645	8 276	8 087	9 041	9 051	9 051	9 710	10 292	10 910
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	8 726	-	8 783	8 376	8 376	8 376	10 801	11 449	12 136
Cellphone Allowance	655	784	725	910	910	910	801	849	900
Housing Allowances	1 640	1 647	1 833	1 936	1 936	1 936	880	932	988
Other benefits and allowances	7 496	16 571	9 119	7 573	7 570	7 570	8 171	8 662	9 181
Payments in lieu of leave	1 461	4 372	1 713	1 489	1 489	1 489	1 500	1 590	1 685
Long service awards	708	973	981	1 315	1 315	1 315	1 615	1 712	1 815
Post-retirement benefit obligations	3 029	2 120	1 791	14 423	14 423	14 423	14 500	15 370	16 292
<b>Sub Total - Other Municipal Staff</b>	<b>188 454</b>	<b>204 629</b>	<b>216 522</b>	<b>248 458</b>	<b>236 362</b>	<b>236 362</b>	<b>267 916</b>	<b>283 991</b>	<b>301 030</b>
<b>% increase</b>		<b>8,6%</b>	<b>5,8%</b>	<b>14,7%</b>	<b>(4,9%)</b>	<b>-</b>	<b>13,3%</b>	<b>6,0%</b>	<b>6,0%</b>
<b>Total Parent Municipality</b>	<b>204 533</b>	<b>219 749</b>	<b>229 781</b>	<b>268 016</b>	<b>254 153</b>	<b>254 153</b>	<b>288 612</b>	<b>305 929</b>	<b>324 285</b>
		<b>7,4%</b>	<b>4,6%</b>	<b>16,6%</b>	<b>(5,2%)</b>	<b>-</b>	<b>13,6%</b>	<b>6,0%</b>	<b>6,0%</b>
<b>Board Members of Entities</b>									
<b>Sub Total - Board Members of Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Senior Managers of Entities</b>									
<b>Sub Total - Senior Managers of Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Staff of Entities</b>									
<b>Sub Total - Other Staff of Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Municipal Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>204 533</b>	<b>219 749</b>	<b>229 781</b>	<b>268 016</b>	<b>254 153</b>	<b>254 153</b>	<b>288 612</b>	<b>305 929</b>	<b>324 285</b>
<b>% increase</b>		<b>7,4%</b>	<b>4,6%</b>	<b>16,6%</b>	<b>(5,2%)</b>	<b>-</b>	<b>13,6%</b>	<b>6,0%</b>	<b>6,0%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>192 826</b>	<b>207 555</b>	<b>217 633</b>	<b>254 167</b>	<b>241 733</b>	<b>241 733</b>	<b>275 056</b>	<b>291 559</b>	<b>309 053</b>

## Summary of personnel numbers (Table SA24)

Summary of Personnel Numbers		2020/21			Current Year 2021/22			Budget Year 2022/23		
Number		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		27	–	–	27	–	–	27	–	–
Board Members of municipal entities		–	–	–	–	–	–	–	–	–
<b>Municipal employees</b>										
Municipal Manager and Senior Managers		4	–	3	5	–	2	5	1	2
Other Managers		33	29	1	43	40	–	43	40	–
Professionals		188	183	2	194	187	1	197	189	1
Finance		6	6	–	7	6	–	7	6	–
Spatial/town planning		13	11	2	18	15	–	18	15	–
Information Technology		4	3	–	4	3	1	4	3	1
Roads		33	32	–	33	32	–	33	32	–
Electricity		21	20	–	21	20	–	24	22	–
Water		45	45	–	45	45	–	45	45	–
Sanitation		19	19	–	19	19	–	19	19	–
Refuse		11	11	–	11	11	–	11	11	–
Other		36	36	–	36	36	–	36	36	–
Technicians		136	130	21	149	139	7	153	143	7
Finance		75	72	6	88	81	5	92	85	5
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		16	16	–	16	16	2	16	16	2
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		45	42	15	45	42	–	45	42	–
Clerks (Clerical and administrative)		51	51	3	51	51	3	51	51	–
Service and sales workers		72	66	5	72	59	4	77	73	4
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		38	38	–	38	38	–	38	38	–
Elementary Occupations		136	132	121	142	138	119	142	134	–
<b>TOTAL PERSONNEL NUMBERS</b>		<b>685</b>	<b>629</b>	<b>156</b>	<b>721</b>	<b>652</b>	<b>136</b>	<b>733</b>	<b>669</b>	<b>14</b>
<b>% increase</b>					5,3%	3,7%	(12,8%)	1,7%	2,6%	(89,7%)
<b>Total municipal employees headcount</b>		<b>685</b>	<b>629</b>	<b>156</b>	<b>721</b>	<b>652</b>	<b>136</b>	<b>733</b>	<b>669</b>	<b>14</b>
Finance personnel headcount		81	78	6	95	87	5	99	91	5
Human Resources personnel headcount		7	7	–	7	7	1	7	7	1



### **13. Annual Budgets and Service delivery and Budget Implementation plans- Internal Departments**

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The Functional performance of the municipality provides comprehensive information on the implementation of the SDBIP and the relevant Functional Area reporting schedule:

- a. A detailed departmental SDBIP will be available on the website of TWK Municipality.

The functional breakdown per Directorate is as follows:

#### **Corporate Service:**

##### **Legal Advisory**

- Both the Director and deputy Director Corporate Services are the Legal Officers for the organisation and provide legal support to all Directorates

##### **Administration**

- Give administrative support to the Council and its political structures
- Corporate support for other Directorates and Town offices
- Provision of secretariat services to all directorates
- The management of the municipality's incoming and outgoing mail including the distribution and dispatch of correspondence to and from the public
- The management of access to records
- The management of Security and Cleaning Services

##### **Human Resources**

- Ensuring a skilled workforce through training and selection
- Ensuring sound HR administration
- Ensuring an informed labour force by practicing sound labour relations
- Ensuring a sound organisational structure

##### **Information Technology**

- The Information Technology department serves as support function for the whole of the organization:
- Maintaining the IT and communication Infrastructure
- Facilitate the integration of information systems
- Establishing and maintaining proper backup procedures and systems
- Ensuring information security

#### **Development Services:**

##### **Integrated Development Planning**

This department provides a unique support service to all departments, community and council. It is responsible for the coordination and management of the IDP process, Organisational Performance Management, Annual Reporting, Service Delivery and Budget Implementation Plan, and Social Development

##### **Local Economic Development (LED) and Tourism**

- Create an enabling environment for economic development
- Increase economic opportunities for people
- Promote intergovernmental collaboration

- Build local Capacity
- Encourage PPP in Local economic Development
- Monitor and evaluate LED strategy.
- Capacitate SMME's

#### **Housing and Integrated Human Settlement**

- The function of this department is to facilitate, manage and maintain low cost housing development within the Theewaterskloof Municipality

#### **Property Management**

- The Property Management section has to ensure that Municipal owned immovable assets are managed efficiently, effectively and economically and are dealt with in a manner which will ensure the maximum benefit to the municipality and the community

### **Financial Services:**

#### **Expenditure and Supply Chain Management**

- Salaries: Implementation of approved payroll, paying of salaries, allowances and accounting for payroll implementation
- Creditors: Payment and recording of creditors' payments and reconciliations
- Supply Chain Management: Responsible for the Administration and Management of Procurement of goods and services (i.e. Acquisition Management in particular)
- Bank Reconciliation
- Administration and Management of Investments
- Administration and Management of Loans
- Maintain Professionalism, Honesty, Integrity and Internal Controls

#### **Revenue Management**

- Facilitation and application for Municipal Services
- Debtors Billing Administration and Management
- Meter Reading
- Administration of Clearance Certificates
- Rendering of Monthly Consumer / Rates Debtors Accounts
- Debtors Customer Care and Query Administration
- Receipting and bank revenue management
- Credit Control, Debt Collection and Indigents Management
- Maintain Professionalism, Honesty, Integrity and Internal Controls

#### **Budget Office**

- Budget
- In-year Reporting
- Annual Financial Statements,
- Budgetary Management and Control
- Asset Management
- Insurance Management
- Costing Services (commenced in September 2009)
- Financial Viability
- Co-ordinate Financial Policy Formulation
- Financial Management Workshops under leadership of CFO

- Maintain Professionalism, Honesty, Integrity and Internal Controls

## **Technical Service:**

### **Water Distribution and Treatment**

- (Supply potable water in accordance with (SABS 241) to the residents within its jurisdiction. In terms of Schedule 4B of the Constitution: "Water and Sanitation Services limited to potable water supply systems")

### **Roads**

- The Theewaterskloof Municipality is responsible for the roads and storm water reticulation within the towns of the WC031 established municipal area. The Roads and Storm water Division functions as a division on its own headed by the Assistant manager of each town. This unit has 85 trained technical, artisans and other operational staff

### **Electricity Distribution**

The electricity purchase and distribution functions of the municipality are administered as follows and include:

- The effective and efficient distribution and reticulation of energy in the following towns (Caledon, Villiersdorp, Greyton and Riviersonderend. Grabouw, Genadendal, Tesselaarsdal, Botrivier and Middleton reside within Eskom jurisdiction)
- Distribute electricity subject to the license conditions set by NERSA

### **Electricity/Street lighting**

- Provide adequate street lighting for urban areas
- Maintain/Repair of faulty street lights
- Upgrade of existing services as well as new developments
- These services extend to include Theewaterskloof (Caledon, Greyton, Riviersonderend and Villiersdorp, but do not take account rural areas such as Tesselaarsdal, Botrivier, Grabouw, Genadendal which resides within the jurisdiction of provincial Government

### **Waste Water Management (Sewerage)**

- TheewaterskloofMunicipality provides sewerage collection systems, comprising water borne sewer networks, bucket removal system and vacuum tanker service where necessary, and treats the collected effluent at 7 sewage treatment plants. Further services include the provision and maintenance of communal toilets in informal areas

### **Solid Waste Management**

- Theewaterskloof municipality is responsible for the day to day operations in every town and for the removal and collection of the waste, cleaning of road reserves and most public open places. There are three Transfer-stations in the Municipal jurisdiction, one in Grabouw, Villiersdorp and the other in Botriver. Caledon has a licensed waste site but Genadendal, Greyton and Riviersonderend is not permitted yet.

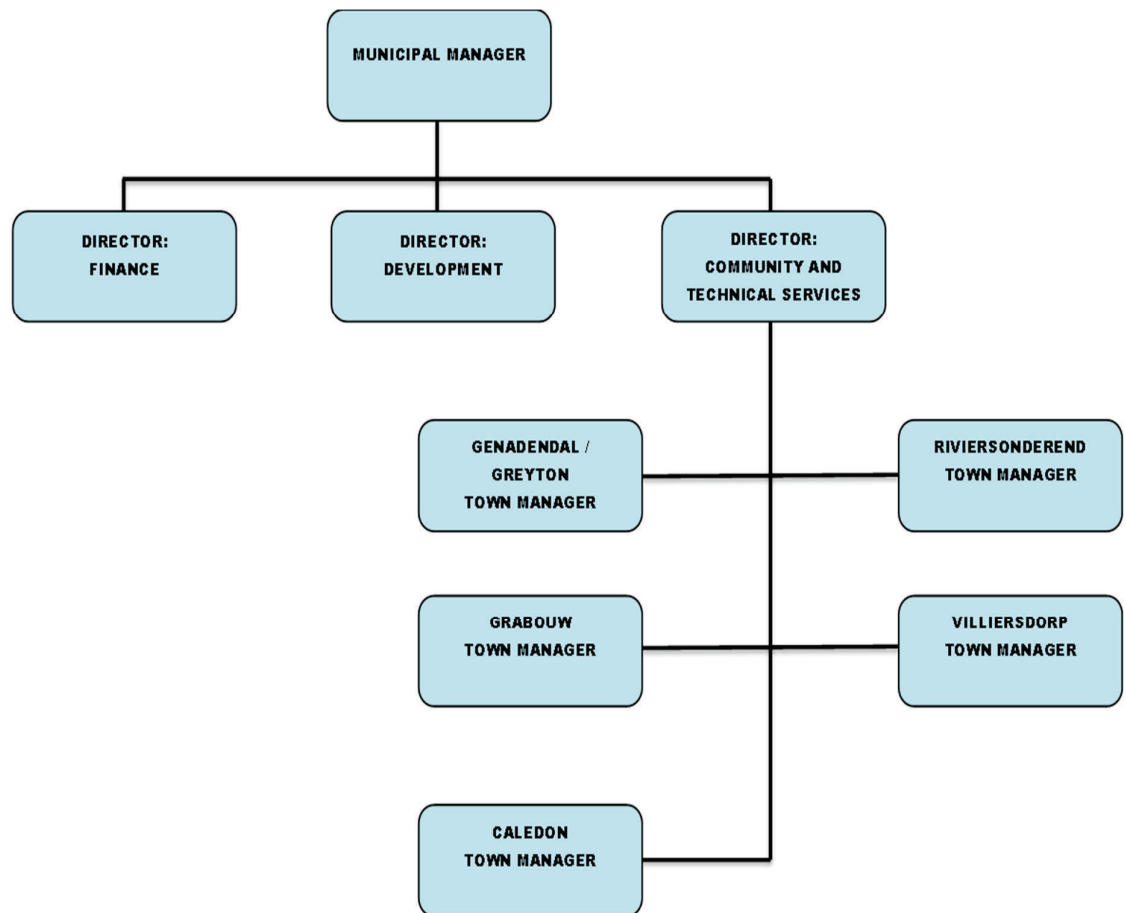
### **FleetManagement**

- To manage and maintain all fleet of the municipality.
- To provide sufficient municipal services to all residence within the municipal boundary.

## **OPERATIONS**

- Responsible for the day-to-day to service delivery within all Theewaterskloof Towns.

## Senior Management Capability and Structure



## 14. Capital expenditure details

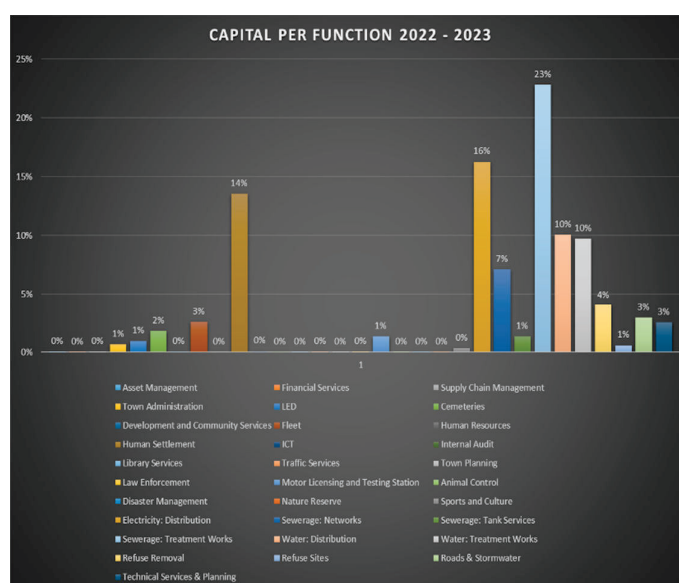
In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees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

### Capital Budget

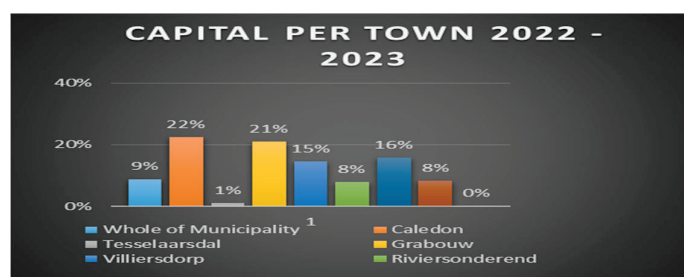
The capital budget per function, town and per funding source is illustrated below:

The Capital Budget amounts to R 159 million in 2022/23, R 199 million in 2023/24 and R 118 million in 2024/25.

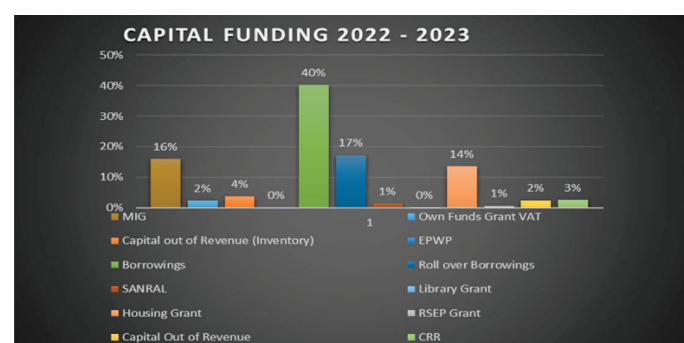
CAPITAL PER FUNCTION	2022/2023	%
Asset Management	105 005	0%
Financial Services	10 500	0%
Supply Chain Management	97 000	0%
Town Administration	1 044 500	1%
LED	1 500 000	1%
Cemeteries	2 830 737	2%
Development and Community Services	100 000	0%
Fleet	4 103 500	3%
Human Resources	13 900	0%
Human Settlement	21 500 000	14%
ICT	118 000	0%
Internal Audit	24 300	0%
Library Services	35 000	0%
Traffic Services	100 000	0%
Town Planning	6 000	0%
Law Enforcement	100 000	0%
Motor Licensing and Testing Station	2 100 000	1%
Animal Control	20 800	0%
Disaster Management	6 000	0%
Nature Reserve	15 000	0%
Sports and Culture	500 000	0%
Electricity: Distribution	25 833 523	16%
Electricity: Street Lights	1 550 000	1%
Sewerage: Networks	11 301 449	7%
Sewerage: Tank Services	2 100 000	1%
Sewerage: Treatment Works	36 220 258	23%
Water: Distribution	15 941 135	10%
Water: Treatment Works	15 455 185	10%
Refuse Removal	6 445 809	4%
Refuse Sites	926 100	1%
Roads & Stormwater	4 657 832	3%
Technical Services & Planning	4 016 000	3%
<b>TOTAL CAPITAL PER FUNCTION</b>	<b>158 777 533</b>	<b>100%</b>



CAPITAL PER TOWN	2022/2023	%
Whole of Municipality	14 030 300	9%
Caledon	35 681 798	22%
Tesselaarsdal	1 600 000	1%
Grabouw	33 220 666	21%
Villiersdorp	23 200 000	15%
Riviersonderend	12 448 726	8%
Genadendal/Greyton	25 148 946	16%
Botrivier	13 245 392	8%
Administration	201 705	0%
<b>TOTAL CAPITAL PER TOWN</b>	<b>158 777 533</b>	<b>100%</b>

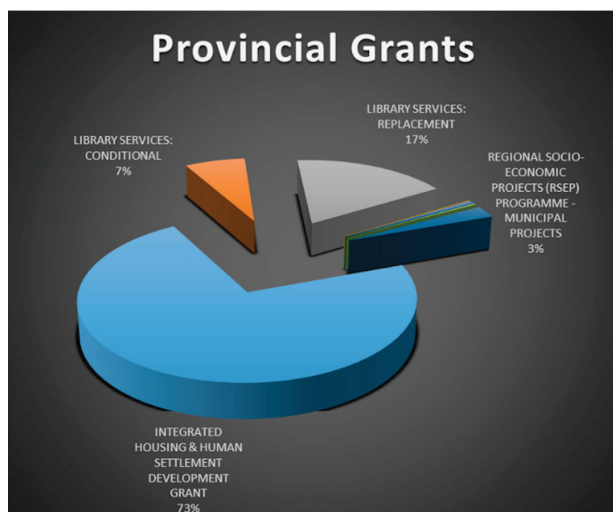
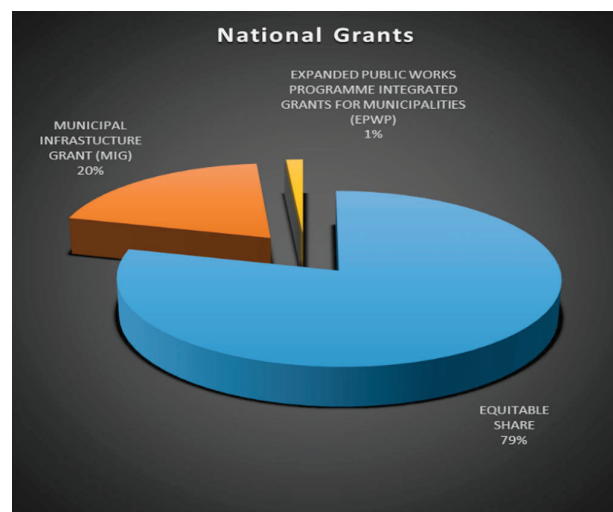


CAPITAL FUNDING SOURCES	2022/2023	%
MIG	25 328 696	16%
Own Funds Grant VAT	3 799 304	2%
Capital out of Revenue (Inventory)	5 962 505	4%
EPWP	18 000	0%
Borrowings	63 805 121	40%
Roll over Borrowings	27 428 907	17%
SANRAL	2 000 000	1%
Library Grant	35 000	0%
Housing Grant	21 500 000	14%
RSEP Grant	1 000 000	1%
Capital Out of Revenue	3 900 000	2%
CRR	4 000 000	3%
<b>TOTAL CAPITAL FUNDING SOURCES</b>	<b>158 777 533</b>	<b>100%</b>



## The table below reflects the 2022 Division of Revenue Act Grant Allocations

GRANT ALLOCATIONS 2022/2023									
NATIONAL ALLOCATIONS (Government Gazette No 45903 of 11 February 2022)									
GRANT	2022/2023			2023/2024			2024/2025		
	BUDGET	EXCL VAT	VAT	BUDGET	EXCL VAT	VAT	Budget	EXCL VAT	VAT
<b>NATIONAL ALLOCATIONS</b>									
EQUITABLE SHARE	120 101 000	120 101 000	-	129 283 000	129 283 000	-	139 255 000	139 255 000	-
EQUITABLE SHARE FORMULA	OPEX	120 101 000	120 101 000	-	129 283 000	129 283 000	-	139 255 000	139 255 000
SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION	OPEX	-	-	-	-	-	-	-	-
ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT	CAPEX	-	-	-	4 000 000	3 479 000	5 000 000	4 347 827	652 173
FINANCIAL MANAGEMENT GRANT (FMG)		1 650 000	1 435 000	215 000	1 700 000	1 479 000	221 000	1 700 000	1 479 000
OPERATING	OPEX	1 650 000	1 435 000	215 000	1 700 000	1 479 000	221 000	1 700 000	1 479 000
CAPITAL	CAPEX	-	-	-	-	-	-	-	-
MUNICIPAL INFRASTRUCTURE GRANT (MIG)		29 728 000	25 929 000	3 799 000	30 913 000	26 881 000	4 032 000	32 174 000	27 978 000
OPERATING	OPEX	600 000	600 000	-	-	-	-	-	-
CAPITAL	CAPEX	29 128 000	25 329 000	3 799 000	30 913 000	26 881 000	4 032 000	32 174 000	27 978 000
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)	CAPEX	-	-	-	6 000 000	5 218 000	782 000	6 269 000	5 452 000
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANTS FOR MUNICIPALITIES (EPWP)		2 077 000	2 077 000	-	-	-	-	-	-
OPERATING	OPEX	2 059 000	2 059 000	-	-	-	-	-	-
CAPITAL	CAPEX	18 000	18 000	-	-	-	-	-	-
<b>TOTAL NATIONAL GRANTS</b>		<b>153 556 000</b>	<b>149 542 000</b>	<b>4 014 000</b>	<b>171 896 000</b>	<b>166 340 000</b>	<b>5 556 000</b>	<b>184 398 000</b>	<b>5 886 173</b>
<b>NATIONAL ALLOCATIONS (Provincial Gazette Extraordinary 8566 - 14 March 2022)</b>									
<b>PROVINCIAL ALLOCATIONS</b>									
INTEGRATED HOUSING & HUMAN SETTLEMENT DEVELOPMENT GRANT		29 240 000	29 240 000	-	73 307 000	73 307 000	-	62 147 000	62 147 000
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT: PROVINCES (BENEFICIARIES)	OPEX	7 740 000	7 740 000	-	42 360 000	42 360 000	-	22 200 000	22 200 000
HUMAN SETTLEMENTS DEVELOPMENT GRANT (BENEFICIARIES)	CAPEX	21 500 000	21 500 000	-	30 947 000	30 947 000	-	39 947 000	39 947 000
LIBRARY SERVICES		9 815 000	9 815 000	-	10 260 000	10 260 000	-	10 721 000	10 721 000
LIBRARY SERVICES: CONDITIONAL	OPEX	2 739 000	2 739 000	-	3 085 000	3 085 000	-	3 224 000	3 224 000
LIBRARY SERVICES: REPLACEMENT	OPEX	7 041 000	7 041 000	-	7 175 000	7 175 000	-	7 497 000	7 497 000
LIBRARY SERVICES: REPLACEMENT	CAPEX	35 000	35 000	-	-	-	-	-	-
MAINTENANCE OF PROCLAIMED ROADS	OPEX	180 000	180 000	-	180 000	180 000	-	180 000	180 000
COMMUNITY DEVELOPMENT WORKER OPERATIONAL SUPPORT GRANT (CDW)	OPEX	112 000	112 000	-	112 000	112 000	-	112 000	112 000
REGIONAL SOCIO-ECONOMIC PROJECTS (RSEP) PROGRAMME - MUNICIPAL PROJECTS	CAPEX	1 000 000	1 000 000	-	-	-	-	-	-
THUSONG CENTRE GRANT	OPEX	-	-	-	150 000	150 000	-	-	-
<b>TOTAL PROVINCIAL GRANTS</b>		<b>40 347 000</b>	<b>40 347 000</b>	<b>-</b>	<b>84 009 000</b>	<b>84 009 000</b>	<b>-</b>	<b>73 160 000</b>	<b>73 160 000</b>
<b>OTHER GRANT PROVIDERS</b>									
HAN	OPEX	1 140 000	1 140 000	-	-	-	-	-	-
SANRAL	CAPEX	2 000 000	2 000 000	-	-	-	-	-	-
<b>TOTAL OTHER GRANT PROVIDERS</b>		<b>3 140 000</b>	<b>3 140 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>		<b>197 043 000</b>	<b>193 029 000</b>	<b>4 014 000</b>	<b>255 905 000</b>	<b>250 349 000</b>	<b>5 556 000</b>	<b>257 558 000</b>	<b>5 886 173</b>
<b>NOTE: Allocations for Conditional Grants are only made for one year and the amounts published for the outer years in the schedules of the Division of Revenue Act (DORA) are published for indicative purposes only and are not guaranteed.</b>									
	OPEX	143 362 000	143 147 000	215 000	184 045 000	183 824 000	221 000	174 168 000	173 947 000
	CAPEX	53 681 000	49 882 000	3 799 000	71 860 000	66 525 000	5 335 000	83 390 000	77 724 827
	<b>TOTAL</b>	<b>197 043 000</b>	<b>193 029 000</b>	<b>4 014 000</b>	<b>255 905 000</b>	<b>250 349 000</b>	<b>5 556 000</b>	<b>257 558 000</b>	<b>5 886 173</b>



## 15. Capital expenditure details

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

Capital expenditure on new assets by asset class (Table SA34a)

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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	27 855	34 083	34 307	50 229	42 292	42 292	45 418	127 013	59 682
Roads Infrastructure	2 336	3 209	4 344	29 400	25 734	25 734	14 206	24 075	5 653
Roads	2 336	3 209	–	12 400	13 234	13 234	14 206	24 075	5 653
Road Structures	–	–	4 344	17 000	12 500	12 500	–	–	–
Storm water Infrastructure	1 318	781	–	5 950	3 282	3 282	3 375	7 500	–
Storm water Conveyance	1 318	781	–	5 950	3 282	3 282	3 375	7 500	–
Electrical Infrastructure	–	7 198	10 312	1 229	2 013	2 013	11 233	49 902	46 066
MV Substations	–	–	–	–	–	–	–	30 000	30 000
LV Networks	–	7 198	10 312	1 229	2 013	2 013	11 233	19 902	16 066
Water Supply Infrastructure	7 174	6 194	2 267	7 000	1 997	1 997	3 375	33 434	938
Reservoirs	–	–	–	–	–	–	–	15 372	–
Bulk Mains	4 363	152	392	800	30	30	–	8 060	–
Distribution	2 016	166	1 875	6 200	1 968	1 968	3 375	10 002	938
Distribution Points	–	5 763	–	–	–	–	–	–	–
Sanitation Infrastructure	4 980	6 158	4 724	6 650	5 442	5 442	6 784	12 102	7 025
Reticulation	4 980	2 786	451	6 650	3 661	3 661	5 475	9 600	2 100
Waste Water Treatment Works	–	–	–	–	–	–	809	–	–
Outfall Sewers	–	3 371	4 273	–	–	–	–	2 502	4 925
Toilet Facilities	–	–	–	–	1 781	1 781	500	–	–
Solid Waste Infrastructure	12 046	10 544	12 660	–	3 824	3 824	6 446	–	–
Waste Transfer Stations	6 597	6 917	1 186	–	3 824	3 824	6 446	–	–
<b>Community Assets</b>	13 221	3 684	1 019	800	2 640	2 640	2 000	10 000	–
Community Facilities	13 184	3 684	1 019	800	2 190	2 190	2 000	10 000	–
Halls	–	3 645	898	–	–	–	–	–	–
Testing Stations	–	–	69	–	–	–	2 000	10 000	–
Libraries	13 184	–	–	800	1 615	1 615	–	–	–
Taxi Ranks/Bus Terminals	–	–	53	–	575	575	–	–	–
Sport and Recreation Facilities	37	–	–	–	450	450	–	–	–
Outdoor Facilities	–	–	–	–	450	450	–	–	–
<b>Other assets</b>	88	97	57	2 390	1 140	1 140	–	–	–
Operational Buildings	88	97	57	2 390	1 140	1 140	–	–	–
Pay/Enquiry Points	–	–	–	250	–	–	–	–	–
Workshops	–	–	–	40	40	40	–	–	–
Yards	–	–	–	2 100	1 100	1 100	–	–	–
<b>Computer Equipment</b>	1 174	58	804	990	990	990	186	–	–
Computer Equipment	1 174	58	804	990	990	990	186	–	–
<b>Furniture and Office Equipment</b>	1 664	303	585	2 195	2 390	2 390	315	–	–
Furniture and Office Equipment	1 664	303	585	2 195	2 390	2 390	315	–	–
<b>Machinery and Equipment</b>	1 974	419	1 782	2 752	1 869	1 869	4 725	–	–
Machinery and Equipment	1 974	419	1 782	2 752	1 869	1 869	4 725	–	–
<b>Transport Assets</b>	–	6 700	–	600	–	–	1 550	–	–
Transport Assets	–	6 700	–	600	–	–	1 550	–	–
<b>Land</b>	4 108	1 070	–	90	90	90	–	–	–
Land	4 108	1 070	–	90	90	90	–	–	–
<b>Total Capital Expenditure on new assets</b>	<b>50 084</b>	<b>46 416</b>	<b>38 554</b>	<b>60 046</b>	<b>51 411</b>	<b>51 411</b>	<b>54 194</b>	<b>137 013</b>	<b>59 682</b>



## Capital expenditure on renewal of existing assets by asset class (Table SA34b)

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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	465	5 808	6 516	40 340	40 509	40 509	14 401	10 800	13 076
Roads Infrastructure	-	-	2	4 421	415	415	-	-	-
Roads	-	-	2	-	415	415	-	-	-
Road Structures	-	-	-	4 421	-	-	-	-	-
Electrical Infrastructure	465	3 376	1 913	13 631	12 630	12 630	9 401	2 800	2 900
MV Networks	465	-	1 297	2 900	2 900	2 900	3 350	500	800
LV Networks	-	3 376	616	10 731	9 730	9 730	6 050	2 300	2 100
Water Supply Infrastructure	-	2 432	4 601	8 238	16 639	16 639	5 000	-	-
Water Treatment Works	-	-	1 845	3 238	3 238	3 238	-	-	-
Distribution	-	-	2 756	5 000	13 402	13 402	5 000	-	-
Distribution Points	-	2 432	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	4 230	-	-	-	-	-
Waste Water Treatment Works	-	-	-	4 230	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	9 820	10 825	10 825	-	8 000	10 176
Landfill Sites	-	-	-	1 124	1 124	1 124	-	8 000	10 176
Waste Transfer Stations	-	-	-	8 696	9 701	9 701	-	-	-
<b>Community Assets</b>	-	-	-	3 053	1 510	1 510	-	-	-
Community Facilities	-	-	-	2 028	1 510	1 510	-	-	-
Testing Stations	-	-	-	2 028	1 510	1 510	-	-	-
Sport and Recreation Facilities	-	-	-	1 025	-	-	-	-	-
Outdoor Facilities	-	-	-	1 025	-	-	-	-	-
<b>Computer Equipment</b>	-	265	-	-	-	-	-	-	-
Computer Equipment	-	265	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	4	25	51	88	170	170	8	-	-
Furniture and Office Equipment	4	25	51	88	170	170	8	-	-
<b>Machinery and Equipment</b>	-	154	68	312	581	581	276	-	-
Machinery and Equipment	-	154	68	312	581	581	276	-	-
<b>Transport Assets</b>	2 141	-	-	-	-	-	-	-	-
Transport Assets	2 141	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>2 610</b>	<b>6 253</b>	<b>6 635</b>	<b>43 792</b>	<b>42 770</b>	<b>42 770</b>	<b>14 684</b>	<b>10 800</b>	<b>13 076</b>
<b>Renewal of Existing Assets as % of total capex</b>	10,7%	7,9%	7,8%	24,2%	27,6%	27,6%	9,2%	5,4%	11,1%
<b>Renewal of Existing Assets as % of deprecn"</b>	11,2%	27,8%	21,0%	191,2%	123,0%	123,0%	50,1%	34,8%	39,7%



## Repairs and maintenance expenditure by asset class (Table SA34c)

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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	66 640	65 008	78 102	85 592	87 699	87 699	95 269	100 985	107 044
Roads Infrastructure	20 528	19 507	23 261	23 730	24 339	24 339	25 445	26 972	28 590
Roads	20 480	19 487	23 204	23 618	24 227	24 227	25 330	26 850	28 461
Road Furniture	47	20	58	112	112	112	115	122	129
Storm water Infrastructure	–	86	265	168	163	163	175	186	197
Drainage Collection	–	–	–	10	5	5	5	6	6
Storm water Conveyance	–	86	265	158	158	158	170	180	191
Electrical Infrastructure	9 152	8 978	10 925	15 374	14 775	14 775	17 329	18 369	19 471
LV Networks	9 152	8 978	10 925	15 374	14 775	14 775	17 329	18 369	19 471
Water Supply Infrastructure	16 415	15 461	15 364	15 464	16 529	16 529	18 473	19 581	20 756
Dams and Weirs	–	–	8	50	25	25	26	28	29
Water Treatment Works	845	1 033	3 532	3 844	3 353	3 353	4 272	4 528	4 799
Distribution	15 570	14 428	11 824	11 570	13 151	13 151	14 175	15 026	15 927
Sanitation Infrastructure	18 170	19 768	24 477	25 979	27 281	27 281	29 198	30 950	32 807
Pump Station	–	–	25	217	197	197	283	300	318
Reticulation	10 710	11 795	16 107	17 376	18 755	18 755	19 989	21 188	22 460
Waste Water Treatment Works	7 460	7 973	8 346	8 387	8 329	8 329	8 926	9 462	10 030
Solid Waste Infrastructure	2 375	1 209	3 810	4 878	4 613	4 613	4 648	4 927	5 222
Landfill Sites	2 375	1 209	3 623	4 868	4 603	4 603	4 638	4 916	5 211
Waste Transfer Stations	–	–	187	–	–	–	–	–	–
Waste Drop-off Points	–	–	–	10	10	10	10	11	11
<b>Community Assets</b>	10 884	9 747	11 816	14 052	12 281	12 281	13 745	14 569	15 444
Community Facilities	9 873	9 152	10 932	13 124	11 615	11 615	12 960	13 738	14 562
Halls	358	393	1 384	1 663	1 388	1 388	1 674	1 775	1 881
Museums	–	–	–	150	3	3	0	0	0
Libraries	542	204	381	63	857	857	100	106	112
Cemeteries/Crematoria	385	338	208	564	217	217	361	383	405
Public Open Space	7 505	7 604	7 792	9 064	8 335	8 335	9 561	10 135	10 743
Nature Reserves	1 083	613	892	1 242	717	717	960	1 018	1 079
Public Ablution Facilities	–	–	141	189	97	97	104	110	117
Taxi Ranks/Bus Terminals	–	–	135	191	1	1	199	211	224
Sport and Recreation Facilities	1 011	595	884	928	666	666	785	832	882
Outdoor Facilities	1 011	595	884	928	666	666	785	832	882
<b>Investment properties</b>	–	–	–	–	–	–	80	85	90
Revenue Generating	–	–	–	–	–	–	80	85	90
Improved Property	–	–	–	–	–	–	80	85	90
<b>Other assets</b>	8 063	8 533	9 655	12 387	11 391	11 391	11 125	11 793	12 500
Operational Buildings	8 063	8 183	9 464	10 833	10 317	10 317	10 459	11 086	11 751
Municipal Offices	7 654	7 883	9 120	9 842	9 777	9 777	9 890	10 483	11 112
Workshops	409	300	344	990	540	540	569	603	639
Housing	–	350	192	1 554	1 074	1 074	667	707	749
Social Housing	–	350	192	1 554	1 074	1 074	667	707	749
<b>Intangible Assets</b>	4 202	5 343	6 859	5 269	9 283	9 283	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	4 202	5 343	6 859	5 269	9 283	9 283	–	–	–
Computer Software and Applications	4 202	5 343	6 859	5 269	9 283	9 283	–	–	–
<b>Furniture and Office Equipment</b>	338	300	286	450	287	287	273	289	307
Furniture and Office Equipment	338	300	286	450	287	287	273	289	307
<b>Machinery and Equipment</b>	881	713	1 039	1 761	939	939	1 057	1 121	1 188
Machinery and Equipment	881	713	1 039	1 761	939	939	1 057	1 121	1 188
<b>Transport Assets</b>	3 769	3 658	4 554	7 341	5 459	5 459	5 232	5 545	5 878
Transport Assets	3 769	3 658	4 554	7 341	5 459	5 459	5 232	5 545	5 878
<b>Total Repairs and Maintenance Expenditure</b>	94 776	93 302	112 311	126 852	127 339	127 339	126 780	134 387	142 451
<b>R&amp;M as a % of PPE</b>	11,4%	10,6%	11,7%	11,0%	11,8%	11,8%	11,8%	11,1%	10,3%
<b>R&amp;M as % Operating Expenditure</b>	18,8%	17,9%	20,4%	20,4%	19,9%	19,9%	19,8%	20,0%	19,4%

Capital expenditure details (Table SA36)

R thousand										2022/23 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality: List all capital projects grouped by Function												
Water management	WC031_Smart Meters Replacement	Renewal	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects.	Water Supply Infrastructure	Distribution	Whole of Municipal	9 992	5 000	–	–
Road transport	WC031_Establishment of a Public Safety Facility in Riviersonderend (DLTC & RA)	New	Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	To maintain and improve basic service delivery and social amenities for the TWK community.	Community Assets	Testing Stations	Riviersonderend	–	–	10 000	–
Road transport	WC031_Establishment of a Public Safety Facility in Riviersonderend (DLTC & RA)	New	Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	To maintain and improve basic service delivery and social amenities for the TWK community.	Community Assets	Testing Stations	Grabouw	–	2 000	–	–
Road transport	WC031_Construction of Driving Licence Testing Centre (DLTC) - Grabouw	New	Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	To maintain and improve basic service delivery and social amenities for the TWK community.	Community Assets	Testing Stations	Grabouw	1 510	–	–	–
Town Administration	WC031_Two-Way Radio Communication System	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Furniture and Office Equipment	Furniture and Office Equipment	Theewaterskloof	1 300	–	–	–
Waste water management	WC031_Greyton WWTW	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Waste Water Treatment Works	Greyton	–	–	–	–
Waste water management	WC031_Caledon - Bulk outfall sewer	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	Refine and Improve the institutional Capacity of the Municipality	Sanitation Infrastructure	Outfall Sewers	Caledon	1 546	11 301	–	–
Finance and administration	WC031_Machinery and Equipment (NEW)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Machinery and Equipment	Whole of Municipality	120	50	–	–	–
Finance and administration	WC031_Furniture and Office Equipment (NEW)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Furniture and Office Equipment	Whole of Municipality	280	163	–	–	–
Waste water management	WC031_Greyton WWTW	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Sewerage purification	Greyton/Genadendal	10 919	–	–	–
Waste water management	WC031_Greyton WWTW Fence	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Sewerage purification	Greyton/Genadendal	–	809	–	–
Waste water management	WC031_Greyton housing bulk sewer	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Reticalulation	Greyton/Genadendal	100	–	–	–
Waste water management	WC031_Upgrade waste water treatment plant	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Waste Water Treatment Works	Riviersonderend	–	4 803	–	–
Waste water management	WC031_Upgrade waste water treatment plant ph 4	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Waste Water Treatment Works	Caledon	–	12 585	–	–
Waste water management	WC031_Villiersdorp- upgrade WWTW	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Sewerage purification	Villiersdorp	40	–	–	–
Waste water management	WC031_Botrivier sewer network upgrading (septic tank eradication)	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Reticalulation	Botrivier	1 100	–	–	–
Waste water management	WC031_Caledon - WWTW upgrade	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Sewerage purification	Caledon	10 155	–	–	–
Waste water management	WC031_Caledon - Bulk outfall sewer upgrade	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Reticalulation	Caledon	908	–	–	–
Waste water management	WC031_Upgrade bulk sewer Ph 5	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Reticalulation	Caledon	–	–	10 435	9 000
Waste water management	WC031_Septic tank eradication	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Reticalulation	Botrivier	–	2 100	2 100	2 100
Waste water management	WC031_Upgrade of waste water treatment plant Phase 1	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Sewerage purification	Botrivier	–	4 190	–	–
Waste water management	WC031_Upgrade waste water treatment plant	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Sewerage purification	Greyton/Genadendal	–	13 334	–	–
Waste water management	WC031_Upgrade of waste water treatment plant Phase 2 (Investigate, prelim design)	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Sewerage purification	Botrivier	–	500	1 827	8 068
Water management	WC031_Gypsy Queen low cost housing project bulk water (22/23 prelim design)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticalulation	Grabouw	–	–	2 502	938
Waste water management	WC031_Gypsy Queen low cost housing project bulk sewer (22/23 prelim design)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Sanitation Infrastructure	Reticalulation	Grabouw	–	–	2 502	4 925
Waste management	WC031_Greyton landfill rehab	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Solid Waste Infrastructure	Waste Management	Genadendal/Greyton	562	–	–	–
Waste management	WC031_Villiersdorp- Landfill rehabilitation	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Solid Waste Infrastructure	Waste Management	Villiersdorp	562	–	7 000	10 176
Waste management	WC031_Caledon - Waste Transfer Station	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Solid Waste Infrastructure	Waste Management	Caledon	4 783	–	–	–
Waste management	WC031_Caledon Landfill Rehab	Renewal	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Solid Waste Infrastructure	Waste Management	Caledon	–	–	1 000	–
Waste management	WC031_Caledon WTF & MRF Entrance N2	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Solid Waste Infrastructure	Waste Management	Caledon	–	926	–	–

R thousand											2022/23 Medium Term Revenue & Expenditure Framework			
	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location		Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
Function														
Parent municipality: List all capital projects grouped by Function														
Waste management	WC031_Riversonderend - Waste Drop-off station	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Solid Waste Infrastructure	Waste Management	Riversonderend		4 918	–	–	–	
Waste management	WC031_RSE WTF & MRF Phase 3	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Solid Waste Infrastructure	Waste Management	Riversonderend		–	2 908	–	–	
Waste management	WC031_RSE WTF & MRF Phase 4	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Solid Waste Infrastructure	Waste Management	Riversonderend		–	3 538	–	–	
Water management	WC031_Greyton housing bulk water	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Genadendal/Greyton		30	–	–	–	
Water management	WC031_ Upgrading of water purification plant (investigate, prelim design)	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Botrivier		–	4 955	1 826	3 071	
Water management	WC031_ Upgrading of water purification plant (investigate, prelim design)	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Riversonderend		–	500	1 865	2 714	
Water management	WC031_ Upgrading of water purification plant	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Water Treatment Works	Villiersdorp		–	10 000	18 145	10 460	
Water management	WC031_Upgrade water system	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Caledon		–	1 600	–	–	
Water management	WC031_Bulk water upgrading	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Grabouw		–	9 341	7 989	7 989	
Water management	WC031_Low cost housing project Bulk water upgrade provision	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Genadendal/Greyton		–	–	8 060	–	
Water management	WC031_Water Network upgrading-Genadendal (Volk, Berg Street)	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Genadendal/Greyton		28	–	–	–	
Water management	WC031_Water network upgrading - Caledon (Basil Newmark Raw Water, Berg Street, Basil Newmark Street)	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Caledon		1 000	–	–	–	
Water management	WC031_Tesselaarsdal-bulk water upgrade phase 2	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Caledon		4 493	–	–	–	
Water management	WC031_Grabouw bulk water upgrade	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Grabouw		6 199	–	–	–	
Water management	WC031_Villiersdorp - WTW refurbishment	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Villiersdorp		3 238	–	–	–	
Water management	WC031_Villiersdorp - WTW upgrade	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Villiersdorp		250	–	–	–	
Water management	WC031_Botrivier - WTW refurb/upgrade	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Botrivier		500	–	–	–	
Water management	WC031_ Upgrading of water network	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reticulation	Genadendal/Greyton		192	–	–	–	
Water management	WC031_Villiersdorp: Destiny Farm reservoir	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Water Supply Infrastructure	Reservoirs	Villiersdorp		–	–	15 372	–	
Road transport	WC031_ Upgrading of Streets & Stormwater - Riversonderend (Fullard, Marais, Vygie)	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Riversonderend		1 322	–	–	–	
Road transport	WC031_ Upgrading of Streets & stormwater-Botrivier (Murtie, Profes, Lieben Chery)	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Botrivier		740	–	–	–	
Road transport	WC031_Chavonnes street extension	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Caledon		–	2 831	–	–	
Road transport	WC031_Caledon Waste transfer station- N2 access	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Caledon		50	–	–	–	
Road transport	WC031_ Upgrading Park/Bluebell/Pine street	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Botrivier		–	1 000	–	–	
Road transport	WC031_ Upgrading Renkewitz / Kloof / Kuhrnel / Wildesdal / Koorlandskloof / Unknown 12 / 2 / 6	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Genadendal/Greyton		–	1 761	1 304	1 112	
Road transport	WC031_ Upgrading remainder Bos street and other	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Grabouw		–	–	800	–	
Road transport	WC031_Destiny Farm access road construction	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Villiersdorp		–	–	1 375	5 653	
Road transport	WC031_ Upgrading streets, Extension 11	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Villiersdorp		–	–	848	–	
Road transport	WC031_Grabouw Upgrade of roads & stormwater at Roodekake (Phase 2)	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Grabouw		206	1 897	–	–	
Road transport	WC031_ Upgrading of Streets & stormwater Grabouw (BosStreet, Savory, Ph1 Gaffley Street	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	To maintain and improve basic service delivery and social amenities for the TWK community.	Roads Infrastructure	Roads, Pavements & Bridges	Grabouw		2 259	–	–	–	

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97



R thousand	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	Current Year 2021/22 Full Year Forecast	2022/23 Medium Term Revenue & Expenditure Framework		
										Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Function</b> <b>Parent municipality:</b> <i>List all capital projects grouped by Function</i>												
Traffic Services	WC031 - Machinery and Equipment	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Machinery and Equipment	Machinery and Equipment	Whole of Municipality	135	100	-	-
Traffic Services	WC031 - Furniture and Office Equipment (NEW)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Furniture and Office Equipment	Furniture and Office Equipment	Whole of Municipality	31	-	-	-
Waste water management	WC031_Botriver - WWTW upgrade	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Sanitation Infrastructure	Reticalulation	Botriver	2 926	-	-	-
Waste water management	WC031_Riviersonderend WWTW upgrade	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Sanitation Infrastructure	Reticalulation	Riviersonderend	4 687	-	-	-
Road transport	WC031_Genadendal Roads Upgrade	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Roads Infrastructure	Roads, Pavements & Bridges	Genadendal/Greyt on	1 240	-	-	-
Road transport	WC031_Beverly hills: reinstatement of Bos Street road surface	Renewal	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Roads Infrastructure	Roads	Grabouw	415	-	-	-
Water management	WC031_Pipe Replacement - Caledon Basil Newmark	Renewal	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Water Supply Infrastructure	Distribution	Caledon	3 409	-	-	-
Waste water management	WC031_WWTW upgrade	Upgrade	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Sanitation Infrastructure	Waste Transfer Stations	Caledon	1 895	-	-	-
Waste water management	WC031_WWTW upgrade	Upgrade	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Sanitation Infrastructure	Waste Water Treatment Works	Caledon	245	-	-	-
Waste management	WC031_Caledon - Waste Transfer Station	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Solid Waste Infrastructure	Waste Transfer Stations	Caledon	3 824	-	-	-
Water management	WC031_Drought Relief: Ground water monitoring infrastructure requirements	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Water Supply Infrastructure	Distribution	Theewaterskloof	113	-	-	-
Planning and development	WC031_Clearview Fencing (Villiersdorp taxi rank)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Community Facilities	Taxi Ranks/Bus Terminals	Villiersdorp	575	1 000	-	-
Housing	WC031_Hillside (Planning)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Roads Infrastructure	Roads	Grabouw	1 000	-	-	-
Library Services	WC031_Mobile Library bus	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Transport Assets	Transport Assets	Whole of Municipality	815	-	-	-
Energy sources	WC031_Caledon Site Saviwa high mast lighting	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Electrical Infrastructure	Transmission & Reticalulation	Caledon	783	-	-	-
Water management	WC031_Greyton WTW Planning	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Water Supply Infrastructure	Water Treatment Works	Genadendal/Greyt on	370	-	-	-
Energy sources	WC031_Highmastlights Site Saviva	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Electrical Infrastructure	Transmission & Reticalulation	Caledon	46	-	-	-
Informal Settlement	WC031_Precast Toilets	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Sanitation Infrastructure	Reticalulation	Theewaterskloof	381	500	-	-
Community and social services	WC031_Recreation Hall at Bergsig sportsfield	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Sport and Recreation Facilities	Outdoor Facilities	Caledon	450	-	-	-
Finance and administration	WC031_Renovation of Fire Station	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Operational Buildings	Municipal Offices	Caledon	2 000	4 000	-	-
Road transport	WC031_Upgrade of Streets - Botriver Heidelberg	Upgrading	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Roads Infrastructure	Roads, Pavements & Bridges	Botriver	366	-	-	-
Community and social services	WC031_Furniture and Office Equipment (NEW)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Furniture and Office Equipment	Furniture and Office Equipment	Botriver	36	-	-	-
Town Administration	WC031_Furniture and Office Equipment (NEW)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Furniture and Office Equipment	Furniture and Office Equipment	Botriver	90	-	-	-
Community and social services	WC031_Furniture and Office Equipment (NEW)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Furniture and Office Equipment	Furniture and Office Equipment	Caledon	100	-	-	-
Town Administration	WC031_Furniture and Office Equipment (NEW)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Furniture and Office Equipment	Furniture and Office Equipment	Botriver	26	-	-	-
Energy sources	WC031_Electrification of Greyton Madiba Park	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Electrical Infrastructure	LV Networks	Genadendal/Greyt on	-	1 600	-	-
Energy sources	WC031_Personell Bucket (Street Lights)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Transport Assets	Transport Assets	Grabouw	-	950	-	-
Energy sources	WC031_Vehicle (Street Lights)	New	Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community	To maintain and improve basic service delivery and social amenities for the TWK community	Transport Assets	Transport Assets	Grabouw	-	600	-	-
<b>Parent Capital expenditure</b>									<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>
<b>Entities:</b>												
<b>Entity Capital expenditure</b>									-	-	-	-
<b>Total Capital expenditure</b>									<b>154 805</b>	<b>158 778</b>	<b>199 103</b>	<b>117 622</b>

## Consolidated Projects delayed from previous years (Table SA37)

[illegible]



Consolidated detailed operational projects (Table SA38)

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## 16. Legislation Compliance Status

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Compliance with the MFMA Implementation requirements has been substantially adhered to through the following activities:

- **Budget and Treasury Office:** A Budget and Treasury Office has been established in accordance with the MFMA.
- **Budgeting:** The annual budget is prepared in accordance with the requirements prescribed by the MFMA and National Treasury.
- **Financial Reporting:** 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- **Annual Report:** The Annual Report is prepared in accordance with the MFMA and National Treasury.
- **Debt Collection:** A Debt Collection unit has been established in accordance with the relative legislation. The staff appointments in the Debt Collection Department have almost been completed and the department is fully functional. Debt collection restructuring is also scheduled to improve the efficiency of the unit and ensure collections and credit control is done at optimal levels.
- **Internal Audit:** The department is fully functional with a Deputy Director, Internal Auditor and a Clerk Internal Audit in order to comply with the MFMA and obtain value for money.
- **Supply Chain Management:** A Functional Supply Chain Management Unit in accordance with the MFMA.
- **Risk Management:** Theewaterskloof Municipality has adopted a Risk Management Policy in August 2009 and official has undergone training. A risk register is compile which identify the top ten risks and is reviewed and monitor regularly.
- **Asset Management:** The Fixed Asset Register is fully GRAP compliant and the Asset Maintenance Plan is in progress in order to comply with legislation.
- **Internship Programme:** Theewaterskloof Municipality is participating in the Municipal Finance Management Internship Programme. Five Interns are employed and are undergoing various training in all sections of the Finance Department.

## 17. Other supporting documents

### a. Tariff list

Refer to Annexure A for a final list of tariffs to be approved.

### b. Supplementary notes to tables

Supporting detail to budgeted financial performance (Table SA1)

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
<b>R thousand</b>										
<b>REVENUE ITEMS:</b>										
<b>Property rates</b>										
Total Property Rates	111 164	120 601	128 026	131 372	135 087	135 087	135 087	148 244	157 139	166 567
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	9 404	6 866	6 828	6 788	9 053	9 053	9 053	9 867	10 459	11 087
Net Property Rates	101 760	113 734	121 198	124 584	126 035	126 035	126 035	138 377	146 679	155 480
<b>Service charges - electricity revenue</b>										
Total Service charges - electricity revenue	90 572	99 438	106 618	123 673	121 208	121 208	121 208	130 262	138 078	146 383
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)										
Less Cost of Free Basis Services (50 kwh per indigent household per month)	2 995	3 316	4 093	4 448	3 982	3 982	3 982	4 280	4 536	4 809
Net Service charges - electricity revenue	87 577	96 122	102 525	119 225	117 226	117 226	117 226	125 983	133 542	141 554
<b>Service charges - water revenue</b>										
Total Service charges - water revenue	77 366	81 553	85 444	88 946	89 112	89 112	89 112	96 299	102 077	108 202
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)										
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)	4 997	6 927	8 388	8 370	9 929	9 929	9 929	10 723	11 367	12 049
Net Service charges - water revenue	72 368	74 625	77 056	80 576	79 183	79 183	79 183	85 576	90 711	96 153
<b>Service charges - sanitation revenue</b>										
Total Service charges - sanitation revenue	40 550	43 783	49 290	51 071	50 696	50 696	50 696	53 028	56 210	59 582
Less Revenue Foregone (in excess of free sanitation service to indigent households)										
Less Cost of Free Basis Services (free sanitation service to indigent households)	9 538	10 139	11 666	12 163	12 910	12 910	12 910	13 504	14 314	15 173
Net Service charges - sanitation revenue	31 012	33 644	37 625	38 909	37 786	37 786	37 786	39 524	41 896	44 409
<b>Service charges - refuse revenue</b>										
Total refuse removal revenue	43 550	46 177	49 409	52 300	52 400	52 400	52 400	54 810	58 099	61 585
Total landfill revenue	—	—	—	—	—	—	—	—	—	—
Less Revenue Foregone (in excess of one removal a week to indigent households)	—	—	—	—	—	—	—	—	—	—
Less Cost of Free Basis Services (removed once a week to indigent households)	10 863	11 473	13 138	13 821	14 501	14 501	14 501	15 168	16 078	17 043
Net Service charges - refuse revenue	32 687	34 704	36 271	38 479	37 899	37 899	37 899	39 642	42 021	44 542
<b>Other Revenue by source</b>										
Fuel Levy	—	—	—	—	—	—	—	—	—	—
Other Revenue	34 776	16 248	7 793	7 893	9 315	9 315	9 315	18 682	19 803	20 992
Total 'Other' Revenue	34 776	16 248	7 793	7 893	9 315	9 315	9 315	18 682	19 803	20 992
<b>EXPENDITURE ITEMS:</b>										
<b>Employee related costs</b>										
Basic Salaries and Wages	122 411	130 389	151 177	170 504	158 502	158 502	158 502	185 156	196 266	208 042
Pension and UIF Contributions	22 207	23 720	25 108	28 565	28 036	28 036	28 036	31 357	33 238	35 233
Medical Aid Contributions	6 861	7 634	8 338	8 909	8 889	8 889	8 889	9 005	9 546	10 118
Overtime	7 645	8 276	8 087	9 041	9 051	9 051	9 051	9 710	10 292	10 910
Performance Bonus	484	479	(22)	444	482	482	482	512	543	575
Motor Vehicle Allowance	8 834	8 710	8 763	8 911	8 968	8 968	8 968	11 670	12 370	13 113
Cellphone Allowance	672	607	725	1 000	1 010	1 010	1 010	894	948	1 005
Housing Allowances	1 653	1 647	1 833	1 936	1 936	1 936	1 936	880	932	988
Other benefits and allowances	16 860	18 629	9 119	7 630	7 632	7 632	7 632	8 256	8 752	9 277
Payments in lieu of leave	1 461	4 372	1 713	1 489	1 489	1 489	1 489	1 500	1 590	1 685
Long service awards	708	973	981	1 315	1 315	1 315	1 315	1 615	1 712	1 815
Post-retirement benefit obligations	3 029	2 120	1 791	14 423	14 423	14 423	14 423	14 500	15 370	16 292
<b>sub-total</b>	192 826	207 555	217 633	254 167	241 733	241 733	241 733	275 056	291 559	309 053
Less: Employees costs capitalised to PPE	—	—	—	—	—	—	—	—	—	—
Total Employee related costs	192 826	207 555	217 633	254 167	241 733	241 733	241 733	275 056	291 559	309 053
<b>Depreciation &amp; asset impairment</b>										
Depreciation of Property, Plant & Equipment	25 182	22 477	31 587	22 908	26 899	26 899	26 899	23 000	24 380	25 843
Lease amortisation	—	—	—	—	—	—	—	—	—	—
Capital asset impairment	(1 830)	—	—	0	7 883	7 883	7 883	6 311	6 689	7 091
Total Depreciation & asset impairment	23 352	22 477	31 587	22 908	34 782	34 782	34 782	29 311	31 069	32 933
<b>Bulk purchases - electricity</b>										
Electricity bulk purchases	61 540	69 359	75 569	87 217	87 217	87 217	87 217	96 105	101 871	107 984
Total bulk purchases	61 540	69 359	75 569	87 217	87 217	87 217	87 217	96 105	101 871	107 984
<b>Transfers and grants</b>										
Cash transfers and grants	—	—	—	—	—	—	—	—	—	—
Non-cash transfers and grants	2 642	4 270	3 224	16 399	14 683	14 683	14 683	8 735	29 162	63 265
Total transfers and grants	2 642	4 270	3 224	16 399	14 683	14 683	14 683	8 735	29 162	63 265
<b>Contracted services</b>										
Outsourced Services	8 980	9 404	10 101	11 602	10 477	10 477	10 477	11 582	12 277	13 014
Consultants and Professional Services	8 114	7 028	8 539	12 077	13 133	13 133	13 133	20 463	21 691	22 992
Contractors	20 951	29 735	24 418	29 233	25 383	25 383	25 383	25 540	27 073	28 697
Total contracted services	38 045	46 167	43 057	52 912	48 993	48 993	48 993	57 585	61 040	64 703
<b>Other Expenditure By Type</b>										
Collection costs	—	—	—	—	—	—	—	—	—	—
Contributions to 'other' provisions	—	—	—	—	—	—	—	—	—	—
Audit fees	4 082	4 172	3 991	4 370	4 070	4 070	4 070	4 300	4 558	4 831
Other Expenditure	41 325	30 744	21 803	50 628	58 652	58 652	58 652	61 061	64 725	68 608
Total 'Other' Expenditure	45 407	34 916	25 794	54 998	62 722	62 722	62 722	65 361	69 283	73 440
<b>by Expenditure Item</b>										
Employee related costs	70 104	73 245	60 938	64 822	62 352	62 352	62 352	70 785	75 032	79 534
Inventory Consumed (Project Maintenance)	—	—	9 908	13 231	13 238	13 238	13 238	13 378	14 181	15 032
Contracted Services	15 146	12 872	21 657	28 364	23 083	23 083	23 083	23 913	25 348	26 869
Other Expenditure	9 526	7 184	19 809	20 434	28 665	28 665	28 665	18 704	19 826	21 016
Total Repairs and Maintenance Expenditure	94 776	93 302	112 311	126 852	127 339	127 339	127 339	126 780	134 387	142 451
<b>Inventory Consumed</b>										
Inventory Consumed - Water	14 842	17 256	18 188	22 477	21 177	21 177	21 177	18 188	19 279	20 436
Inventory Consumed - Other	18 457	16 129	37 442	18 224	18 282	18 282	18 282	19 412	20 577	21 812
Total Inventory Consumed & Other Material	33 299	33 385	55 630	40 701	39 459	39 459	39 459	37 600	39 856	42 247

## Supporting detail to Statement of Financial Position (Table SA3)

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
<b>R thousand</b>										
<b>ASSETS</b>										
<b>Consumer debtors</b>										
Consumer debtors	209 240	254 619	279 630	380 081	330 020	330 020	330 020	384 986	443 249	505 008
Less: Provision for debt impairment	(165 674)	(202 802)	(231 687)	(304 955)	(287 620)	(287 620)	(287 620)	(338 363)	(392 152)	(449 168)
<b>Total Consumer debtors</b>	<b>43 566</b>	<b>51 817</b>	<b>47 943</b>	<b>75 126</b>	<b>42 401</b>	<b>42 401</b>	<b>42 401</b>	<b>46 622</b>	<b>51 097</b>	<b>55 840</b>
<b>Debt impairment provision</b>										
Balance at the beginning of the year	165 674	202 802	231 687	252 811	231 687	231 687	231 687	287 620	338 363	392 152
Contributions to the provision	—	—	—	52 144	55 933	55 933	55 933	50 744	53 788	57 016
Bad debts written off	—	—	—	—	—	—	—	—	—	—
<b>Balance at end of year</b>	<b>165 674</b>	<b>202 802</b>	<b>231 687</b>	<b>304 955</b>	<b>287 620</b>	<b>287 620</b>	<b>287 620</b>	<b>338 363</b>	<b>392 152</b>	<b>449 168</b>
<b>Inventory</b>										
<b>Water</b>										
Opening Balance	5 941	5 941	5 941	5 941	729	729	729	729	729	729
System Input Volume	14 842	17 256	12 976	22 477	21 177	21 177	21 177	18 188	19 279	20 436
Water Treatment Works	—	—	—	—	—	—	—	—	—	—
Bulk Purchases	14 842	17 256	12 976	22 477	21 177	21 177	21 177	18 188	19 279	20 436
Natural Sources	—	—	—	—	—	—	—	—	—	—
Authorised Consumption	(14 842)	(17 256)	(18 188)	(22 477)	(21 177)	(21 177)	(21 177)	(18 188)	(19 279)	(20 436)
Billed Authorised Consumption	(14 842)	(17 256)	(18 188)	(22 477)	(21 177)	(21 177)	(21 177)	(18 188)	(19 279)	(20 436)
Billed Metered Consumption	(14 842)	(17 256)	(18 188)	(22 477)	(21 177)	(21 177)	(21 177)	(18 188)	(19 279)	(20 436)
Free Basic Water	—	—	—	—	—	—	—	—	—	—
Subsidised Water	—	—	—	—	—	—	—	—	—	—
Revenue Water	(14 842)	(17 256)	(18 188)	(22 477)	(21 177)	(21 177)	(21 177)	(18 188)	(19 279)	(20 436)
Non-revenue Water	—	—	—	—	—	—	—	—	—	—
Closing Balance Water	5 941	5 941	729	5 941	729	729	729	729	729	729
<b>Consumables</b>										
<b>Standard Rated</b>										
Opening Balance	—	(193)	492	—	9 434	9 434	9 434	9 434	9 434	9 434
Acquisitions	3 332	2 656	8 942	3 594	3 516	3 516	3 516	4 581	4 856	5 147
Issues	(3 525)	(1 972)	—	(3 594)	(3 516)	(3 516)	(3 516)	(4 581)	(4 856)	(5 147)
<b>Closing balance - Consumables Standard Rated</b>	<b>(193)</b>	<b>492</b>	<b>9 434</b>	<b>492</b>	<b>9 434</b>	<b>9 434</b>	<b>9 434</b>	<b>9 434</b>	<b>9 434</b>	<b>9 434</b>
<b>Zero Rated</b>										
Opening Balance	—	—	—	—	—	—	—	—	—	—
Acquisitions	5 174	4 891	23 321	100	95	95	95	84	89	94
Issues	(5 174)	(4 891)	(23 321)	(100)	(95)	(95)	(95)	(84)	(89)	(94)
<b>Closing balance - Consumables Zero Rated</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Materials and Supplies</b>										
Opening Balance	—	—	—	—	—	—	—	—	—	—
Acquisitions	9 759	9 267	14 121	14 531	14 672	14 672	14 672	14 748	15 633	16 571
Issues	(9 759)	(9 267)	(14 121)	(14 531)	(14 672)	(14 672)	(14 672)	(14 748)	(15 633)	(16 571)
Adjustments	—	—	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	—	—	—	—	—	—
<b>Closing balance - Materials and Supplies</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Housing Stock</b>										
Opening Balance	—	—	—	—	—	—	—	—	—	—
Acquisitions	10 402	9 632	6 178	—	—	—	—	—	—	—
Transfers	(10 402)	(9 632)	(6 178)	—	—	—	—	—	—	—
<b>Closing Balance - Housing Stock</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Closing Balance - Inventory &amp; Consumables</b>	<b>5 748</b>	<b>6 432</b>	<b>10 163</b>	<b>6 432</b>	<b>10 163</b>	<b>10 163</b>	<b>10 163</b>	<b>10 163</b>	<b>10 163</b>	<b>10 163</b>
<b>Property, plant and equipment (PPE)</b>										
PPE at cost/valuation (excl. finance leases)	834 095	881 045	957 066	1 434 568	1 378 543	1 378 543	1 378 543	1 537 320	1 736 423	1 854 044
Leases recognised as PPE	—	—	—	—	—	—	—	—	—	—
Less: Accumulated depreciation	—	—	—	284 308	299 752	299 752	299 752	328 926	359 852	392 632
<b>Total Property, plant and equipment (PPE)</b>	<b>834 095</b>	<b>881 045</b>	<b>957 066</b>	<b>1 150 260</b>	<b>1 078 791</b>	<b>1 078 791</b>	<b>1 078 791</b>	<b>1 208 394</b>	<b>1 376 571</b>	<b>1 461 412</b>
<b>LIABILITIES</b>										
<b>Current liabilities - Borrowing</b>										
Short term loans (other than bank overdraft)	—	—	—	—	—	—	—	—	—	—
Current portion of long-term liabilities	7 819	7 265	10 990	12 136	12 136	12 136	12 136	13 136	18 136	23 136
<b>Total Current liabilities - Borrowing</b>	<b>7 819</b>	<b>7 265</b>	<b>10 990</b>	<b>12 136</b>	<b>12 136</b>	<b>12 136</b>	<b>12 136</b>	<b>13 136</b>	<b>18 136</b>	<b>23 136</b>
<b>Trade and other payables</b>										
Trade Payables	91 099	82 998	83 155	58 815	45 411	45 411	45 411	48 889	51 822	54 932
Other creditors	—	—	—	30 198	34 955	34 955	34 955	34 955	34 955	34 955
Unspent conditional transfers	—	—	—	1 858	7 409	7 409	7 409	7 409	7 409	7 409
VAT	—	—	—	—	—	—	—	—	—	—
<b>Total Trade and other payables</b>	<b>91 099</b>	<b>82 998</b>	<b>83 155</b>	<b>90 872</b>	<b>87 775</b>	<b>87 775</b>	<b>87 775</b>	<b>91 253</b>	<b>94 187</b>	<b>97 296</b>
<b>Non current liabilities - Borrowing</b>										
Borrowing	82 348	75 038	83 855	173 400	129 684	129 684	129 684	201 113	268 514	301 114
Finance leases (including PPP asset element)	—	—	—	—	—	—	—	—	—	—
<b>Total Non current liabilities - Borrowing</b>	<b>82 348</b>	<b>75 038</b>	<b>83 855</b>	<b>173 400</b>	<b>129 684</b>	<b>129 684</b>	<b>129 684</b>	<b>201 113</b>	<b>268 514</b>	<b>301 114</b>
<b>Provisions - non-current</b>										
Retirement benefits	—	—	—	37 646	43 080	43 080	43 080	45 665	48 405	51 310
Refuse landfill site rehabilitation	—	—	—	103 069	125 131	125 131	125 131	134 515	144 604	155 449
Other	136 623	134 951	170 397	10 639	10 706	10 706	10 706	11 348	12 029	12 751
<b>Total Provisions - non-current</b>	<b>136 623</b>	<b>134 951</b>	<b>170 397</b>	<b>151 355</b>	<b>178 917</b>	<b>178 917</b>	<b>178 917</b>	<b>191 529</b>	<b>205 038</b>	<b>219 510</b>
<b>CHANGES IN NET ASSETS</b>										
<b>Accumulated Surplus/(Deficit)</b>										
Accumulated Surplus/(Deficit) - opening balance	661 046	747 809	824 680	848 606	861 913	861 913	861 913	910 570	941 743	1 001 726
GRAP adjustments	1 420	0	—	—	—	—	—	—	—	—
Restated balance	662 466	747 809	824 680	848 606	861 913	861 913	861 913	910 570	941 743	1 001 726
Surplus/(Deficit)	85 343	80 316	50 185	84 590	48 657	48 657	48 657	31 173	59 983	15 910
Transfers to/from Reserves	—	(3 445)	(12 953)	—	—	—	—	—	—	—
Depreciation offsets	—	—	—	—	—	—	—	—	—	—
Other adjustments	—	—	—	—	—	—	—	—	—	—
<b>Accumulated Surplus/(Deficit)</b>	<b>747 809</b>	<b>824 680</b>	<b>861 913</b>	<b>933 196</b>	<b>910 570</b>	<b>910 570</b>	<b>910 570</b>	<b>941 743</b>	<b>1 001 726</b>	<b>1 017 636</b>
<b>Reserves</b>										
Housing Development Fund	—	—	—	—	—	—	—	—	—	—
Capital replacement	20 822	24 267	37 220	24 267	37 220	37 220	37 220	37 220	37 220	37 220
<b>Total Reserves</b>	<b>20 822</b>	<b>24 267</b>	<b>37 220</b>	<b>24 267</b>	<b>37 220</b>	<b>37 220</b>	<b>37 220</b>	<b>37 220</b>	<b>37 220</b>	<b>37 220</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>768 631</b>	<b>848 947</b>	<b>899 132</b>	<b>957 463</b>	<b>947 790</b>	<b>947 790</b>	<b>947 790</b>	<b>978 963</b>	<b>1 038 945</b>	<b>1 054 855</b>

## Total Municipal Account

The effect of the proposed tariff and rate increases on households is illustrated below:

### Benchmarking Households based on 2022-23 tariffs

<b>Monthly Account For Household- "Low Income"</b> <b><i>Property Value: R100 000, Water: 6kl, Electricity 70kwh and 20Amp connection</i></b>				
Rates and Services Charges	Current 2021-2022	New Tariff 2022-2023	Rand Difference	Percentage Increase
Property Rates	-	-	-	
Elec: Basic Levy	-	-	-	0,00%
Elec: Energy charge	122,51	131,66	9,15	7,47%
Elec: Capacity charge	-	-	-	0,00%
Water: Basic Levy	147,04	158,80	11,76	8,00%
Water: Consumption	57,42	62,01	4,59	8,00%
Sanitation	182,00	190,37	8,37	4,60%
Refuse Removal	203,65	213,02	9,37	4,60%
Other				
<b>Sub-Total</b>	712,62	755,86	43,25	6,07%
VAT on Services	88,52	113,38	24,86	28,09%
<b>Total Bill:</b>	<b>801,13</b>	<b>869,24</b>	<b>68,11</b>	<b>8,50%</b>

<b>Monthly Account For Household- "Affordable Range"</b> <b><i>Property Value: R997 000, Water: 15kl, Electricity 500kwh and 30Amp connection</i></b>				
Rates and Services Charges	Current 2021-2022	New Tariff 2022-2023	Rand Difference	Percentage Increase
Property Rates	781,75	858,29	76,53	9,79%
Elec: Basic Levy	73,45	131,55	58,10	79,10%
Elec: Energy charge	957,55	896,55	(61,00)	-6,37%
Elec: Capacity charge	94,20	202,20	108,00	114,65%
Water: Basic Levy	147,04	158,80	11,76	8,00%
Water: Consumption	159,93	172,72	12,79	8,00%
Sanitation	182,00	190,37	8,37	4,60%
Refuse Removal	203,65	213,02	9,37	4,60%
Other				
<b>Sub-Total</b>	2 599,57	2 823,51	223,93	8,61%
VAT on Services	258,54	294,78	36,24	14,02%
<b>Total Bill:</b>	<b>2 858,12</b>	<b>3 118,29</b>	<b>260,17</b>	<b>9,10%</b>

<b>Monthly Account For Household- "High Income"</b> <b><i>Property Value: R1 785 000, Water: 30kl, Electricity 1000kwh and 50 Amp Connection</i></b>				
Rates and Services Charges	Current 2021-2022	New Tariff 2022-2023	Rand Difference	Percentage Increase
Property Rates	1 409,07	1 547,02	137,95	9,79%
Elec: Basic Levy	73,45	131,55	58,10	79,10%
Elec: Energy charge	1 915,10	1 793,11	(121,99)	-6,37%
Elec: Capacity charge	157,00	337,00	180,00	114,65%
Water: Basic Levy	147,04	158,80	11,76	8,00%
Water: Consumption	514,68	555,85	41,17	8,00%
Sanitation	182,00	190,37	8,37	4,60%
Refuse Removal	203,65	213,02	9,37	4,60%
Other				
<b>Sub-Total</b>	4 601,99	4 926,72	324,73	7,06%
VAT on Services	455,39	506,96	51,57	11,32%
<b>Total Bill:</b>	<b>5 057,38</b>	<b>5 433,68</b>	<b>376,30</b>	<b>7,44%</b>

## 18. Municipal manager's quality certificate

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I, J Jonkers, Acting Municipal Manager of Theewaterskloof Municipality (WC031), hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: J Jonkers

Acting Municipal Manager of: Theewaterskloof Municipality (WC031)

Signature: 

Date: 25.05.2022

Print Name: B Ngubo

Acting Chief Financial Officer of: Theewaterskloof Municipality (WC031)

Signature: 

Date: 25.05.2022