

SCHEDULE A

**FINAL ANNUAL BUDGET AND SUPPORTING
DOCUMENTATION FOR CHRIS HANI DISTRICT
MUNICIPALITY**



CHRIS HANI
DISTRICT MUNICIPALITY

SUSTAINING GROWTH
THROUGH OUR PEOPLE

**DRAFT ANNUAL BUDGET OF
CHRIS HANI DISTRICT MUNICIPALITY**

**2023/24 TO 2025/26
MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK**

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1.1 Executive Summary

In terms of section 227 of the Constitution, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share is an unconditional transfer that supplements the revenue raised by municipalities (including property rates and service charges). The equitable share provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities that have the least potential to cover these.

The Constitution gives local government substantial own-revenue-raising powers (particularly through property rates and service charges on services). Municipalities are expected to fund most of their own administrative costs and cross-subsidise some services for indigent residents. The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to the municipality indicating each category of funding to be utilised by the municipality in the provision of services.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2023/24 (MTREF) Medium-term Revenue and Expenditure Framework for Chris Hani District Municipality:

Table 1 Consolidated Overview of the 2023/24 MTREF: -

DC13 Chris Hani - Summarized Budgeted Financial Performance (revenue and expenditure)									
Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Total Revenue	1 079 435 841	1 157 963 060	1 130 667 874	1 481 644 117	1 526 120 797	1 526 120 797	1 638 085 315	1 741 587 374	1 734 475 049
Total Expenditure	1 222 305 286	1 294 971 578	1 493 751 242	1 319 176 129	1 282 299 831	1 282 299 831	1 426 486 590	1 464 301 150	1 569 665 738
Surplus (Deficit)	-142 869 446	-137 008 518	-363 083 368	162 467 988	243 820 966	243 820 966	211 598 725	277 286 224	164 809 311
Capital expenditure & funds sources	344 253 705	556 506 136	642 103 872	535 235 450	574 428 543	574 428 543	597 614 268	500 942 999	217 453 000
Surplus (Deficit) for the year	201 384 259	419 497 617	279 020 504	697 703 438	818 249 509	818 249 509	809 212 993	778 229 223	382 262 311

Anticipated Operating Revenue for 2023/2024 is budgeted at R 1,638,085, 315 or R 111,964,518 (7.34%) more than the 2022/2023 approved adjustments, operational revenue budget of R 1,526,120, 797. The increase is as a result of the yearly tariff increase of 5.3% for water and sanitation sales and as well the inflationary increases for the other revenue items. The overall increase of the operating revenue is also a result of an increase of transfers and subsidies.

Total Operating Expenditure for the 2023/24 financial year is budgeted at R 1,426 billion and translates into a budgeted operating surplus of R 211, 60 million, when compared to the 2022/23 adjustment budget. Operational Expenditure increased by 11.24% in the 2023/24 draft budget and increased by 2.65% and decreased by 7.2% in 2024/25 and 2025/26 respectively. The Operating Surplus of the two outer years are projected to increase by R 211.60 million in the first outer year and decrease to R 164.81 million in the second outer year. These low surplus levels indicate that the municipality has to increase own revenue base from the water and sanitation services to sustain the financial stability of the municipality.

The main source of capital funding for the municipality are the national conditional grants that are meant to fund infrastructure. The Capital Expenditure Budget is R 597.61 million for 2023/24 which is 13.22% less when compared to the 2022/23 adjustment budget. The capital budget has decreased due to DORA allocations that have decreased in the 2023/24 financial year, this gradual decrease is also reflecting in the two outer years (R 556.52 million and R 517 million respectively).

The municipality has to fully implement the adopted revenue enhancement strategy to increase its revenue base. The cost of maintaining the capital infrastructure has to be funded through revenue generating assets. Maintenance of the infrastructure is considered as a priority in order to maintain effective and efficient delivery of basic services.

1.2 Operating Revenue Framework:-

For the municipality to continue improving the quality of services provided to its citizens it needs to generate the required own revenue. Strong revenue management is fundamental to the financial sustainability of the district municipality. Although the municipality is striving for improved revenues, the District is still faced with poverty levels and infrastructure backlogs. The expenditure

required to address these challenges will inevitably always exceed available funding; hence the need to determine economic, cost reflective and affordable tariffs and balancing expenditures against realistically anticipated revenues.

The municipality has to improve the revenue management cycle in order to have funds available to sustain a positive cash flow position and its liquidity.

The municipality has embarked on data cleansing activities which will improve billing and debt collection rate. The focus areas of this strategy are to improve and enhance the following:-

- ✚ The indigent registration;
- ✚ Data cleansing on the financial information systems;
- ✚ Updating of all consumer files data;
- ✚ Accurate billing (proper tariffs charged);
- ✚ Revenue collection that's sustains the cash flow position of the municipality;
- ✚ Skills transfer and capacitation of Council officials on implementation of the revenue enhancement strategy;
- ✚ Debt recovery of outstanding debtors; and
- ✚ An effective implementation of the credit control policy.

The following table is a revenue summary of the 2023/24 MTREF (by revenue source):

Table 2: Summary of revenue classified by main revenue source:-

DC13 Chris Hani - Table A4 Budgeted Financial Performance (revenue and expenditure) % growth										
Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue										
Exchange Revenue										
Service charges - Water	241 313	307 984	304 388	310 489	323 489	323 489	249 037	340 634	357 325	374 119
Service charges - Waste Water Management	59 193	62 660	64 717	76 730	83 730	83 730	45 783	88 167	92 488	96 835
Sale of Goods and Rendering of Services	511	648	435	601	601	601	29	633	664	695
Interest earned from Receivables	57 781	62 769	84 185	53 593	100 000	100 000	101 802	104 950	110 460	115 651
Interest earned from Current and Non Current Assets	20 714	7 527	10 605	40 925	40 925	40 925	6 781	43 085	45 206	47 331
Licence and permits	-	61	60	284	284	284	39	299	313	328
Operational Revenue	1 510	339	397	261 140	261 140	261 140	57 671	274 981	288 455	302 012
Non-Exchange Revenue										
Fines, penalties and forfeits	-	-	-	94	94	94	-	99	104	109
Transfer and subsidies - Operational	698 412	714 682	665 973	734 668	712 737	712 737	506 091	781 943	820 853	793 395
Gains on disposal of Assets	2	1 292	317	3 120	3 120	3 120	-	3 285	4 000	4 000
Other Gains	-	-	16 563	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	1 079 436	1 157 963	1 147 641	1 481 644	1 526 121	1 526 121	967 231	1 638 085	1 719 867	1 734 475

Table 3: Percentage growth in revenue by main revenue source :-

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
	R thousand		Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
Revenue								
Exchange Revenue								
Service charges - Water	323 489	4.80	340 634	5.30%	357 325	4.90%	374 119	4.70%
Service charges - Waste Water Management	83 730	4.80	88 167	5.30%	92 488	4.90%	96 835	4.70%
Sale of Goods and Rendering of Services	601	4.80	633	5.30%	664	4.90%	695	4.70%
Interest earned from Receivables	100 000	4.80	104 950	4.95%	110 460	5.25%	115 651	4.70%
Interest earned from Current and Non Current Assets	40 925	4.80	43 095	5.30%	45 206	4.90%	47 331	4.70%
Licence and permits	284	4.80	299	5.20%	313	4.90%	328	4.70%
Operational Revenue	261 140	4.80	274 981	5.30%	288 455	4.90%	302 012	4.70%
Non-Exchange Revenue								
Fines, penalties and forfeits	94	4.80	99	5.30%	104	4.90%	109	4.70%
Transfer and subsidies - Operational	712 737	7.00	781 943	9.71%	842 573	7.75%	793 395	-5.84%
Gains on disposal of Assets	3 120	4.80	3 285	5.30%	3 446	4.90%	3 608	4.70%
Other Gains	-		-		-		-	
Total Revenue (excluding capital transfers and contributions)	1 526 121	4.96	1 638 085	5.70	1 741 034	5.22	1 734 083	3.65

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement in order to achieve the correct calculation of the operating surplus/deficit.

Transfers Recognised Operational which are in fact operating grants, are the main revenue stream and constitute 47.74% of the total Operating Revenue of the municipality amounting to R 781.94 million and Sanitation Services are R 88.17 million and constitute 5.38% of the total Operating Revenue. The water revenue increases to R 340.63 in the current year and projected to increase to R 357.33 million and R 374.12 in the respective outer financial years of the MTREF. The municipality has projected an annual increase in revenue at 5.3%, and an increase of 4.9% and 4.7% for the two outer years respectively and is based on the expected changes in the tariffs charged and improvement in the collection rate and accuracy of billing. An effective revenue enhancement strategy will improve the collection rate of the budgeted revenue by the municipality.

Water and Sanitation revenue constitutes 26.18% of the total Operating Revenue hence the need for the municipality to focus on the effective implementation of the credit control measures. The municipality is highly grant dependent as mentioned above hence the need to focus on the generation of own revenue for the long-term financial sustainability.

Table 4: Operating Transfers and Grant Receipts:-

DC13 Chris Hani - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		675 343	714 256	665 332	734 668	712 737	712 737	781 943	820 853	793 395
Local Government Equitable Share		543 689	649 376	600 621	654 460	654 460	654 460	695 711	734 611	768 119
Expanded Public Works Programme Integrated G		4 549	6 191	3 838	3 630	3 630	3 630	2 872	-	-
Local Government Financial Management Grant		1 250	1 005	1 000	1 000	1 000	1 000	1 000	2 418	2 500
Municipal Disaster Relief Grant		1 957	1 484	-	-	-	-	-	-	-
Municipal Infrastructure Grant		123 898	52 947	44 465	72 123	43 650	43 650	36 733	80 182	18 988
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	3 252	3 300	3 455	3 455	3 455	3 468	3 642	3 788
Water Services Infrastructure Grant		-	-	12 109	-	6 543	6 543	42 158	-	-
Provincial Government:		22 504	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		5 803	-	-	-	-	-	-	-	-
Infrastructure Grant		16 701	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		565	427	641	-	(0)	(0)	-	-	-
Local Government Water and Related Service SETA		565	427	641	-	(0)	(0)	-	-	-
Total Operating Transfers and Grants	5	698 412	714 682	665 973	734 668	712 737	712 737	781 943	820 853	793 395
Capital Transfers and Grants										
National Government:		344 254	556 506	642 190	535 235	574 429	574 429	537 114	500 943	392 091
Municipal Disaster Recovery Grant		-	-	3 427	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		164 725	228 497	286 148	258 328	286 801	286 801	309 256	282 343	260 772
Regional Bulk Infrastructure Grant		85 814	258 059	275 774	216 907	216 907	216 907	203 000	135 000	44 000
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		93 715	69 949	76 841	60 000	70 720	70 720	24 859	83 600	87 319
Provincial Government:		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	344 254	556 506	642 190	535 235	574 429	574 429	537 114	500 943	392 091
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1 042 666	1 271 188	1 308 163	1 269 903	1 287 166	1 287 166	1 319 057	1 321 796	1 185 486

The table above is a breakdown of grant funding that is allocated to the municipality. This is an indication that, the municipality to be financially viable it mainly depends on grant funding for its operations. As depicted in Supporting Table SA18 above over the MTREF period there is going to be a slight increase in grants allocated to the municipality, this therefore requires the municipality to fully implement strategies to improve on the billing and debt collection of consumer debtors; and the implementation of the cost containment measures to curb unnecessary expenditure.

1.2.1 Sale of Water and Impact of Tariff Increases:-

The municipality as a Water Services Authority and Provider is currently experiencing problems in the billing process, debt collection and implementation of the applicable water tariffs across the district. National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure, that:

- Water tariffs are fully cost-reflective – including the cost of operating and maintenance of purification plants, water networks and the cost associated with reticulation expansion;
- Tariffs are structured such that they protect basic levels of service and ensure the provision of free services to the indigent; and
- Tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that Tariff structures are cost reflective by 2014 and to date the municipality has missed that deadline, as the cost of providing these services is higher than the billing amount and debt collection rate for the services.

The municipality is a Water Services Authority (WSA) and Provider (WSP), therefore has to realise own revenue from rendering of water and sanitation services. The above allocations are not sufficient to maintain, repair and ensure the sustainability of the water infrastructure assets that should generate a revenue base for the municipality in order to cover operational and capital costs. Attached is **Annexure A**, indicating the breakdown of the tariffs to be implemented in recognising own revenue from water and sanitation services.

The municipality is currently reviewing the level and structure of water and sanitation tariffs carefully with a view to ensuring that:-

- Tariffs are on aggregate fully cost-reflective – inclusive of bulk cost of water, the cost of maintenance of purification/treatment plants and network infrastructure.
- Tariffs are structured to protect basic levels of service; and
- Tariffs are designed to encourage efficient and sustainable consumption (e.g. through inclining block tariffs).

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

1.3 Operating Expenditure Framework:-

The municipality's expenditure framework for the 2023/24 MTREF budget is informed by the following:

- Balanced budget constraint (Operating Expenditure should not exceed Operating Revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services;
- The municipality is striving to eliminate all non-priority spending; and
- The municipality is to implement the cost containment measures continuously.

The following table is a high-level summary of the 2023/24 MTREF budget (classified per main type of Operating Expenditure):

Table 5 Summary of Operating Expenditure by standard classification items: -

DC13 Chris Hani - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure										
Employee related costs	342 074	379 973	407 269	400 535	390 490	390 490	272 770	420 947	452 098	484 259
Remuneration of councillors	12 226	12 918	12 426	12 715	12 715	12 715	8 371	13 223	13 752	14 302
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-
Inventory consumed	10 490	33 493	18 361	43 184	46 071	46 071	-	57 315	58 907	57 820
Debt impairment	278 891	304 180	335 286	227 391	217 391	217 391	151 594	223 935	230 653	237 572
Depreciation and amortisation	157 913	181 858	260 297	180 000	180 000	180 000	120 000	189 540	191 461	197 420
Interest	88	456	2 842	530	377	377	408	500	525	549
Contracted services	168 380	182 088	205 766	241 544	233 935	233 935	162 659	279 218	270 916	292 384
Transfers and subsidies	117 739	53 842	70 713	70 500	53 446	53 446	41 955	86 808	82 124	118 791
Irrecoverable debts written off								-	-	-
Operational costs	134 190	144 866	156 063	142 776	147 875	147 875	103 447	155 000	163 866	166 569
Losses on disposal of Assets	315	906	876	-	-	-	-	-	-	-
Other Losses	-	392	1 447	-	-	-	-	-	-	-
Total Expenditure	1 222 305	1 294 972	1 471 347	1 319 176	1 282 300	1 282 300	861 204	1 426 487	1 464 301	1 569 666

The budgeted allocation for employee related costs for 2023/24 financial year totals R 420.95 million, which equals 29.51% of the total Operating Expenditure. Salaries has been informed by the recent audited annual financial statements, current year actual expenditure and a proposed annual increase of 7.80%. The municipality has also prioritised the filling of all vacant critical posts within 2023/24 financial year.

The cost associated with the remuneration of councillors will be 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) however a provisional increase of 4% has been made while compiling the draft budget.

An amount of R57.32 million has been budgeted for Inventory Consumed or 24.40% when compared to the 2022/23 adjusted budget. This is mainly due to the higher increase in consumption of chemicals which are projected to be R19.9 million for the 2023/24 financial year.

The provision for Debt Impairment is budgeted for at R 223.94 million in 2023/24 financial year and constitutes 15.70 % of the total Operating Expenditure. This was determined based on an estimated collection rate of 30 % and the Debt Write-off Policy of the municipality. While this expenditure is a non-cash item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy and the recent audited annual financial statements. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R 189.54 million for the 2023/24 financial year and equates to 13.29% of the total Operating Expenditure.

An amount of R279.22 million has been budgeted for the Contracted Services which constitutes 19.57% of the OPEX. This item includes cost drivers such as Security Services (R60 million, Repairs and Maintenance (R99.90 million), Legal Fees (R6.8 million and MIG Operational Grants (19.43 million).

The transfers and subsidies are estimated to be R86.81 million and represent an increase of 62.42% for 2023/24 financial year. This increase is more than the CPI index because it includes

cost drivers such as Rural Sanitation to local municipalities which the municipalities has prioritised, CHDA subsidy and CDC subsidy. This is also a prudent measure to avoid any potential unauthorised expenditures.

The Operational Costs are estimated to be R155 million and represent an increase of 4.82% for 2023/24 financial year. This increase is within the CPI index and also has considered the YTD as well as additional expenditures and inflationary price increases from suppliers for goods and services. These costs constitute 10.87% of the total operating expenditure budget. These costs include cost drivers such as Fuel and Diesel which have substantially increased during the current financial period due to the rolling blackouts.

The following table provides the details of Other Operational Expenditure which consists of main cost drivers such as Audit Fees (R8.42 million), Departmental Electricity (R39.18 million) and Wet Fuel (R29.20 million).

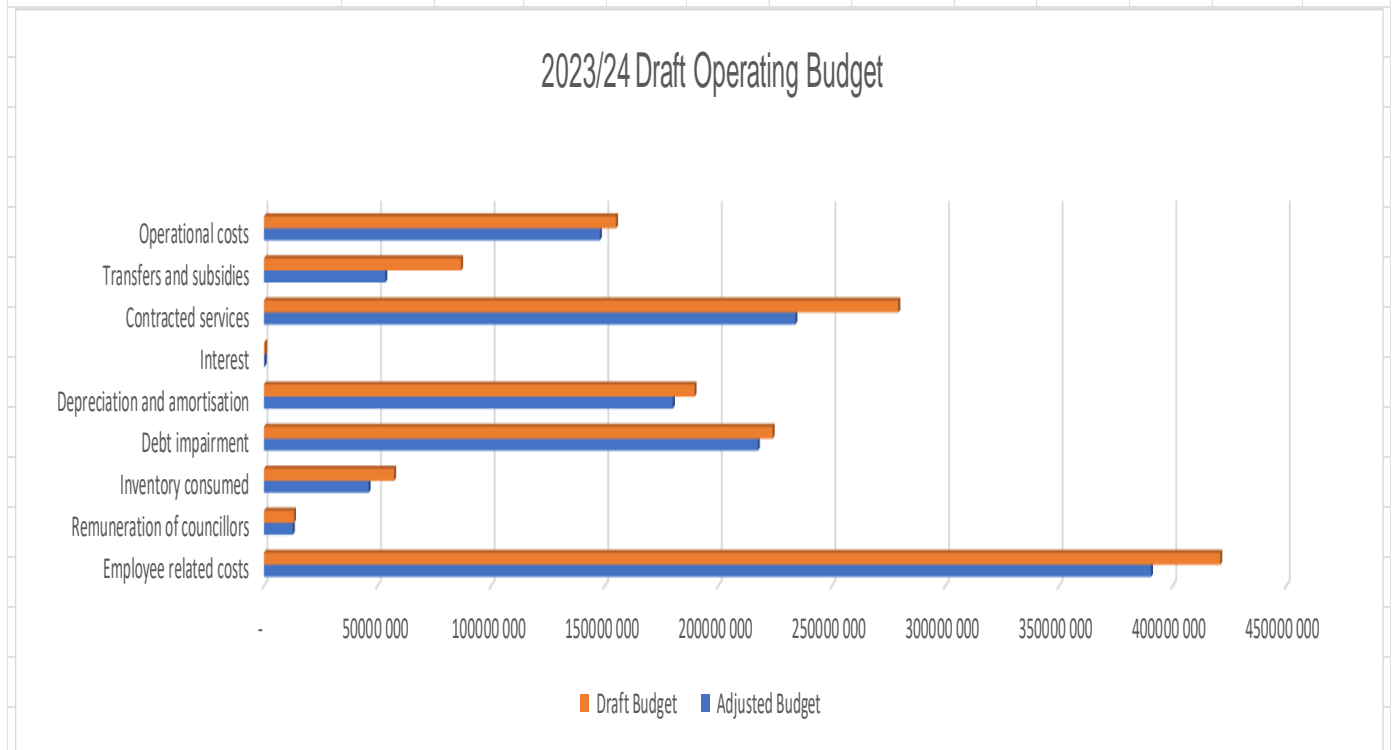
Table 6: Detailed Other Expenditure

DC13 Chris Hani - Table A4 Budgeted Financial Performance (revenue and expenditure)																	
Description	2018/19	2019/20	2020/21	Current Year 2021/22				2019/20	2020/21	Current Year 2022/23				2023/24 Medium term Revenue & Expenditure Framework			
	R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcom	2023/24	2024/25	2025/26
Other Expenditure By Type																	
Collection costs																	
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Audit fees	6 840	8 442	8 931	5 100	8 675	8 675	8 401	8 442	8 931	5 100	8 675	8 675	8 401	8 424	8 637	9 252	
Departmental Electricity														39 182	41 531	44 020	
Wet Fuel														29 199	28 221	29 537	
Professional Bodies														3 318	3 467	3 636	
Advertising Publication and Marketing														1 430	1 500	1 571	
Printing and Publication														1 698	1 647	1 693	
Rentals Operating Lease														4 966	5 204	5 469	
Asset less capital thresholds														5 317	5 637	5 975	
Skills Development Levy														3 623	3 800	3 930	
Indigent														5 452	5 779	6 125	
Software Licenses														2 760	2 763	2 766	
Com,Phone fax Telegram & Telex														2 295	2 380	2 487	
Insurance Excess														500	500	500	
Other Expenditure	228 909	125 748	135 935	77 684	122 418	122 418	119 964	125 748	135 935	77 684	122 418	122 418	119 964	46 835	52 599	49 608	
Total 'Other' Expenditure	235 749	134 190	144 866	82 784	131 093	131 093	128 365	134 190	144 866	82 784	131 093	131 093	128 365	155 000	163 866	166 569	

The following graph gives a breakdown of the main expenditure categories for 2022/23 budget year :-

Table 7: 2023/24 Draft Operational Budget

	Employee related costs	Remuneration of councillors	Inventory consumed	Debt impairment	Depreciation and amortisation	Interest	Contracted services	Transfers and subsidies	Operational costs			
Adjusted Budget	390 490	12 715	46 071	217 391	180 000	377	233 935	53 446	147 875			
Draft Budget	420 947	13 223	57 315	223 935	189 540	500	279 218	86 808	155 000			



Free Basic Services: Indigent Support:-

The indigent support assists households that are poor or face other circumstances that limit their ability to pay for municipal services. To receive these free basic services the households are required to register in terms of the municipality's indigent policy in relation to the water and sanitation services. The district municipality will have an ongoing indigent registration programme and data cleansing will be conducted as part of the revenue enhancement strategy so as to provide for the indigent households, this process is being reviewed annually. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as

basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement) and supporting table SA9.

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

1.4 Capital Expenditure

The following table provides a breakdown of budgeted Capital Expenditure by vote:- 2023/24 Medium-term capital budget per vote :-

Table 8: Capital Expenditure Breakdown by Vote

Vote Description	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand							
Capital expenditure - Vote							
Multi-year expenditure to be appropriated							
Vote 03 - Budget & Treasury	60 500	60 500	60 500	3 030	60 500	55 575	124 912
Vote 06 - Planning & Development	20 000	20 000	20 000	47	-	-	-
Vote 07 - Technical Services	535 235	574 429	574 429	455 121	537 114	500 943	392 091
Capital multi-year expenditure sub-total	615 735	654 929	654 929	458 197	597 614	556 518	517 003

For 2023/24 an amount of R 597.61 million has been appropriated for the development of infrastructure which represents 90% of the total capital budget. In the outer years this amount totals to R 586.52 million and R 517 million respectively. The municipality provides water and sanitation services and currently has service delivery backlogs and infrastructure backlogs hence the capital funding is never sufficient to eradicate the backlogs. It is therefore essential for the municipality to explore and enhance the own revenue capabilities to contribute to the improvement of infrastructure.

Annual Budget Tables - Parent Municipality

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2023/24 budget and MTREF as tabled before Council. Each table is accompanied by *explanatory notes*.

Table 9 MBRR Table A1 - Budget Summary :-**DC13 Chris Hani - Table A1 Budget Summary**

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	300 505	370 644	369 105	387 219	407 219	407 219	323 732	428 801	449 812	470 954
Investment revenue	20 714	7 527	10 605	40 925	40 925	40 925	6 791	43 095	45 206	47 331
Transfer and subsidies - Operational	698 412	714 682	665 973	734 668	712 737	712 737	691 556	781 943	820 853	793 395
Other own revenue	59 804	65 109	101 958	318 832	365 239	365 239	177 895	384 247	403 996	422 796
Total Revenue (excluding capital transfers and contributions)	1 079 436	1 157 963	1 147 641	1 481 644	1 526 121	1 526 121	1 199 974	1 638 085	1 719 867	1 734 475
Employee costs	342 074	379 973	407 269	400 535	390 490	390 490	304 016	420 947	452 098	484 259
Remuneration of councillors	12 226	12 918	12 426	12 715	12 715	12 715	9 419	13 223	13 752	14 302
Depreciation and amortisation	157 913	181 858	260 297	180 000	180 000	180 000	120 000	189 540	191 461	197 420
Interest	88	456	2 842	530	377	377	417	500	525	549
Inventory consumed and bulk purchases	10 490	33 493	18 361	43 184	46 071	46 071	-	57 315	58 907	57 820
Transfers and subsidies	117 739	53 842	70 713	70 500	53 446	53 446	47 933	86 808	82 124	118 791
Other expenditure	581 775	632 432	699 439	611 711	599 201	599 201	454 458	658 153	665 434	696 525
Total Expenditure	1 222 305	1 294 972	1 471 347	1 319 176	1 282 300	1 282 300	936 242	1 426 487	1 464 301	1 569 666
Surplus/(Deficit)	(142 869)	(137 009)	(323 706)	162 468	243 821	243 821	263 732	211 599	255 566	164 809
Transfers and subsidies - capital (monetary allocations)	344 254	556 506	642 190	535 235	574 429	574 429	488 832	537 114	500 943	392 091
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	201 384	419 498	318 484	697 703	818 250	818 250	752 564	748 713	756 509	556 900
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	201 384	419 498	318 484	697 703	818 250	818 250	752 564	748 713	756 509	556 900
Capital expenditure & funds sources										
Capital expenditure	16 845	1 642	18 275	615 735	654 929	654 929	498 832	597 614	556 518	517 003
Transfers recognised - capital	16 527	(2 939)	8 315	535 235	574 429	574 429	484 198	537 114	500 943	392 091
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	318	4 581	9 961	80 500	80 500	80 500	14 634	60 500	55 575	124 912
Total sources of capital funds	16 845	1 642	18 275	615 735	654 929	654 929	498 832	597 614	556 518	517 003
Financial position										
Total current assets	142 480	1 737 805	1 652 525	2 431 105	2 441 105	2 441 105	2 025 679	1 744 797	1 519 129	1 212 710
Total non current assets	(33 558)	4 595 429	4 935 577	4 676 151	4 715 344	4 715 344	5 314 409	3 738 133	3 850 923	3 966 244
Total current liabilities	249 007	1 609 886	1 550 159	1 621 429	1 621 429	1 621 429	1 303 345	1 372 223	1 439 409	1 507 007
Total non current liabilities	4 204	73 073	72 366	134 732	134 732	134 732	72 366	72 366	75 912	79 480
Community wealth/Equity	18 262	4 719 886	4 964 348	5 369 698	5 418 992	5 418 992	5 728 567	4 038 341	3 854 730	3 592 467
Cash flows										
Net cash from (used) operating	72	1 356 135	433 096	932 216	1 081 785	1 081 785	422 103	1 040 040	1 092 505	906 265
Net cash from (used) investing	38	(36)	(17 958)	(612 968)	(651 809)	(651 809)	(436 980)	(594 329)	(552 518)	(513 003)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	117 183	1 398 346	586 359	631 521	742 250	742 250	(14 867)	625 011	1 164 998	1 558 261
Cash backing/surplus reconciliation										
Cash and investments available	(218 599)	171 221	361 276	312 273	312 273	312 273	417 572	179 300	188 086	196 926
Application of cash and investments	118 957	(2 032 889)	42 400	193 974	198 935	198 935	358 768	(11 047)	59 493	166 613
Balance - surplus (shortfall)	(337 556)	2 204 110	318 876	118 300	113 339	113 339	58 804	190 346	128 592	30 313
Asset management										
Asset register summary (WDV)	(55 756)	3 549 079	3 687 846	3 667 471	3 706 664	3 706 664	3 736 633	3 849 349	3 964 597	-
Depreciation	157 913	181 858	260 297	180 000	180 000	180 000	189 540	191 461	197 420	-
Renewal and Upgrading of Existing Assets	-	(70)	475	43 162	7 766	7 766	76 630	50 950	16 400	-
Repairs and Maintenance	41 504	43 029	43 926	77 842	74 528	74 528	99 900	107 897	114 029	-
Free services										
Cost of Free Basic Services provided	-	-	-	6 143	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	0	-	535 235	535 235	535 235	319 398	467 082	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality budget from all of the major financial perspectives (operating, capital, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminate basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating deficit (after Total Expenditure) is negative over the MTREF increasing into the outer years.
 - b. Capital expenditure is balanced by capital funding sources, of which;
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing activities on the Cash Flow Budget. .
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the collection rate of the revenue from water and sanitation services is very low and needs to be enhanced. However the municipality will enter into payment arrangements with the affected creditors to ensure that these obligations are duly met.

Even though Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of providing basic services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs though not at a larger scale as it is grant dependent. The municipality has to ensure that it improves the billing

and collection of the revenue from water and sanitation services so as to have cash available to fund service delivery and infrastructure backlogs.

Table 10 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC13 Chris Hani - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	241 313	307 984	304 388	310 489	323 489	323 489	272 225	340 634	357 325	374 119
Service charges - Waste Water Management	2	59 193	62 660	64 717	76 730	83 730	83 730	51 507	88 167	92 488	96 835
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		511	648	435	601	601	601	31	633	664	695
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		57 781	62 769	84 185	53 593	100 000	100 000	116 456	104 950	110 460	115 651
Interest earned from Current and Non Current Assets		20 714	7 527	10 605	40 925	40 925	40 925	6 791	43 095	45 206	47 331
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-	-
Licence and permits		-	61	60	284	284	284	45	299	313	328
Operational Revenue		1 510	339	397	261 140	261 140	261 140	61 363	274 981	288 455	302 012
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	94	94	94	-	99	104	109
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		698 412	714 682	665 973	734 666	712 737	712 737	691 556	781 943	820 853	793 395
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	2	2	1 292	317	3 120	3 120	3 120	-	3 285	4 000	4 000
Other Gains		-	-	16 563	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1 079 436	1 157 963	1 147 641	1 481 644	1 526 121	1 526 121	1 199 974	1 638 085	1 719 867	1 734 475
Expenditure											
Employee related costs	2	342 074	379 973	407 269	400 535	390 490	390 490	304 016	420 947	452 098	484 259
Remuneration of councillors		12 226	12 918	12 426	12 715	12 715	12 715	9 419	13 223	13 752	14 302
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed		10 490	33 493	18 361	43 184	46 071	46 071	-	57 315	58 907	57 820
Debt impairment	3	-	-	-	-	-	-	-	223 935	230 653	237 572
Depreciation and amortisation		157 913	181 858	260 297	180 000	180 000	180 000	120 000	189 540	191 461	197 420
Interest		88	456	2 842	530	377	377	417	500	525	549
Contracted services		168 380	182 088	205 766	241 544	233 935	233 935	171 850	279 218	270 916	292 384
Transfers and subsidies		117 739	53 842	70 713	70 500	53 446	53 446	47 933	86 808	82 124	118 791
Irrecoverable debts written off		278 891	304 180	335 286	227 391	217 391	217 391	170 543	-	-	-
Operational costs		134 190	144 866	156 063	142 776	147 875	147 875	112 064	155 000	163 866	166 569
Losses on disposal of Assets		315	906	876	-	-	-	-	-	-	-
Other Losses		-	392	1 447	-	-	-	-	-	-	-
Total Expenditure		1 222 305	1 294 972	1 471 347	1 319 176	1 282 300	1 282 300	936 242	1 426 487	1 464 301	1 569 666
Surplus/(Deficit)		(142 869)	(137 009)	(323 706)	162 468	243 821	243 821	263 732	211 599	255 566	164 809
Transfers and subsidies - capital (monetary allocations)	6	344 254	556 506	642 190	535 235	574 429	574 429	488 832	537 114	500 943	392 091
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		201 384	419 498	318 484	697 703	818 250	818 250	752 564	748 713	756 509	556 900
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		201 384	419 498	318 484	697 703	818 250	818 250	752 564	748 713	756 509	556 900
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		201 384	419 498	318 484	697 703	818 250	818 250	752 564	748 713	756 509	556 900
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	201 384	419 498	318 484	697 703	818 250	818 250	752 564	748 713	756 509	556 900

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

1. Total Revenue is R 1.64 billion in 2023/24 and escalates to R 1.72 billion by 2024/25. This represents a year-on-year increase of 7.34% for 2023/24 financial year and 6.28% for 2024/25 financial year.
2. Revenue to be generated from water and sanitation services is R 428.80 million in 2023/24 financial year and increases to R 449.81 million by 2024/25 and represents 26.18% of the total Operating Revenue and therefore indicating that the municipality is heavily grant dependent. It remains relatively constant over the medium-term, this income stream is the revenue base of the municipality that must improve moving into the future.
3. Transfers recognised – operating, includes the local government equitable share and other operating grants from national and provincial government. These grants form 47.72% of the total revenue base of the municipality therefore an indication that the municipality has to focus on the billing and collection of own revenue to have a better cash flow position.
4. Employee related costs are the major cost driver for the municipality at 29.51% of the total Operating Expenditure budget. These costs have increased significantly over the years due to the filling of vacancies that existed in the municipality and also annual increase in line with the collective agreement of the bargaining council. The water and sanitation take over has also influenced this cost as employees that were in local municipalities have been transferred to the district municipality and are in a process of being integrated to the municipality.
5. The table above reflects an overall increase of 11.24% in the final budget for Operating Expenditure when compared to the first adjustment budget.
 - The increase was influenced by the following expenditure items:-
 - ✓ Employee related costs by 7.8%.
 - ✓ Remuneration of Councillors by 4%.
 - ✓ Inventory Consumed 24.40%;
 - ✓ Debt Impairment by 3%.
 - ✓ Depreciation by 5.30%.
 - ✓ Finance Charges by 32.53%

- ✓ Contracted Services by 19.36%
- ✓ Transfers and subsidies 62.42%

Table 11: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding sources :-

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 01 - Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget & Treasury		318	1 414	7 260	60 500	60 500	60 500	8 178	60 500	55 575	124 912
Vote 04 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Corporate Services		-	3 167	2 701	-	-	-	-	-	-	-
Vote 06 - Planning & Development		-	-	0	20 000	20 000	20 000	1 128	-	-	-
Vote 07 - Technical Services		16 527	(2 939)	8 315	535 235	574 429	574 429	486 771	537 114	500 943	392 091
Vote 08 - Roadworks		-	-	-	-	-	-	-	-	-	-
Vote 09 - Entity: Chris Hani Development Agency		-	-	-	-	-	-	-	-	-	-
Vote 10 - Vote 10		-	-	-	-	-	-	-	-	-	-
Vote 11 - Vote 11		-	-	-	-	-	-	-	-	-	-
Vote 12 - Vote 12		-	-	-	-	-	-	-	-	-	-
Vote 13 - Vote 13		-	-	-	-	-	-	-	-	-	-
Vote 14 - Vote 14		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	16 845	1 642	18 275	615 735	654 929	654 929	496 077	597 614	556 518	517 003
Single-year expenditure to be appropriated	2										
Vote 01 - Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 03 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 04 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 06 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 07 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 08 - Roadworks		-	-	-	-	-	-	-	-	-	-
Vote 09 - Entity: Chris Hani Development Agency		-	-	-	-	-	-	-	-	-	-
Vote 10 - Vote 10		-	-	-	-	-	-	-	-	-	-
Vote 11 - Vote 11		-	-	-	-	-	-	-	-	-	-
Vote 12 - Vote 12		-	-	-	-	-	-	-	-	-	-
Vote 13 - Vote 13		-	-	-	-	-	-	-	-	-	-
Vote 14 - Vote 14		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		16 845	1 642	18 275	615 735	654 929	654 929	496 077	597 614	556 518	517 003
Capital Expenditure - Functional											
Governance and administration		318	4 581	9 961	60 500	60 500	60 500	8 178	60 500	55 575	124 912
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		318	4 581	9 961	60 500	60 500	60 500	8 178	60 500	55 575	124 912
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	0	24 000	20 100	20 100	1 128	10 400	4 000	-
Planning and development		-	-	0	24 000	20 100	20 100	1 128	10 400	4 000	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		16 527	(2 939)	8 315	531 235	574 329	574 329	486 771	526 714	496 943	392 091
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		15 528	(2 939)	7 913	491 835	556 549	556 549	478 044	493 064	472 913	390 701
Waste water management		999	(0)	402	39 400	17 779	17 779	8 726	33 650	24 030	1 390
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	16 845	1 642	18 275	615 735	654 929	654 929	496 077	597 614	556 518	517 003
Funded by:											
National Government		16 527	(3 044)	8 518	535 235	574 429	574 429	486 771	537 114	500 943	392 091
Provincial Government		-	105	(204)	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov		-	-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-	-
Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	16 527	(2 939)	8 315	535 235	574 429	574 429	486 771	537 114	500 943	392 091
Borrowing	6										
Internally generated funds		318	4 581	9 961	80 500	80 500	80 500	9 306	60 500	55 575	124 912
Total Capital Funding	7	16 845	1 642	18 275	615 735	654 929	654 929	496 077	597 614	556 518	517 003

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

1. Table A5 is a breakdown of the capital programmes 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. In relation to multi-year appropriations, for 2023/24, R 537.11 million has been allocated, which totals to 100% of total capital budget. This allocation decreases to R 500.94 million in 2024/25 and decreases to just R 392 million in 2025/26.
3. Single-year capital expenditure has been appropriated at R 60.5 million for the 2023/24 financial year.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles, computers, furniture and office equipment, specialized tools and equipment. There is no budget appropriated for the two outer years. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from National and provincial grants transfers. For 2023/24, capital transfers totals R 537.11 million (100%) and decrease to R 500.94 million by 2024/25 (7.22%). The municipality is solely dependent on grant funding to fund the capital budget, to improve its infrastructure and deal with basic services backlogs.

Table 12 MBRR Table A6 - Budgeted Financial Position-

DC13 Chris Hani - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		(218 599)	171 221	361 276	312 273	312 273	312 273	(64 965)	179 300	188 086	196 926
Trade and other receivables from exchange transactions	1	159 653	420 073	483 347	846 259	856 259	856 259	710 722	683 862	406 711	48 492
Receivables from non-exchange transactions	1	-	-	-	-	-	-	-	-	-	-
Current portion of non-current receivables		128	(194)	(207)	-	-	-	(207)	-	-	-
Inventory	2	6 021	3 351	10 275	10 275	10 275	10 275	10 275	10 275	10 275	10 275
VAT		192 029	1 129 193	783 130	1 262 297	1 262 297	1 262 297	871 360	871 360	914 057	957 017
Other current assets		3 246	14 161	14 704	-	-	-	14 816	-	-	-
Total current assets		142 480	1 737 805	1 652 525	2 431 105	2 441 105	2 441 105	1 542 000	1 744 797	1 519 129	1 212 710
Non current assets											
Investments											
Investment property											
Property, plant and equipment	3	(33 535)	4 593 316	4 933 606	4 673 161	4 712 354	4 712 354	5 309 683	3 736 430	3 849 136	3 964 374
Biological assets											
Living and non-living resources											
Heritage assets											
Intangible assets		(61)	261	119	1 490	1 490	1 490	119	203	213	223
Trade and other receivables from exchange transactions		38	352	352	-	-	-	352	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 574	1 647
Total non current assets		(33 538)	4 595 429	4 935 577	4 676 151	4 715 344	4 715 344	5 311 654	3 738 133	3 850 923	3 966 244
TOTAL ASSETS		108 922	6 333 234	6 588 102	7 107 256	7 156 449	7 156 449	6 853 654	5 482 930	5 370 051	5 178 954
LIABILITIES											
Current liabilities											
Bank overdraft											
Financial liabilities		1 228	2 114	-	2 215	2 215	2 215	-	2 215	2 270	2 323
Consumer deposits		179	649	772	778	778	778	850	1 458	1 529	1 601
Trade and other payables from exchange transactions	4	151 534	271 967	416 642	344 949	344 949	344 949	164 321	208 527	218 745	229 026
Trade and other payables from non-exchange transactions	5	(32 577)	82 541	15 941	80 000	80 000	80 000	44 206	-	-	-
Provision		(1 630)	85 201	82 554	-	-	-	82 554	-	-	-
VAT		113 424	1 165 643	1 032 479	1 105 327	1 105 327	1 105 327	1 075 699	1 075 699	1 128 408	1 181 443
Other current liabilities		16 850	1 771	1 771	88 161	88 161	88 161	1 771	84 325	88 457	92 614
Total current liabilities		249 007	1 609 886	1 550 159	1 621 429	1 621 429	1 621 429	1 369 401	1 372 223	1 439 409	1 507 007
Non current liabilities											
Financial liabilities	6	-	-	-	-	-	-	-	18 925	19 852	20 785
Provision	7	4 204	73 073	72 366	134 732	134 732	134 732	72 366	53 441	56 060	58 694
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities											
Total non current liabilities		4 204	73 073	72 366	134 732	134 732	134 732	72 366	72 366	75 912	79 480
TOTAL LIABILITIES		253 211	1 682 959	1 622 525	1 756 161	1 756 161	1 756 161	1 441 767	1 444 589	1 515 321	1 586 486
NET ASSETS		(144 290)	4 650 276	4 965 578	5 351 095	5 400 288	5 400 288	5 411 887	4 038 341	3 854 730	3 592 467
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	18 262	2 029 825	2 274 287	5 369 698	5 418 992	5 418 992	2 793 072	4 038 341	3 854 730	3 592 467
Reserves and funds	9	-	2 690 061	2 690 061	-	-	-	2 690 061	-	-	-
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	18 262	4 719 886	4 964 348	5 369 698	5 418 992	5 418 992	5 483 133	4 038 341	3 854 730	3 592 467

Explanatory notes to Table A6 - Budgeted Financial Position:-

1. Table A6 is consistent with international standards of good financial management practice and improves understandability by council and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 6 is supported by an extensive table of notes in supporting table 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;
 - Non-current provisions ;
 - 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 debt impairment. 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 for the MTREF.

Table 13 MBRR Table A7 - Budgeted Cash Flow Statement :-**DC13 Chris Hani - Table A7 Budgeted Cash Flows**

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges		-	78 300	96 141	271 053	258 789	258 789	27 559	257 281	314 869	329 668
Other revenue		-	2 037 162	203 366	262 119	262 119	262 119	55 106	275 379	288 872	302 449
Transfers and Subsidies - Operational	1	-	7 803	459 193	734 668	712 737	712 737	463 370	781 943	820 853	793 395
Transfers and Subsidies - Capital	1	-	662 073	632 611	535 235	574 429	574 429	505 010	537 114	500 943	392 091
Interest		-	7 527	10 605	40 925	40 925	40 925	6 781	100 035	104 937	109 869
Dividends									-	-	-
Payments											
Suppliers and employees		72	(1 436 439)	(901 032)	(840 755)	(713 391)	(713 391)	(593 503)	(911 261)	(937 496)	(1 020 712)
Interest		-	(291)	(125)	(530)	(377)	(377)	(469)	(450)	(472)	(494)
Transfers and Subsidies	1	-	-	(67 663)	(70 500)	(53 446)	(53 446)	(41 955)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		72	1 356 135	433 096	932 216	1 081 785	1 081 785	421 899	1 040 040	1 092 505	906 265
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	1 292	317	3 120	3 120	3 120	-	3 285	4 000	4 000
Decrease (increase) in non-current receivables		38	315	-	(352)	-	-	-	-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		-	(1 642)	(18 275)	(615 735)	(654 929)	(654 929)	(436 980)	(597 614)	(556 518)	(517 003)
NET CASH FROM/(USED) INVESTING ACTIVITIES		38	(36)	(17 958)	(612 968)	(651 809)	(651 809)	(436 980)	(594 329)	(552 518)	(513 003)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing									-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		109	1 356 099	415 139	319 248	429 977	429 977	(15 081)	445 712	539 987	393 262
Cash/cash equivalents at the year begin:	2	117 073	42 247	171 221	312 273	312 273	312 273	10	179 300	625 011	1 164 998
Cash/cash equivalents at the year end:	2	117 183	1 398 346	586 359	631 521	742 250	742 250	(15 071)	625 011	1 164 998	1 558 261

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. It can be seen that the cash levels of the municipality slightly increase over the years 2023/24 to 2025/26 due to the average increase in Equitable Share and conditional grants allocations received by the municipality and increased Operating Expenditure levels.
4. Further the municipality needs to take into consideration a realistic collection rate as this has implications on the funding of the budget.
5. The 2023/24 MTREF has been informed by the planning principle of a 30% collection rate on water and sanitation services revenue.
6. Cash and cash equivalents totals R 625 million as at the end of 2022/23 financial year and increases to R 1.56 billion by 2025/26.

ANNEXURE A



The Chris Hani District Municipality as a Water Services Authority and Provider delivers the service in the area of the six (formerly eight) local municipal areas within its jurisdiction.

The National Treasury is encouraging all Municipalities to implement tariff structure that reflect the following;

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

Chris Hani District Municipality as a Water Services Provider therefore has to raise sufficient own revenue from the rendering of water and sanitation services. The proposed tariff increase below is based on the guidelines provided by the National Treasury for the 2022/2023 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK. In terms of the proposal, the increase should be linked to the consumer price index (CPI) which is estimated to be 5.3 % for 2023/2024.

The tariffs will be applicable for the following period;

Start date: 01 JULY 2023

End date: 30 JUNE 2024

1. TARIFFS: WATER SUPPLY SERVICES AND INCIDENTAL CHARGES

The amounts due for water services for the 2023/2024 financial year be paid on dates as indicated on accounts which will be rendered from 1 July 2023.

- ✚ The Sewerage Charges will be linked to the account where either a waterborne sewer connection or septic tank sewer is available.
- ✚ Reference to “per month” in the tariffs is based on a meter reading period of 30 days with regard to the calculation of a charge for the free consumption portion.
- ✚ Use is the determining factor for tariff application but where a mixed use occurs on any given property the property zoning will be the determining factor in the tariff Application.
- ✚ ALL TARIFFS LISTED BELOW OR TO BE CALCULATED IN TERMS OF THIS SCHEDULE OF TARIFFS **INCLUDE VAT.**

1.1 WATER TARIFFS

Charges shall be levied in respect of each separate connection for water. The tariffs relating to consumption of water will be levied as from 01 July 2023 on all accounts linked to water and accounts opened after July 2023 will be levied for the applicable period of the year.

1.2 CONSUMPTION TARIFFS BASED ON WATER RELATED SERVICES

The tariffs listed under this section shall be payable where water, used solely for household purposes, including temporarily connections for this purpose, has been supplied. In the case of hostels and old age homes, every 4 beds shall be deemed to be a residential unit. Where the Housing Department officially accommodates two or three beneficiaries (families) per stand, each beneficiary (family) is deemed to be a residential unit.

1.3 Domestic/ Household water use

This tariff is only applicable to properties used exclusively for household purposes. In the event that a small business is conducted as a primary right in terms of a Town Planning

Scheme, or home enterprise in terms of the Council's policy, from a property used for household purposes, and the connection size is either a 15mm or 20mm connection, the tariffs in the table below shall apply. However, any connection which is greater than 20mm and the property is not exclusively used for residential purposes, shall be charged in terms of the tariffs. Spaza Shops, defined as an area of a dwelling unit and or associated immovable outbuilding not more than 20m² in extent, used by the occupant of such a dwelling unit for the purposes of selling basic household goods, is also included in this tariff, provided the connection size is either a 15mm or 20mm connection.

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		PROPOSED ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	
WATER								
<i>Water Consumption (Domestic/Household use)</i>								
0-6	11.28	1.47	9.81	0.47	10.28	1.54	11.82	11.80
7-15	13.05	1.70	11.35	0.54	11.89	1.78	13.68	13.70
16-30	15.98	2.08	13.90	0.67	14.56	2.18	16.75	16.80
31-45	19.90	2.60	17.30	0.83	18.13	2.72	20.86	20.90
46-60	21.76	2.84	18.92	0.91	19.83	2.97	22.80	22.80
61 or more	24.54	3.20	21.34	1.02	22.36	3.35	25.72	25.70

Tariff structure for domestic use

1.4 Institutional water use

Properties zoned as business, government and municipalities etc. will be charged using this tariff

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		PROPOSED
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
Water Consumption (Institutional, etc)								
0-200 kl per month	13.32	1.74	11.58	0.56	12.14	1.82	13.96	14.00
201-2,500 kl per month	14.74	1.92	12.82	0.62	13.43	2.01	15.45	15.50
2,501 or more kl per month	16.13	2.10	14.03	0.67	14.70	2.20	16.90	16.90
Water Consumption (Business & other use)								
0 – 5,000 kl / month	17.12	2.23	14.89	0.71	15.60	2.34	17.94	17.90
5,001 -25,000 kl / month	17.39	2.27	15.12	0.73	15.85	2.38	18.22	18.20
25,001- 50,000 kl/month	17.67	2.30	15.37	0.74	16.10	2.42	18.52	18.50
50,001- or more kl / month	17.67	2.30	15.37	0.74	16.10	2.42	18.52	18.50

1.5 Basic / Availability charges

Basic charges are applicable to all registered properties where water and sanitation (excluding properties supplied with septic tanks) services are supplied.

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		PROPOSED
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
Water Consumption (no meter/unread meter) - Flat Rate Per Month								
Domestic/Household	118.49	15.46	103.03	4.95	107.98	16.20	124.18	124.20
Institutional	154.04	20.09	133.95	6.43	140.38	21.06	161.43	161.40
Business & other	165.89	21.64	144.25	6.92	151.18	22.68	173.85	173.90
Water Basic (Availability) - Flat Rate Per Month								
Domestic	118.49	15.46	103.03	4.95	107.98	16.20	124.18	124.20
Institutional	154.04	20.09	133.95	6.43	140.38	21.06	161.43	161.40
Business	165.89	21.64	144.25	6.92	151.18	22.68	173.85	173.90

1.6 Water Delivery

These tariffs are applicable for trucked water.

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		PROPOSED
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
Water Delivery by Truck to Domestic/Households & Businesses								
Labour - Charged per person	58.47	7.63	50.84	2.44	53.28	7.99	61.28	61.30
Travel Expenses - Charged per kilometer	10.42	1.36	9.06	0.43	9.50	1.42	10.92	10.90
Charge per Load	559.62	72.99	486.63	23.36	509.98	76.50	586.48	586.50

2 SANITATION TARIFFS

A flat rate shall be levied in respect of each household / business / institution relating to sanitation. The tariffs applicable for sanitation services shall apply from 01 July 2023 and accounts opened after July 2023 will be levied for the applicable period of the year. Properties that use septic tank are charged per removal which include charges per kilometre.

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		PROPOSED
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
SANITATION								
<i>Basic Charge per Month (Flat Rate)</i>								
Domestic / Households	79.21	10.33	68.88	3.31	72.18	10.83	83.01	83.00
Business	130.55	17.03	113.52	5.45	118.97	17.85	136.82	136.80
Government	131.79	17.19	114.60	5.50	120.10	18.02	138.12	138.10
Churches, Hotels, Schools & Hospitals	124.33	16.22	108.11	5.39	113.30	17.00	130.30	130.30
<i>Honey Sucker / Sewerage Removal by Truck</i>								
Labour - Charged per person	58.47	7.63	50.84	2.44	53.28	7.99	61.28	61.30
Travel Expenses - Charged per kilometer	10.42	1.36	9.06	0.43	9.50	1.42	10.92	10.90
Charge per Load	559.62	72.99	486.63	23.36	509.98	76.50	586.48	586.50

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		PROPOSED
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
SANITATION								
<i>Night-Soil Removals Per Load</i>								
Night-Soil Removals (Buckets)	85.49	11.15	74.34	3.57	77.91	11.69	89.59	89.60
<i>Unblocking of Drains on Customer Properties</i>								
Domestic	142.36	18.57	123.79	5.94	129.73	19.46	149.19	149.20
Business	255.16	33.28	221.88	10.65	232.53	34.88	267.41	267.40
Government	280.70	36.61	244.09	11.72	255.80	38.37	294.17	294.20
<i>New Sewer Connection</i>								
100mm Sewer Connection	1,627.60	212.30	1,415.30	67.93	1,483.24	222.49	1,705.72	1,705.70
150mm Sewer Connection	2,005.20	261.55	1,743.65	83.70	1,827.35	274.10	2,101.45	2,101.50

3. Other Tariffs

3.1 Water infrastructure related tariffs

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		PROPOSED
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
Water Combination Meters Connections (Where water or fire hydrant connection is supplied)								
50mm	42,957.03	5,603.09	37,353.94	1,792.99	39,146.93	5,872.04	45,018.97	45,019.00
80mm	46,846.35	6,110.39	40,735.96	1,955.33	42,691.28	6,403.69	49,094.97	49,095.00
100mm	57,580.72	7,510.53	50,070.19	2,403.37	52,473.56	7,871.03	60,344.59	60,344.60
150mm	91,390.62	11,920.52	79,470.10	3,814.57	83,284.67	12,492.70	95,777.37	95,777.40
Main Meter Connection (incl road crossing)								
15mm	2,957.03	385.70	2,571.33	123.42	2,694.75	404.21	3,098.97	3,099.00
15mm WCM	4,256.51	555.20	3,701.31	177.66	3,878.98	581.85	4,460.82	4,460.80
25mm	5,518.23	719.77	4,798.46	230.33	5,028.79	754.32	5,783.11	5,783.10
Main Meter Connection (excl road crossing)								
15mm	2,251.31	293.65	1,957.66	93.97	2,051.63	307.74	2,359.37	2,359.40
15mm WCM	3,602.87	469.94	3,132.93	150.38	3,283.31	492.50	3,775.81	3,775.80
ILLEGAL CONNECTIONS AND/OR CONSUMPTIONS AND DAMAGES TO SERVICES								
Illegal use of fire connection and/or use of unauthorised connections - Domestic	6,518.23	850.20	5,668.03	272.07	5,940.09	891.01	6,831.11	6,831.10
Illegal use of fire connection and/or use of unauthorised connections - Business	13,282.55	1,732.51	11,550.04	554.40	12,104.45	1,815.67	13,920.11	13,920.10
Unauthorized usage by vehicles such as tankers	17,968.76	2,343.75	15,625.01	750.00	16,375.01	2,456.25	18,831.26	18,831.30
DISCONNECTION AND RESTRICTION FEES								
DELIVERY OF NOTICES - Both to Domestic/Households & Businesses	101.57	13.25	88.32	4.24	92.56	13.88	106.45	106.50
Installation of Water Management Meter (15mm) to restrict flow - Domestic	3,503.92	457.03	3,046.89	146.25	3,193.14	478.97	3,672.11	3,672.10
To Disconnect water supply by removing connection pipe and/or T piece or meter - Domestic	1,088.55	141.98	946.57	45.44	992.00	148.80	1,140.80	1,140.80
Adjust the Water Management Meter (15mm) to re-instate full flow - Domestic	571.62	74.56	497.06	23.86	520.92	78.14	599.06	599.10
Installation of Water Management Meter (15mm) to restrict flow - Business & other	3,503.92	457.03	3,046.89	146.25	3,193.14	478.97	3,672.11	3,672.10
Terminate Water Supply - Business & other	1,088.55	141.98	946.57	45.44	992.00	148.80	1,140.80	1,140.80
Re-instate Water Supply - Business & other	1,088.55	141.98	946.57	45.44	992.00	148.80	1,140.80	1,140.80
Adjust the Water Management Meter (15mm) to re-instate full flow - Business & other	571.62	74.56	497.06	23.86	520.92	78.14	599.06	599.10
DAMAGES TO THE MUNICIPAL WATER PIPE SYSTEM								
Pipes with diameter 50mm or less	7,957.03	1,037.87	6,919.16	332.12	7,251.28	1,087.69	8,338.97	8,339.00
Pipes with diameter between 50mm and 100mm	15,915.36	2,075.92	13,839.44	664.29	14,503.74	2,175.56	16,679.30	16,679.30
Pipes with diameter between 100mm and 250mm	23,872.40	3,113.79	20,758.61	996.41	21,755.02	3,263.25	25,018.28	25,018.30
Pipes with diameter between 250mm and 400mm	31,830.73	4,151.83	27,678.90	1,328.59	29,007.48	4,351.12	33,358.61	33,358.60
Pipes with diameter between 400mm and 700mm	63,661.47	8,303.67	55,357.80	2,657.17	58,014.97	8,702.25	66,717.22	66,717.20
Pipes with diameter greater than 700mm	87,533.87	11,417.46	76,116.41	3,653.59	79,770.00	11,965.50	91,735.50	91,735.50

3.2 Water quality related tariffs

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		PROPOSED
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
WATER QUALITY - LAB ANALYSIS COSTS								
BACTERIOLOGICAL ANALYSIS								
E-coli (count / 100 ml)	119.80	15.63	104.17	5.00	109.17	16.38	125.55	125.60
Faecal Coliform Count (count / 100 ml)	97.68	12.74	84.94	4.08	89.02	13.35	102.37	102.40
PHYSICAL & ORGANOLEPTIC ANALYSIS								
Ph	26.97	3.52	23.45	1.13	24.58	3.69	28.26	28.30
Turbidity	15.95	2.08	13.87	0.67	14.54	2.18	16.72	16.70
Electrical Conductivity	21.98	2.87	19.11	0.92	20.03	3.00	23.04	23.00
Chlorine	8.39	1.09	7.30	0.35	7.65	1.15	8.79	8.80
Total Dissolved Solids (TDS)	54.24	7.07	47.17	2.26	49.43	7.41	56.84	56.80
Suspended Solids	40.82	5.32	35.50	1.70	37.20	5.58	42.78	42.80
CHEMICAL ANALYSIS								
Fluoride	91.43	11.93	79.50	3.82	83.32	12.50	95.82	95.80
Nitrate	114.92	14.99	99.93	4.80	104.73	15.71	120.44	120.40
Ammonia	87.52	11.42	76.10	3.65	79.76	11.96	91.72	91.70
Chemical Oxygen Demand (COD)	182.29	23.78	158.51	7.61	166.12	24.92	191.04	191.00
Phosphate	97.56	12.73	84.83	4.07	88.91	13.34	102.24	102.20
Sulphate	91.43	11.93	79.50	3.82	83.32	12.50	95.82	95.80

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		PROPOSED ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES								
VECTOR CONTROL								
Vector control per occurrence	390.62	50.95	339.67	16.30	355.97	53.40	409.37	409.40
Waste water spillages	651.04	84.92	566.12	27.17	593.30	88.99	682.29	682.30
Noise control								
Residential	651.04	84.92	566.12	27.17	593.30	88.99	682.29	682.30
Commercial	781.25	101.90	679.35	32.61	711.96	106.79	818.75	818.80
ATMOSPHERIC EMISSIONS LICENCES								
1 unit of listed activities (REGULATED TARIFFS - NO INCREASE)								
New Application	10,000.00	1,304.35	8,695.65	REGULATED - NO INCREASE	REGULATED - NO INCREASE	REGULATED - NO INCREASE	10,000.00	10,000.00
Review	10,000.00	1,304.35	8,695.65	REGULATED - NO INCREASE	REGULATED - NO INCREASE	REGULATED - NO INCREASE	10,000.00	10,000.00
Renewal	5,000.00	652.17	4,347.83	REGULATED - NO INCREASE	REGULATED - NO INCREASE	REGULATED - NO INCREASE	5,000.00	5,000.00
Transfer	2,000.00	260.87	1,739.13	REGULATED - NO INCREASE	REGULATED - NO INCREASE	REGULATED - NO INCREASE	2,000.00	2,000.00
Certificate of Acceptability (CoA) (FCD Act)								
New Application	325.52	42.46	283.06	13.59	296.65	44.50	341.14	341.10
Review	130.21	16.98	113.23	5.43	118.66	17.80	136.46	136.50
Revelal	130.21	16.98	113.23	5.43	118.66	17.80	136.46	136.50
Certificate of unsound foodstuffs (Condemns Certificate) Health Certificate (HA) (H. Act)								
New Application	R260.42 / Hour	33.97	226.45	10.87	237.32	35.60	R272.92 / Hour	R272.90 / Hour
Review	195.31	25.48	169.83	8.15	177.99	26.70	204.68	204.70
Review	130.21	16.98	113.23	5.43	118.66	17.80	136.46	136.50
Revelal	130.21	16.98	113.23	5.43	118.66	17.80	136.46	136.50
Certificate of Competence (CoC) (H. Act)								
New Application	325.52	42.46	283.06	13.59	296.65	44.50	341.14	341.10
Review	130.21	16.98	113.23	5.43	118.66	17.80	136.46	136.50
Revelal	130.21	16.98	113.23	5.43	118.66	17.80	136.46	136.50
Application for Exhumations and Re-Burials								
RE-Issue of Certificates	325.52	42.46	283.06	13.59	296.65	44.50	341.14	341.10
Request for Re-Inspection or Special Inspections	130.21	16.98	113.23	5.43	118.66	17.80	136.46	136.50
Illegal Transport of Foodstuffs (FCD Act)	260.42	33.97	226.45	10.87	237.32	35.60	272.92	272.90
Application for Selling of Foodstuffs during Public Events	260.42	33.97	226.45	10.87	237.32	35.60	272.92	272.90
Meat Safety Inspections (MS Act)	130.21	16.98	113.23	5.43	118.66	17.80	136.46	136.50
	R325.52 / Hour	42.46	283.06	13.59	296.65	44.50	R341.14 / Hour	R341.10 / Hour

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		PROPOSED ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	
FINES ON ACTIVITIES HAVING AN ENVIRONMENTAL IMPACT - LAW ENFORCEMENT OFFICERS (EHP'S)								
Environmental Pollution – (Municipal Boundaries) - Relating to Environmental pollution created during protest Action	24,544.42	3,201.45	21,342.97	1,024.46	22,367.44	3,355.12	25,722.55	25,722.60
Air pollution - Residential	3,068.10	400.19	2,667.91	128.06	2,795.97	419.40	3,215.37	3,215.40
Air pollution – Commercial	6,136.10	800.36	5,335.74	256.12	5,591.85	838.78	6,430.63	6,430.60
Trading without COA (Certificate of Acceptability)	306.80	40.02	266.78	12.81	279.59	41.94	321.53	321.50
Environmental pollution (Waste Water)	12,272.21	1,600.72	10,671.49	512.23	11,183.72	1,677.56	12,861.28	12,861.30
Illegal transport of Meat	306.80	40.02	266.78	12.81	279.59	41.94	321.53	321.50
Illegal transport of Milk	306.80	40.02	266.78	12.81	279.59	41.94	321.53	321.50
Illegal keeping of Animals	613.60	80.03	533.57	25.61	559.18	83.88	643.05	643.10
Illegal trading – Pesticides / Chemicals	306.80	40.02	266.78	12.81	279.59	41.94	321.53	321.50

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	PROPOSED ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
FIRE & EMERGENCY SERVICES CHARGES								
FIRE PREVENTION AND FIRE SAFETY								
Fire Prevention Inspection (Re-Inspection)	215.58	28.12	187.46	9.00	196.46	29.47	225.93	225.90
Fire Prevention Inspection (Non-Compliance Certificates and Compliance Certificates)	143.82	18.76	125.06	6.00	131.06	19.66	150.72	150.70
Fire Prevention Inspection (On Application)	180.00	23.48	156.52	7.51	164.03	24.61	188.64	188.60
Occupancy Certificates	140.23	18.29	121.94	5.85	127.79	19.17	146.96	147.00
Flammable Substance Certificate - Per Certificate	140.23	18.29	121.94	5.85	127.79	19.17	146.96	147.00
Population Certificate - Per Certificate	140.23	18.29	121.94	5.85	127.79	19.17	146.96	147.00
Dangerous Goods Vehicle Certificate	140.23	18.29	121.94	5.85	127.79	19.17	146.96	147.00
Dangerous Goods Certificate - Per Certificate	140.23	18.29	121.94	5.85	127.79	19.17	146.96	147.00
Copy of Incident Report	215.58	28.12	187.46	9.00	196.46	29.47	225.93	225.90
Copy of Fire Investigation Report - Per Report	263.42	34.36	229.06	10.99	240.06	36.01	276.06	276.10
Control Burning Permit	263.36	34.35	229.01	10.99	240.00	36.00	276.00	276.00
Follow Up Fire Prevention Inspection	263.36	34.35	229.01	10.99	240.00	36.00	276.00	276.00
Building Plans - Dwellings/Houses	215.28	28.08	187.20	8.99	196.19	29.43	225.61	225.60
Building Plans - Business Premises and Public Buildings	352.82	46.02	306.80	14.73	321.53	48.23	369.76	369.80
Building Plans and Flammable Substance Storage Plans	281.48	36.71	244.77	11.75	256.51	38.48	294.99	295.00

CURRENT TARIFFS CHARGED FOR JULY 2021 - JUNE 2022				PROPOSED INCREASE FOR JULY 2022 - JUNE 2023		PROPOSED TARIFFS FOR JULY 2022 - JUNE 2023		
TARIFFS	CURRENT TARIFF FOR 2021/2022 VAT INCLUSIVE AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT AMOUNT AT 15 %	CURRENT TARIFF FOR 2021/2022 VAT EXCLUSIVE	PROPOSED INCREASE OF 4,8 %	PROPOSED TARIFF FOR 2022/2023 VAT EXCLUSIVE	PROPOSED TARIFF FOR 2022/2023 VAT AMOUNT AT 15 %	PROPOSED TARIFF FOR 2022/2023 VAT INCLUSIVE AT 15 %	PROPOSED ROUNDING FOR 2022/2023 TARIFF VAT INCLUSIVE AT 15 %
FIRE & EMERGENCY SERVICES CHARGES								
DEALERS FLAMMABLE SUBSTANCES								
Flammable Liquid Storage Tank (Above & Underground) - Per Tank	140.90	18.38	122.52	5.88	128.40	19.26	147.66	147.70
Spray Room and Spray Booth - Per Room or Booth	140.90	18.38	122.52	5.88	128.40	19.26	147.66	147.70
Mixing and Decanting Rooms - Per Room	140.90	18.38	122.52	5.88	128.40	19.26	147.66	147.70
LIQUID PETROLEUM GAS (LPG)								
Bulk Tanks - Per Tank	140.90	18.38	122.52	5.88	128.40	19.26	147.66	147.70
Storage - Per Storage Facility	143.76	18.75	125.01	6.00	131.01	19.65	150.66	150.70
LPG Cylinders - Per Cylinder 9kg	63.99	8.35	55.64	2.67	58.31	8.75	67.06	67.10
LPG Cylinders - Per Cylinder 19	76.19	9.94	66.25	3.18	69.43	10.41	79.85	79.90
LPG Cylinders - Per Cylinder 48	84.47	11.02	73.45	3.53	76.98	11.55	88.52	88.50
SPECIAL EVENTS								
Firefighter per hour	136.01	17.74	118.27	5.68	123.95	18.59	142.54	142.50
Senior Firefighter per hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour
Platoon Officer per hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour
Station Commander per hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour	Rate per Hour
Chief Fire Officer per hour	342.95	44.73	298.22	14.31	312.53	46.88	359.41	359.40
Fire Vehicle at Events per hour	135.90	17.73	118.17	5.67	123.85	18.58	142.42	142.40
FIRE & EMERGENCY INCIDENTS								
Fire Call Out (Farms) - Up to 3 Hours	797.34	104.00	693.34	33.28	726.62	108.99	835.61	835.60
Fire Call Out (Farms) - After 3 Hours / Per Hour	797.34	104.00	693.34	33.28	726.62	108.99	835.61	835.60
Fire Call Out (Outside Municipal Area) - Up to 3 Hours	818.91	106.81	712.10	34.18	746.28	111.94	858.22	858.20
Fire Call Out (Outside Municipal Area) - After 3 Hours / Per Hour PLUS Rand/Km	818.91	106.81	712.10	34.18	746.28	111.94	858.22	858.20
Major Pumper Per Hour PLUS Rand/Km	1,115.63	145.52	970.11	46.57	1,016.68	152.50	1,169.18	1,169.20
Medium Pumper Per Hour PLUS Rand/Km	592.75	77.32	515.43	24.74	540.18	81.03	621.20	621.20
Auxiliary Vehicles Per Hour PLUS Rand/Km	686.50	89.54	596.96	28.65	625.61	93.84	719.45	719.50
Utility/Service Vehicle Per Hour PLUS Rand/Km	192.56	25.12	167.44	8.04	175.48	26.32	201.80	201.80
Water Tanker Per Hour	966.37	126.05	840.32	40.34	880.66	132.10	1,012.76	1,012.80
Hazardous Material Vehicle Per Hour	1,115.63	145.52	970.11	46.57	1,016.68	152.50	1,169.18	1,169.20
Informal Dwellings	143.52	18.72	124.80	5.99	130.79	19.62	150.41	150.40
Disposable/Consumables Material Replacement	Cost PLUS 10%	Cost PLUS 10%	Cost PLUS 10%	Cost PLUS 10%	Cost PLUS 10%	Cost PLUS 10%	Cost PLUS 10%	Cost PLUS 10%
Vehicles Travelled Per Km	R3.38 Per Km	0.44	2.94	0.14	3.08	0.46	3.54	3.50
FIRE TRAINING (Non Accredited) Per Person								
Certificates and Printing Material	Material used PLUS 35%	Material used PLUS 35%	Material used PLUS 35%	Material used PLUS 35%	Material used PLUS 35%	Material used PLUS 35%	Material used PLUS 35%	Material used PLUS 35%