
REPORT OF THE DEPARTMENT OF THE CHIEF FINANCIAL OFFICER

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1.1 ANNEXURES

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Annexure "B"	Water & Sewer Budget
Annexure "C"	Policies Revenue Related Policies <ul style="list-style-type: none">- Tariff Policy- Credit Control & Debt Collection- Consumer Deposits- Cash Control Policy- Impairment of Debt Policy Budget Related Policies <ul style="list-style-type: none">- Budget Policy- Indigent Policy- Supply Chain Management- Property Rates Policy- Cash Management and Investment Policy- Virement Policy- Adjustment Budget Policy- Borrowing Policy- Funding and Reserves Policy- Policy Relating to Long-Term Financial Planning- Policy Relating to Management and Disposal of Assets- Policy dealing with Infrastructure Investment and Capital Projects- Subsistence and Travelling Policy- Cost Containment Policy- Petty cash policy
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1.2 INTRODUCTION

PURPOSE OF THIS REPORT

The purpose of this report is to request Council to consider the 2023/2024 (MTREF) Medium-term Revenue and Expenditure Framework in terms of Section 24 (1) of the Municipal Finance Management Act 2003, Act no. 56 of 2003.

INTRODUCTION

The (MTREF) Medium – Term Revenue and Expenditure Framework submitted to Council today is the collective effort of the Budget Steering Committee and is in line with the requirements of the Municipal Finance Management Act, 2003 and is the financial assertion of our political mandate. The 2023/2024 budget represents a consolidated budget with the inclusion of GTEDA, a Municipal entity into our budget. Apart from the inclusion of GTEDA, Greater Tzaneen Municipality also drafted the Water and Sewer budgets on behalf of Mopani District Municipality who needs to approve these budgets and submit it to National Treasury for consideration.

The budget has been prepared in accordance with the guidelines set by National Treasury's MFMA Circular no. 122 and 123 which state inter alia that municipal revenues and cash flows are expected to remain under pressure in the 2023/2024 financial year. As a result of the economic landscape, the Covid-19 pandemic, job losses and the increase in key cost drivers to provide Municipal Services, Municipalities finds themselves in a situation where the ability of consumers to pay for services is declining and this means that less revenue will be collected. Our Municipality therefore strives to implement a budget which promotes the following activities:

- Improving the effectiveness of revenue management processes and procedures.
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;

- Deliver services at the lowest possible cost; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

National Treasury also advised Municipalities to carefully consider affordability of tariff increases especially where it relates to domestic consumers.

To curb the economic challenges that are experienced globally our Municipality will continue to follow a conservative approach in the drafting of this MTREF. This approach includes giving consideration to the cost containment measures suggested by National Treasury in the budget as well as continuous reviews of the operational cost base in an attempt to identify inefficiencies.

The budget was drafted with full consideration of the provisions contained in National Treasury Circulars, Covid-19 challenges, Councils financial position, sustainability, affordability and the fact that Municipalities were cautioned by National Treasury to keep increases in tariffs and other charges as low as practically possible. Council is also advised that Section 20 of the MFMA specifically empowers the Minister of Finance to take appropriate steps to ensure that Municipality's do not materially and unreasonably prejudice national economic policy, particularly those on inflation, administered prices and equity.

The budget has been drafted according to legislative requirements and the Budget Steering Committee believes that the 2023/2024 budget planning initiatives and the accompanying collective budget process resulted in not only a well-balanced budget, but also one which is sustainable, equitable and representative of our communities.

Council must take cognizance that Section 160 (2)(b) of the Constitution of the Republic of South Africa, 1996 (Act no. 108 of 1996) determines that the approval of budgets may not be delegated by a Municipal Council. Section 160 (3) (b) determines that all questions concerning the approval of the budget, are determined by a decision taken by a council with a supporting vote of a majority of its members.

PART 1 – ANNUAL BUDGET

2. BUDGET SPEECH BY HIS WORSHIP MAYOR GERSON MOLAPISANE

The budget speech of the Mayor will be distributed under separate cover.

3. **BUDGET RELATED RESOLUTIONS**

RECOMMENDATIONS

- (a) That the Final Budget of Greater Tzaneen Municipality for the financial year 2023/2024 and the indicative revenue and projected expenditure for the two subsequent years 2024/2025 and 2025/2026 be approved.
- (b) That the Annexures and policies attached to this report be approved.
- (c) That Council takes cognizance thereof that the increase in tariffs on the previous year tariffs are within the guideline set by National Treasury.
- (d) That the budget for water and sewer drafted by the Chief Financial Officer of Greater Tzaneen Municipality be submitted to Mopani District Municipality (MDM) for consideration, approval and submission to National Treasury.
- (e) That the allocations, for capital projects including GTEDA for the 2023/2024 financial year be approved as follows:

	2023/2024	2024/2025	2025/2026
Grants	R113 275 150	R112 734 024	R117 937 168
DBSA	R4 000 000	R0	R0
Own Sources	R72 012 000	R109 600 000	R165 150 000
GTEDA	R279 594	R290 777	R0
TOTAL	R189 566 744	R222 624 801	R283 087 168

- (f) That an amount of R 12 585 230 (previous year R10 251 506) be allocated to GTEDA Municipal Entity.
- (g) That the expenditure on the public entertainment and subsistence and travel votes be limited to the budgeted amounts and that no overspending on these votes be allowed without the prior approval of the Municipal Manager and the Chief Financial Officer.
- (h) That no overspending be allowed on the entertainment votes without the prior approval of the Municipal Manager and the Chief Financial Officer and that the amounts be limited to the guidelines contained in the cost containment measures
- (i) That the monthly accounts of poor households (indigent) that qualify for free basic services be approved at R200,00 per month plus water consumption above 6 kilo litre per month.

(j) That the measurable performance objective for revenue for each source and for each vote be approved.

(k) CAPITAL BUDGET

I. That no loan taken up to finance Capital Projects during the 2023/2024 financial year.

II. That Council takes cognizance of the R112 922 000 MIG allocation for capital projects of which R107 275 150 is allocated for Capital and R5 646 850 is allocated for Operational activities.

III. TRANSPORT BUDGET

I That the transport budget as per **Annexure” G“ and** tariffs applicable for each vehicle be approved.

II That all vehicles be rationalized to the needs of the different departments to ensure optimal and cost-effective fleet management to all departments.

III That all departments adhere to the requirements of utilization and costing set out in the Vehicle Fleet Policy.

(l) PERSONNEL

That the personnel budget/structure for Greater Tzaneen Municipality be approved. **Annexure “ F“.**

(m) INTEREST ON ARREARS OTHER THAN FOR RATES

That the interest rate in terms of the Local Government, Municipal Systems Act 32 of 2000 be determined the same as the current rate, namely, 18%.

(n) INTEREST ON AREAR RATES

That the interest rate of prime rate as at 1 July 2023 plus 1% as promulgated in Government Gazette no. 28113 of 13 October 2005 be approved and that the prime rate of ABSA Bank, where Greater Tzaneen Municipality primary bank account is held, be applicable.

(o) That R950 000 (previous year R950 000) be made available to the Mayor for the 2023/2024 financial year, allocated as follows:

I R500 000 Public Programs which must be subjected to Audit. (Funds will only be used for charity purposes) (Previous year R500 000)

II R450 000 For Bursaries (Previous year R450 000)

- (p) That R250 000 (Previous year R250 000) be made available for the Speaker Public Programs.
- (q) That an amount of R150 000 (Previous year R100 000) be allocated to SPCA for the running of the pound effectively and successfully
- (r) **SOLID WASTE: TARIFFS**

That the following tariffs for solid waste be approved:

<u>Solid Waste Tariffs & Charges</u>			
<u>Solid Waste Kerbside Removals</u>		<u>Current</u>	<u>Proposed</u>
1.	<u>Residential waste</u>		
	a. Waste tariff for urban residential premises, for 1 x kerbside-removal p.w	R158,15	R166,53
	b. Basic waste charge for non-urban residential premises	R158,15	R166,53
2.	<u>Business waste</u>	<u>Current</u>	<u>Proposed</u>
	a. Basic waste charge	R527,14	R555,08
	b. Waste tariff per unit of 85 x litres, for 6 x kerbside-removals p.w.	R527,14	R555,08
3.	<u>Industrial waste</u>		
	a. Basic waste charge	R421,74	R444,09
	b. Waste tariff per unit of 85 x litres, for 3 x kerbside-removals p.w.	R421,74	R444,09
4.	<u>Institutional waste</u>		
	Basic waste charge	R500,66	R527,19
	Waste tariff per unit of 85 x litres, for 6 x kerbside-removals p.w.	R500,66	R527,19
5.	<u>Dead Animals</u>		
	Collection, transportation and disposal of animal carcasses per removal	R388,75	R409,35

6.	<u>Condemned Foodstuffs</u>		
	Collection; transportation and disposal of condemned foodstuffs per load of 1 x ton // 1 m ³ or part thereof and issuing of safe disposal certificates	R1 395,94	R1 469,92
7.	<u>Clean up Tariff of Dirty Stands/Premises</u>		
	Clean up tariff per ton or 1m ³ or part there-off	R2 500,00	R2 632,50
8.	<u>Bulky Waste charges for Removals in 6m³ Skip-containers</u>		
	-		
	Removal of 6m ³ (or part there-of) of compactable-waste p.w.	R600,00	R600,00
	Removal of 6m ³ (or part there-of) of non-compactable-waste p.w.	R550,00 See note	R550,00 See note
9.	<u>Landfill entrance charges for private waste depositions</u>		
	-		
	Per entry of a light delivery van or trailer load not exceeding ≤1 ton // 1 m ³ (or part thereof)	R314,87	R314,87
	Per entry of a lorry load not exceeding 3 tons // 3m ³ , but exceeding ≤ 1 ton // 1m ³ (or part thereof)	R618,88	R618,88
	Per entry of a lorry load not exceeding 6 x tons // 6m ³ but exceeding ≤ 3 x tons // 3m ³ (or part thereof)	R1 538,52	R1 538,52
	Per entry of a lorry load not exceeding 10 x tons // 10m ³ but exceeding ≤ 6 x tons // 6m ³ (or part thereof)	R2 622,10	R2 622,10
	Per entry of a lorry load exceeding ≤ 10 x tons // 10m ³ (or part thereof)	R3 397,33	R3 397,33
10.	<u>Health Care Risk Waste charges for collection, transportation & disposal</u>	<u>Current</u>	<u>Proposed</u>
	≤ = 5 x lit sharps	R184,58	R194,36
	≤ = 5 x lit human tissue	R293,15	R308,69
	≤ = 10 x lit sharps	R401,73	R423,02
	≤ = 10 x lit human tissue	R401,73	R423,02

≤ = 20 x lit sharps	R575,45	R605,95
≤ = 20 x lit human tissue	R575,45	R605,95
≤ = 85 x lit H.C.R.W. in liner	R206,29	R217,22
≤ = 25 x lit H.C.R.W box + liner	R152,01	R160,07
≤ = 50 x lit H.C.R.W box + liner	R304,01	R320,12
≤ = 140 x lit H.C.R.W box + liner	R749,17	R788,88
≤ = 140 x lit Empty liners	R43,43	R45,73

(s) WATER SUPPLY: TARIFFS

That the following tariffs for water supply be approved

Tariffs Basic Charges

	CURRENT	PROPOSED
Domestic (AA)	R40,40	R42,54
Business (BA)	R63,81	R67,19
Industrial (CA)	R63,81	R67,19
State (EA)	R108,50	R114,25
Dept (FA)	R40,40	R42,54
Transnet (HA)	R108,50	R114,25
Flats	R65,94	R69,43
Education	R51,07	R53,78

Tariffs for Consumption

I	DOMESTIC (AA)	CURRENT	PROPOSED
	0 – 6 kl 7 – 10 kl 11 – 25 kl 26 – 35 kl 36 – 100 kl 101 kl and more	R1,48 per kl R4,15 per kl R7,32 per kl R9,88 per kl R11,02 per kl R20,75 per kl	R1,56 per kl R4,37 per kl R7,71 per kl R10,40 per kl R11,60 per kl R21,85 per kl
ii	BUSINESS (BA) / INDUSTRIAL (CA)		
	0 – 50 kl 51 – 100 kl 101 and more	R5,28 per kl R8,80 per kl R10,56 per kl	R5,56 per kl R9,27 per kl R11,12 per kl
iii	STATE (EA) TRANSNET (HA)		
	0 – 50 kl 51 – 250 kl 251 and more	R9,78 per kl R13,03 per kl R13,85 per kl	R10,30 per kl R13,72 per kl R14,58 per kl
iv	DEPT (FA) (MUNICIPAL BUILDINGS)		
	0 – 6 kl 7 – 10 kl 11 – 25 kl 26 – 35 kl 36 – 100 kl 101 kl and more	R1,07 per kl R2,85 per kl R5,03 per kl R6,03 per kl R7,56 per kl R14,11 per kl	R1,13 per kl R3,00 per kl R5,30 per kl R6,35 per kl R7,96 per kl R14,86 per kl
V	FLATS		
	0 – 75 kl 76 – 120 kl 121 – 200 kl 201 – 250 kl 251 – 370 kl 371kl and more	R2,60 per kl R8,25 per kl R8,69 per kl R9,12 per kl R9,56 per kl R10,43 per kl	R2,74 per kl R8,69 per kl R9,15 per kl R9,60 per kl R10,07 per kl R10,98 per kl
vi	EDUCATION		
	0 – 50 kl 51 – 200 kl 201 – 400 kl 401 kl and more	R4,22 per kl R5,63 per kl R5,98 per kl R7,03 per kl	R4,44 per kl R5,93 per kl R6,30 per kl R7,40 per kl

HAENERTSBURG WATER TARIFFS

	CURRENT	PROPOSED
00 – 6 kl	9,15 per kl	9,93 per kl
7 – 10 kl	9,15 per kl	9,93 per kl
11 – 25 kl	9,15 per kl	9,93 per kl
26 – 35 kl	9,15 per kl	9,93 per kl
36 – 100 kl	9,15 per kl	9,93 per kl
101 kl and more	9,15 per kl	9,93 per kl

That these tariffs be increased according to the increases implemented by Lepele.

(t) SEWERAGE: TARIFFS

That the following tariffs for sewer services be approved:

	CURRENT	PROPOSED
Charge per m ² (Basic Charge)	R0,385/kl	R0,405/kl
CHARGE PER KL WATER USAGE/MONTH		
Domestic (AA)	R0,978/kl	R1,030/kl
Business (BA)	R1,63/kl	R1,716/kl
Hotel (BB)	R1,36/kl	R1,432/kl
Guest Houses	R1,36/kl	R1,432/kl
Industrial (CA)	R1,63/kl	R1,716/kl
Flats (IA)	R0,978/kl	R1,030/kl
State (EA)	R1,250/kl	R1,316/kl
Education	R0,54/kl	R0,569/kl
Incentives	R0,54/kl	R0,569/kl

(u) **GENERAL RATES AND REBATE**

PROPERTY RATES TARIFFS

Categories of properties in terms of the policy	CURRENT	PROPOSED
Agricultural Properties		
Tariff on market value	R0,002589	R0,002726
Business and Commercial Properties		
Tariff on market value	R0,015040	R0,015837
Cemeteries and Crematoriums Properties		
Tariff on market value	R0,00	R0,00
Industrial Properties		
Tariff on market value	R0,015040	R0,015837
Municipal Properties		
Tariff on market value	R0,00	R0,00
Vacant Land		
Tariff on market value	R0,015040	R0,015837
Public Benefit Organization Properties		
Tariff on market value	R0,002589	R0,002726
Public Service Infrastructure		
Tariff on market value	R0,002589	R0,002726
Properties for Religious Use		
Tariff on market value	R0,00	R0,00
Residential Properties		
Tariff on market value	R0,015040	R0,015837
State-Owned Properties		
Tariff on market value	R0,015040	R0,015837

To comply with the requirements of Government Gazette no 32991 the following ratios will apply:

- (a) The first number in the second column of the table represents the ratio to the rate on residential properties;
- (b) The second number in the second column of the table represents the maximum ratio to the rate on residential property that may be imposed on the non-residential properties listed in the first column of the table:

<u>Categories</u>	<u>Ratio in Relation to Residential property</u>
Residential property	1:1
Agricultural property	1: 0,25
Public service infrastructure property	1: 0.25
Public benefit organization property	1: 0.25

The Agricultural Property, public service infrastructure property and Public benefit organization property tariff must be 25% of the residential tariff.

That the rates be paid in a single amount before 31 August or in twelve (12) equal monthly installments.

That according to the Municipal Property Rates Act 12 of 2007 updated September 2015 the following be taken into account:

“17 A Municipality may not levy a rate –

- (h) On the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a Municipality to a category determined by the Municipality –
 - (i) For residential properties; or*
 - (ii) For properties used for multiple purposes, provided one or more components of the property are used for residential purposes;”**

That the interest rate on overdue amounts on property rates be charged at prime rate as at 1 July 2023 plus one (1%) percent in terms of the Municipal Property Rates Act, 2004.

That the rebates of 30% as contained in Councils Property Rates Policy on Residential property be applied.

(v) ELECTRICITY TARIFFS

That the following electricity tariffs be approved:

TARIFF B

- This tariff is available for single phase 230V (Capacity not exceeding 16 kVA) and three phase 400V (Capacity not exceeding 75 kVA)
- This tariff will suit medium to high consumption customers.

The following charges will be payable:

B.1. A fixed charge, whether electricity is consumed or not, per point of supply:

The following size circuit breakers will be available:

		AGRIC/DOMEST	BUSINESS
16 kVA Single phase	70 Amp	R 658.28	R2 222.17
25 kVA Three phase	45 Amp	R2 619.74	R2 574.70
50 kVA Three phase	80 Amp	R3 473.18	R3 040.66
75 kVA Three phase	100 Amp	R4 830.56	R4 504.70

NOTE 1: The capacity of a supply shall be the capacity as determined by the Electrical Engineering Manager

PLUS

A consumption charge, per kWh consumed (Business) Single phase	R2.1954
B.2.1 A consumption charge, per kWh consumed (Business) Three phase	R2.1954
B.2.2 A consumption charge, per kWh consumed (Agric/Domestic) Three phase	R2.2924
B.2.3 A consumption charge, per kWh consumed (Agric/Domestic) Single phase	R2.7677

PLUS

B.3.1 On three phase Business connections, an additional charge per kWh for every unit consumed above 3 000 units and 1500 units on single phase connection.
(Business 1 & 3 Phase) **R0.0658c**

PLUS

B.3.2 On three phase Agri/Domestic connections, an additional charge per kWh for every unit consumed above 3 000 units.
(Agriculture/Domestic 3 phase) **R0.0687c**

PLUS

B.3.3 On single phase connections and additional charge per kWh for every unit consumed above 1500 units.
(Agriculture/Domestic 1 phase) **R0.0830c**

TARIFF C

- This tariff is available for three phase supplies at the available standard voltage with a minimum capacity of 100 kVA
- This tariff will suit high consumption customers

C.1 A fixed charge, whether electricity is consumed or not, per month, per point of supply:

C.1.1 Agriculture and Domestic **R4 645.02**

C.1.2 Business **R3 903.37**

C.2 If the demand is registered during the months of June, July or August per point of supply:
(Agricultural/Domestic) R551.05

C.3 If the demand is registered during the months of September to May per point of supply:
(Agric/Domestic) R342.48

C.4 If the demand is registered during the months of June, July or August per point of supply:
(Business) R420.69

- C.5** If the demand is registered during the months of September to May per point of supply:
- | | |
|-------------------|----------------|
| (Business) | R206.03 |
|-------------------|----------------|
- C.6** A consumption charge, per kWh consumed:
- C.6.1 If the kWh has been consumed during the months of June, July or August:
- | | |
|-------------------------|----------------|
| (Agric/Domestic) | R1.6845 |
|-------------------------|----------------|
- C.6.2 If the kWh has been consumed during the months of September to May:
- | | |
|-------------------------|----------------|
| (Agric/Domestic) | R1.2885 |
|-------------------------|----------------|
- C.7** A consumption charge, per kWh consumed:
- C.7.1 If the kWh were consumed during the months of June, July or August:
- | | |
|-------------------|----------------|
| (Business) | R1.7251 |
|-------------------|----------------|
- C.7.2 If the kWh were consumed during the months of September to May:
- | | |
|-------------------|----------------|
| (Business) | R1.2725 |
|-------------------|----------------|
- C.8** A discount according to the voltage at which the electricity is supplied:
- C.8.1 If the electricity is supplied at three phase/400V: **0%**
- C.8.2 If the electricity is supplied at a higher voltage, but not exceeding 11 kV: **3%**
- C.8.3 If the electricity is supplied at a higher voltage than 11 kV (if available), but not exceeding 33 kV: **5%**

TARIFF D

This tariff is available for three phase bulk supplies at any voltage and with a minimum capacity at 200 kVA

- This tariff will suit mostly large load customers who can shift load out of the GTM peak hour periods.

The following charges will be payable:

D.1 A fixed charge, whether electricity is consumed or not, per month, per point of supply:

R16 213.85

D.2 A demand charge, per kVA registered, per month, per point of supply:

D.2.1 If the demand is registered during the months of June, July or August:

R110.67

D.2.2 If the demand is registered during the months of September to May:

R110.67

NOTE: Demand registered during Off-peak Hours will not be taken into account when calculating the demand charge payable.

D.3 A consumption charge, per kWh consumed:

D.3.1 If the kWh has been consumed during the months of June, July or August:

D.3.1.1 During Peak Hours **R6.3975**

D.3.1.2 During Standard Hours **R1.8263**

D.3.1.3 During Off-Peak Hours **R1.0684**

D.3.2 If the kWh has been consumed during the months of September to May:

D.3.2.1 During Peak Hours **R1.9290**

D.3.2.2 During Standard Hours **R1.3785**

D.3.2.3 During Off-Peak Hours **R0.9482**

NOTE 1: Please take note of the time frames that changed for the winter period

For the purpose of this tariff Peak Hours will be from 06:00 to 09:00 and 17:00 to 19:00 on weekdays.

(June, July, August)

Standard Hours will be from 09:00 to 17:00, 19:00 to 22:00 on weekdays and from 07:00 to 12:00 and 18:00 to 20:00 on Saturdays. (June, July, August)

Off-Peak Hours will be from 22:00 to 06:00 on weekdays, 12:00 to 18:00 and 20:00 to 07:00 on Saturdays and all of Sundays.

(June, July, August)

For the purpose of this tariff Peak Hours will be from 07:00 to 10:00 and 18:00 to 20:00 on weekdays.

(September to May)

Standard Hours will be from 06:00 to 07:00, 10:00 to 18:00 and 20:00 to 22:00 on weekdays and from 07:00 to 12:00 and 18:00 to 20:00 on Saturdays.

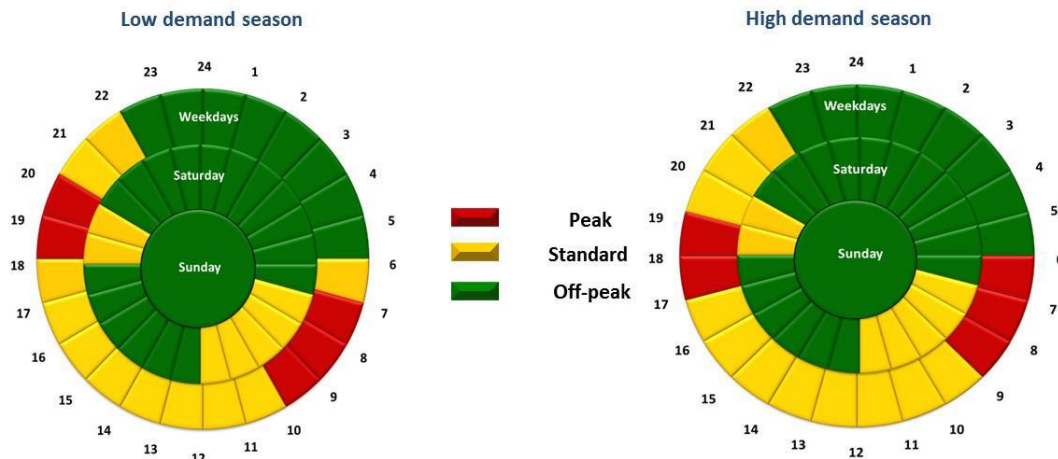
(September to May)

Off-Peak Hours will be from 22:00 to 06:00 on weekdays, 12:00 to 18:00 and 20:00 to 07:00 on Saturdays and all of Sundays.

(September to May)

A Public Holiday will be treated as per the day it falls on.

Times to be such as to relate to GTM peaks/load curve.



D.4 A discount according to the voltage at which the electricity is supplied.

D.4.1 If the electricity is supplied at three phase / 400V : **0%**

D.4.2 If the electricity is supplied at a higher voltage than 400V, but not exceeding 11kV: **3%**

D.4.3 If the electricity is supplied at a higher voltage than 11kV (if available) but not exceeding 33 kV **5%**

NOTE: With the changes to the TOU winter peak period June, July and August. The Greater Tzaneen Municipality will be reprogramming there electronic meters to

*align with the new times. We will also password protect our electronic meters for tampering and protection of data on the meter.
This will be in line with the NRS 057 "Confidentiality of Metering Data"*

(w) Credit Control

- I That Council’s adopted Credit Control Policy be strictly adhered to, to curb outstanding debt.
- II That a monthly report be submitted to Council regarding Councillor arrear’s on consumer accounts.

(x) PRE-PAID TARIFF
IBT IMPLEMENTATION

Pre-paid metering which will utilize the latest technologies plc (Power Line Carrier) metering with concentrators for monitoring and administration purposes.

This tariff will only be available to customers with pre-paid meters.

DOMESTIC TARIFFS (IBT’s)			
DOMESTIC BLOCK 1 0 – 50 kWh (c/kWh)	DOMESTIC BLOCK 2 51 – 350 kWh (c/kWh)	DOMESTIC BLOCK 3 351 – 600 kWh (c/kWh)	DOMESTIC BLOCK 4 >600 kWh (c/kWh)
R1.6315	R2.0968	R2.9602	R3.4809

Commercial Pre paid Single Phase Tariff

Tariff Description	
Commercial Single Phase Pre paid 16 kVA	R3.3565

Commercial Pre paid Three Phase Tariff

Tariff Description	
Commercial Three Phase Pre paid 25 – 75 kVA	R3.3565

- (y) That Council takes note that only a small number of the additional operational requests could be accommodated on the budget and that operational projects will have to be prioritized over the next few years to ensure long term sustainability and optimal service delivery.

(z) SUNDRY TARIFFS 2023/2024

ELECTRICITY

That in terms of the provisions of section 11(3) of the Local Government Municipal Systems Act 2000, the Council by resolution amends the charges payable for the supply of electricity as contained in Municipal Notice No. 19 of 1988 and promulgated in Provincial Gazette no 4565 dated 1 June 1988 with effect from 1 July 2023 by the substitution for part (iii) of the tariff of charges of the following:

By the substitution for clause 2 (1) of the following:

	Current	Proposed
Illegal Connection Fee	up to R21 000	up to R24 000

DISCONNECTION CHARGES

Electricity

Electricity Cut – disconnections	R460	R480
Electricity Cut – Removal of meters	R800	R820
Remove installation	R3 200	R3 500

Water

Water restriction: Business	R260	R270
Water restriction: Residential/Urban	R280	R290
Water disconnection: nonresidential (15 – 40 mm)	R680	R690
Water disconnection: non-residential (50-100mm)	R1 100	R1 20
Water Normalize Flow Res/Bus	R340	R350
Water Normalize Flow Farmers	R370	R380

SERVICE CONTRIBUTION TARIFF (2023/2024) PER KVA

	Current	Proposed
1. New LV connection (Electrification)	R4 424	R4 658
2. LV at pole transformer rural	R4 517	R4 756
3. 11kV at 33/11kV rural sub	R3 172	R3 340
4. 33kV at 33/11kv rural sub	R3 306	R3 481
5. 33kV busbars at 66/33kV rural main sub	R3 308	R3 483
6. 66kV busbars at 66/33kV rural main sub	R1 907	R2 008
7. LV 1ph at kiosk	R6 091	R6 414
8. LV 3ph at kiosk	R4 847	R5 103
9. LV busbars minisub provided by developer	R2 859	R3 011
10. LV busbars in minisub	R4 010	R4 223
11. 11kV RMU MU provided by developer	R3 421	R3 602

12.	11kV busbars at switching sub	R2 660	R2 801
13.	11kV busbars main sub (Urban)	R5 173	R5 447
14.	66kV busbars at main sub (Urban)	R1 058	R1 114
15.	66kV busbars intake sub (Urban)	R44	R46
16.	32kV busbars intake sub (Urban)	R59	R62

EVENTS

N.B All events that need to erect a tent at the soccer pitch:

- Tent that takes capacity of 50 people **R6 250-00** non-refundable
- More than the capacity of 50 people **R10 400-00** non-refundable

R5 000-00 fine to be levied on vehicles driving on the synthetic track.

More than one tent and stage and the pitch, pitch protectors must be hired, transported and installed by the event organizers.

TARIFFS

	CURRENT	PROPOSED
Major soccer game	R8 295	R8 295
Sport bodies at club level: Stadium	R865	R865
Sport bodies at inter-district level	R1 600	R1 600
Athletics (Adults)	R1 600	R1 600
Athletics (Schools)	R1 600	R1 600
Rally's	R8 295	R8 295
Church Activities	R3 675	R3 675
Meeting at Nkowankowa Community Hall	R190 p/h	R190 p/h
Government and Agencies meetings and workshop	R750 p/day	R750 p/day

That 20% gate takings in respect of all events for which gate takings are collected be levied.

It is also recommended that Nkowankowa stadium be strictly used for sport.

Soccer teams in the following divisions:	NFD	R900	R900
	VODACOM	R790	R790
	CASTLE	R400	R400

Sporting codes such as: Tennis, Netball, Volleyball R3 675 R3 675
 Aerobics, Boxing, etc.
 Annually training for 1 hour a day.

NB: Training from Mondays to Thursdays in the clubhouse and conference room to allow cleaning for the weekend bookings.

	CURRENT	PROPOSED
Burgersdorp Stadium -	R525/day	R525 /day
Lenyenye Stadium -	R525/day	R525/day
Julesburg Stadium -	R525/day	R525/day
Julesburg Hall -	R225/day	R225/day

BURGERSDORP STADIUM

Major Games - change room or ablution	R630/day	R630/day
Small Clubs -	R275/day	R275/day
Runnyemedede Stadium -	R220/day	R220/day

Development Teams and schools to use for free (Due to Presidential intervention during Visit)

N.B. Programme to be submitted to office for control purpose.

COMMUNITY HALLS AT NKOWANKOWA AND LENYENYE TARIFFS PER DAY

	CURRENT	PROPOSED
Film shows	R1 850	R1 850
Arts and Culture Activities	R2 250	R2 250
Political Rally	R2 250	R2 250
Traditional Dance	R1 850	R1 850
Charitable Organisation & NGO	R750	R750
Wedding Ceremony	R2 500	R2 500
Funeral Service	R1 150	R1 150
Church Activities	R1 150	R1 150
Meetings	R210/hour	R210/hour
Trainings/Workshop	R1 000/day	R1 000/day
Festivals Non refundable	R20 000	R20 000
	AND 20% of all gate takings	

Minitzani Hall	R200/day	R200/day
Clubhouse	R380/day	R380/day
Project room (Muhlaba hall)	R250/day	R250/day
Graduation fuunctions	R1 900	R1 900
Julesburg Hall	R200/day	R200/day
Erection of tent on Va khegula ground for event	R1 300	R1 300
Nkowankowa Stadium yard parking only	R10/car	R10/car
Conference Room Nkowankowa Stadium	R370/day	R370/day
Rent of Tumer room (Heanertsburg Library)	R200/day	R200/day
Project room (Muhlaba hall)	R200/day	R200/day
Developed park hire for church services, party, etc	R600/day	R600/day
Masters and Veterans	R250	R250

NB: All night events to pay for two days because the event goes over to the second day and the venue cannot be booked out for the next day too.

SWIMMING POOL USAGE

Swimming pool opens from 10:00- 18:00 Wednesday to Sunday

Admission fee R30.00 per day except infants from 3 years down and pensioners in possession of their pension card.

Monthly Tickets from R180.00 per person

School going kids R120.00 per month

Season Tickets from R980.00 per person

Local School galas or Aquatic sport events will pay R500.00

Provincial and National school galas or aquatic sport events pay R800.00

Swimming instruction done at remuneration by trainees during hours, which was previously approved per season, per instructor be R3 600.00 for 3 lanes at 10 persons per lane for 2 hours a day or R30.00 per person, 10 persons per lane for 2 hours for all categories i.e. Juniors, Seniors etc.

School children in groups enter for free of charge per child to use the swimming pool during school hours, provided that permission has previously been obtained and provided that:

- A teacher of the relevant school shall exercise direct supervision over the children at the swimming bath;

- The children shall not be allowed to stay in the water for a period exceeding 60 minutes, and children from any school day, shall leave the premises not later than 13h00.

R600.00 per hour per life guard shall be payable for life saving guard services attendance after swimming hours to defray overtime costs.

Swimming development and coaching requirements must be met by any interested person OR Organization, to conduct swimming and coaching development in the Greater Tzaneen Municipality.

INDOOR AND OUTDOOR SPORT CENTER NKOWANKOWA C SECTION

Developmental games are free at soccer and net ball courts;

Soccer games R310 for 2 hours;

Net ball games R310 for 2 hours;

Aerobics classes are free to organized groups in the yard not in the hall;

Use of gym equipment R110 per month except week ends and public holidays;

Use of gym equipment per year R935 (Special arrangement to be made for weekends and public holidays);

Indoor sport activities Clubs to pay R2 080 annually Basketball courts; etc.

BURIAL SERVICE

That in terms of the provision of Section 11 (3) of the Local Government Municipal System Act 2000 the Council by resolution amends the charges payable for burial services promulgated under Municipal Notice 63/1996 of 18 October 1996 as set out in the under mentioned schedule with effect from 1 July 2023:

SCHEDULE

BURIAL SERVICES IN GREATER TZANEEN MUNICIPALITY

1. When the deceased lived in the municipal area at the time of the passing:

	CURRENT	PROPOSED
1.1 Per grave for any person under 03 years:	R750	R750
1.2 Per grave for any person 03 years and over:	R1 195	R1 195
1.3 Opening for second burial:	R750	R750

2. When the deceased lived outside the municipal area at the time of the passing

Children under 03 years per grave	R1 500	R1 500
Adults 03 years and over per grave	R2 935	R2 935
Re-opening for second burial	R1 600	R1 600
Niches: Per niche per deceased	R750	R750
Memorial work: Removal or re-affixing	R420	R420
Removal of ashes from a niche: Per removal	R370	R370

CHARGES PAYABLE FOR THE USE OF THE PUBLIC LIBRARIES

Members of the Tzaneen Library R70.00 or R150/family or R50.00 Pensioners

Members of the Haenertsburg,
Letsitele, Shiluvane or Mulati

Libraries

R40.00 or R80/family or R30.00 Pensioners

Deposit

R200.00 per person

Duplicate certificate of
Membership

R20.00

Overdue Library material

R2.00 per book per week

Block loans

R200.00 per year plus membership of person
responsible for block loan.

PHOTOCOPIES

A4 Photocopy

R1.00 per page

A3 Photocopy

R2.00 per page

RENT OF HALLS

Rent of the Tzaneen Library
Study Hall (After hours)

R625.00 per day or part thereof

Rent of Haenertsburg Boardroom

R210.00 per day or part thereof.

Rent of Shiluvane 2nd Study Room.

(During working hours)

R115.00 per day or part thereof

Rent of Mulati 2nd Study Room.

(During working hours)

R115.00 per day or part thereof

WATER CONNECTIONS

That in terms of the provisions of Section 11 (3) of the Local Government Municipal System Act 2000, the Council by resolution amends the charges payable for the supply of water contained in Municipal Notice 36 dated 22 September 1982 and published in Official Gazette no. 4226 dated 22 September 1982, with effect from 1 July 2023 by the substitution for item 3 of the following:

Miscellaneous Charges

(a) For each separate 19 mm new water connection:

Old Tariff 2022/2023 VAT included = R4 087.20

Proposed Tariff 2023/2024 VAT included = R4 303.82

(b) For each new 50 mm water connection

Old Tariff 2022/2023 VAT included = R14 976.00

Proposed Tariff 2023/2024 VAT included = R15 769.73

(c) For each new 80 - 110 mm water connection

Old tariff 2022/2023 VAT included = R17 784.00

Proposed Tariff 2023/2024 VAT included = R18 726.55

(d) For each water re-connection & disconnection:

Old tariff 2022/2023 VAT included = R1 496.56

Proposed Tariff 2023/2024 VAT included = R1 575.88

(e) Water bulk contributions tariff

- New development to be charged according to their water daily demand as calculated on their design report.

Bulk contribution tariff = R 0.32/L/day

1.1. WATER TANKERS TARRIFS

- **New Tarrif hiring of a water tanker and drawing water from the Municipal water station.**

Proposed Tariff 2023/2024 + VAT = R0.28/kL

Only applies for Municipal water tanker - radius charge:

+ R0/km	from 0 – 60 km
+R4.75/km	from 61 – 120 km
+R6.79/km	from 121 km plus

1.2. WATER LABORATORY TARIFFS

CHEMICAL ORGANIC DETERMINANDS

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Chemical Oxygen Demand (0.45µm Filtered)	FCOD	mg/L O ₂	R 274.04	No

CHEMICAL INORGANIC DETERMINANDS

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Ammonia Nitrogen	NH ₃	mg/L N	R 87.13	No
Chloride	Cl	mg/L Cl	R 97.23	No
Fluoride	F	mg/L F	R 101.02	No
Free Chlorine	ClFre	mg/L Cl ₂	R 214.69	No
Nitrate Nitrogen	NO ₃	mg/L N	R 165.44	No
Orthophosphate	PO ₄	mg/L P	R 111.13	No
Sulphate	SO ₄	mg/L SO ₄	R 82.09	No

CHEMICAL PHYSICAL DETERMINANDS

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Apparent Colour	Col	PtCo	R 80.82	No
Conductivity	Cond	Ms/m@25 ^o C	R 46.72	No
Dissolved Solids	TDS	mg/L@180 ^o C	R 89.64	No
PH	PH		R 46.72	No
Suspended Solids	TSS	mg/L@105 ^o C	R 104.82	No
Total Alkalinity	Talk	mg/LCaCO ₃	R 89.64	No
Turbidity	Turb	FTU	R 77.03	No
Calculation Methods (requires additional determinands, please confirm with laboratory)				
Ryznar Index	RyzInd		R 80.82	No

OTHER

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
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Calcium Hardness	CaHard	mg/L	R 85.88	No
Magnesium Hardness	MgHard	mg/L	R 85.88	No
Total Hardness	Thard	mg/L CaCO ₃	R138.48	No

CHEMICAL METALIC DETERMINED

Dissolved Metals				
Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Aluminium	Al	mg/LAl	R 77.04	No
Calcium	Ca	mg/L Ca	R 77.04	No
Iron	Fe	mg/L Fe	R 77.04	No
Magnesium	Mg	mg/LMg	R 77.04	No
Manganese	Mn	mg/LMn	R 77.04	No
Potassium	K	mg/LK	R 77.04	No
Sodium	Na	mg/L Na	R 77.04	No
Zinc	Zn	mg/ L Zn	R 77.04	No

WATER MICROBIOLOGICAL

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
E.Coli (Faecal/Total Coliforms to be included-compulsory)	Ecol	cfu/100ml	R 73.24	No
Total Coliforms	TC	cfu/100ml	R 183.12	No
Heterotrophic plate Count	HPC	Count/ml	R183.12	No

2. SEWERAGE SUNDRY TARIFFS

2.1. SEWER CONNECTIONS

That in terms of the provisions of section 11 (3) of the Local Government Municipal System Act 2000, the Council amends by resolution the charges payable in terms of the Drainage and Plumbing By-Laws and By-Laws for the Licensing and regulating of Plumbers and Drain Layers published under Municipal Notice No. 35 dated 22 September 1982, and promulgated in Official Gazette No. 4226 dated 22 September 1982 as follows with effect from 1 July 2023.

Old Tariff 2022/2023 + VAT = R4 354.64

Proposed Tariff 2023/2024 + VAT = R4 585.44

2.2. SEWER HONEY SUCKER

Old Tariff 2022/2023 + VAT = R 168.48/m³

+ R0/km from 0 – 60 km
+R4.51/km from 61 – 120 km
+R6.45/km from 121 km plus

Only applies for Municipal water tanker - radius charge:

Proposed Tariff 2023/2024 + VAT = R177.41/m³

+ R0/km from 0 – 60 km
+R4.75/km from 61 – 120 km
+R6.79/km from 121 km plus

<u>EFFLUENT TYPE</u>	<u>CURRENT</u>	<u>PROPOSED</u>
• Domestic effluent by private tanker	R 46.80/m ³	R49.28/m ³
• Domestic effluent by private discharger /200 Liter / Drum	R 15.60/l/d	R16.43/l/d
• Trade effluent from outside Municipal's jurisdiction per tanker	R671.84/t	R707.45/t
• Trade effluent from inside municipal jurisdiction	R587.60/t	R618.74/t

PENALTIES

New Tariff for illegal water and sewer services:

- Water Connection R2 632.50
- Sewer Connection R2 632.50
- Illegal water abstraction R2 632.50
- Illegal water/sewer discharge R2 632.50

WATER AND SEWER PERMIT FEE

NEW TARRIF FOR PERMIT: ABSTRUCTION OF WATER AND DISPOSAL OF WASTEWATER:

- R550 PER YEAR FOR BOTH THE SERVICES

CHARGES FOR THE APPROVAL OF BUILDING PLANS

That in terms of the provision of section 11(3) of the Local Government Municipal System Act 2000 the Council by resolution amends the charges payable for the approval of building plans with effect from 1 July 2023 as set out in the schedule hereunder:

The charges payable for a building plan submitted for consideration shall be as follows:

The minimum charge payable for any building plan with the exception of item 3 and 4: 2023/2024 R728.68 (2022/2023 tariff was R692-00).

The charges payable for any building plans shall be R12.14 per m² for 2023/2024 for 2022/2023 tariff was R11.53

To apply the abovementioned charges, the total area of any new building must be calculated at every floor level on the same erf, including verandas, galleries and balconies.

1. In addition to the charges payable in terms of item 1, a charge of R4.42per m² (2022/2023 - tariff R4.20) of the reinforced area is payable for every new building in which structural steelwork or concrete is utilized for the main framework as the main structural components of the building.
2. Charges payable for approval of alterations to existing buildings and buildings of special character such as factory chimneys, spires and similar erections, shall be calculated on the estimated value thereof at the rate of R42.96 for every R601.00 or part thereof, with a minimum charge of R881.00 and a maximum charge of R9 477.00

3. Building plans for swimming pools will be approved at a charge of R597.00 per plan (2022/2023 tariff – R567.00)
4. Charges payable for the re-inspection of buildings and swimming pools: R851.00 per re-inspection. (2022/2023 Old tariff R808.00)
5. New tariffs for copy of approved building plans R265.00/ copy.
6. Re- examination of building plans the costs as per item 1.
7. Town maps R276.00 per copy (Old Tariff R262.00)

SCHEDULE

ELECTRICAL CHARGES

That in terms of the provision of Section 11 (3) of the Local Government Municipal System Act 2000, the Council by resolution amends the charges payable for the supply of electricity as contained in Municipal Notice 19 of 1988, with effect from 1 July 2023 by the addition in part (iii) after clause (2) of the following:

TESTING OF METERS

	<u>OLD TARIFF</u>	<u>NEW TARIFF</u>
I Rural	R2 425	R2 554
II Town	R1 698	R1 788
III New Connection charge	R432	R455

TARIFF CHANGE

Electricity tariff change	R0	R1 777
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PRE-PAID

Keypad Replacement Fee	R489	R515
Lost Card Fee	R48	R51
Pre-paid: Conventional to 60 Amp pre-paid Conversion charge (If infrastructure is available)	R2 510	R2 643
Pre-paid: Upgrade from 20 Amp to 60 Amp	R7 126	R7 504

	against the title of land and simultaneous rezoning		
vii.	Application for subdivision for property in 5 or less portions	R2717.00	R2861.00
viii.	Application for subdivision of property in more than 5 portions	R2861.00 for the first 5 portions plus R254.00 in respect of each further portion	R3013.00 for the first 5 portions plus R267.00 in respect of each further portion
ix.	Application for consolidation of any land	R1091.00	R1149.00
x.	Exemption of Municipal Approval ito Section 63 of SPLUMA By-Law of GTM	R571.00	R601.00
xi.	Application for permanent closure of any public place	R2695.00	R2837.00
xii.	Application for amendment of land use on communal land (former application for Permission to Occupy – PTO) i.e., applications for churches, crèches, taverns, etc.	R178.00	R187.00
xiii.	Application for consent or approval require in terms of a condition of title/condition of establishment of a township/existing scheme, or any consent or approval provided for in a Provincial Law	R403.00	R424.00
xiv.	Application for Tribunal’s reasons	R909.00	R957.00
xv.	Comments of Tribunal regarding applications in terms of Act 21 /1940, Act 70/1970 and recommendation of layouts on R293 townships, or any other consent i.t.o. legislation not listed herein	R2717.00	R2861.00
xvi.	Amendment of pending subdivision application	R2328.00	R2451.00
xvii.	Amendment of pending Township application- <ul style="list-style-type: none"> • Material amendment • Non-material amendment 	R7770.00	R8182.00
		R2328.00	R2451.00
xviii.	Phasing of a Township application	R2328.00	R2451.00
xix.	Consideration of a Site Development Plan – SDP, in terms of the Tzaneen Town Planning Scheme, 20000	R2328.00	R2451.00
xx.	Application for extension of time – All applications		
	1 st application (year 1)	R1156.00	R1217.00
	2 nd application (year 2)	R1156.00	R1217.00
	3 rd application (year 3)		

		R2328.00	R2451.00
		R3485.00	R3670.00
xxi.	Application for Excision of Agricultural Holding	R2500.00	R2633.00
xxii.	Monthly fee payable in respect of Illegal use of land from date of expiry of 14-day notice if no extension of time was granted to date of promulgation of rights	R5000.00	R5265.00
xxiii.	Hard copy of Spatial Development Framework document	R6753.00	R7110.00
xxiv.	Hard copy of SPLUMA By-Law of Greater Tzaneen Municipality	R2547.00	R2682.00
xxv.	Copy of record of Municipal Planning Tribunal i.t.o Section 44(2) of the SPLUMA By-Law of Greater Tzaneen Municipality	R2547.00	R2682.00
xxvi.	Lodging of an objection	R6294.00	R6628.00
xxvii.	Granting of intervener status i.t.o Section 127 of the SPLUMA By-Law of Greater Tzaneen Municipality	R8926.00	R9399.00
xxviii.	Lodging of an Appeal	R8926.00	R9399.00
xxix.	Issuing of zoning certificate	R0	R100.00 per certificate

SECTION B:

ADVERTISEMENT AND INSPECTION FEES

Apart from the fees prescribed in Section A, the following fees shall be payable to the Local Authority

i.	Notice of application in Provincial Gazette and newspapers	R4772.00	R5025.00
ii.	Inspection and hearing regarding any application	R2094.00	R2205.00

ALLOCATION AND RATES FOR HAWKERS BUSINESSES

<u>Site Allocation</u>	<u>Type of Business</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Market Stall	Hairdressing	R12.05/d	R12.69/d
	Food and Soft drinks	R24.10/d	R25.38/d
	Fruit and Vegetables	R12.05/d	R12.69/d
	Accessories and other Appliance (Cell/Jewellery/hair/books)	R12.05/d	R12.69/d
	Clothing	R24.10/d	R25.38/d
Pavements/Sidewalks	Fruit and Vegetables	R5.97/d	R6.29/d
	Accessories (Cell/Jewellery/Hair)	R5.97/d	R6.29/d
	Clothing and Toys	R12.05/d	R12.69/d
Trolleys/Designated Cart	Food and Soft drinks	R12.05/d	R12.69/d
	Accessories	R5.97/d	R6.29/d
	Fruit and Vegetables	R5.97/d	R6.29/d
Junction/Road side	Food and Soft drinks	R12.05/d	R12.69/d
	Fruit and Vegetables	R12.05/d	R12.69/d
	Décor materials (flower pots/flowers, etc.)	R12.05/d	R12.69/d
Open designated site	Hawkers fee centre of town	R48.00/d	R50.54/d
	Adv. of Board handling fee	R600.00	R631.80
	Adv. Board Approval fee	R600.00	R631.80
	Adv. Sign Board Application fee	R545.00	R573.89
	Adv. Sign Board Inspection fee	R109.00	R114.78
	Hawkers Bush Mechanics	R600.00	R631.80
	Hawkers Car wash	R600.00	R631.80
	Taxi & Busses	R1 200.00	R1 263.60

BUSINESS REGISTRATION TARIFFS

That these tariffs be increased/ changed according to the tariffs gazette by LEDET. The tariffs below unchanged and queries by Limpopo Municipalities reached LEDET for consideration to be online with MFMA

CODE	TYPE OF BUSINESS	APPLICATION FEE	REGISTRATION FEE	ANNUAL RENEWAL FEE
251	Stone quarrying, clay, and sandpits	R100.00	R200.00	R240.00
3	Manufacturing	R100.00	R300.00	R360.00
412	Manufacturing and distribution of gas	R100.00	R200.00	R240.00
50	Construction	R100.00	R300.00	R360.00
61	Wholesale: sale to public Sells to retailers. Sells to both public, and retailers	R100.00	R500.00 R500.00 R500.00	R600.00 R600.00 R600.00
621	General trade (General Dealer)	R100.00	R200.00	R240.00
622	Retail trade in food, beverages, and tobacco	R100.00	R200.00	R240.00
623	Other retail trade in new goods	R100.00	R200	R240.00
624	Retail trade in second-hand goods	R100.00	R200.00	R240.00
625	Retail trade not in stores	R100.00	R100.00	R120.00
626	Repair of personal and households' goods	R100.00	R200.00	R240.00
631	Sale of motor vehicle	R100.00	R500.00	R600.00
632	Maintenance and repair of motor vehicles	R100.00	R200.00	R240.00
633	Sale of motor vehicle parts and accessories	R100.00	R200.00	R240.00
634	Sale, maintenance and repair of motor cycles and related parts and accessories	R100.00	R200.00	R240.00
635	Retail sale of automotive fuel	R100.00	R400.00	R480.00
641	Hotels accommodation, camping sites and provision of short-stay accommodation	R100.00	R400.00 R100.00 R300.00	R480.00 R120.00 R360.00
642	Restaurants, bars and canteens	R100.00	R200.00	R240.00
71	Land transport	R100.00	R200.00	R240.00
72	Water transport	R100.00	R200.00	R240.00
73	Air transport	R100.00	R200.00	R240.00
741	Supporting and auxiliary transport	R100.00	R400.00	R240.00
75	Post and Tele-communication	R100.00	R250.00	R240.00
81	Financial intermediations	R100.00	R200.00	R240.00
84	Real estate activities	R100.00	R200.00	R480.00
85	Renting of machinery and equipment	R100.00	R400.00	R300.00
86	Computer related activities	R100.00	R400.00	R240.00

87	Research & development	R100.00	R200.00	R240.00
881	Legal, accounting, bookkeeping and auditing activities, tax consultants, market research & public opinion research, business & management consultancy	R100.00	R200.00	R480.00
882	Architectural, Engineering and other technical activities	R100.00	R200.00	R480.00
883	Advertising	R100.00	R200.00	R240.00
8891	Labour recruitment and provision of staff	R100.00	R200.00	R240.00
8892	Investigation and security activities	R100.00	R200.00	R240.00
8893	Building and industrial plant cleaning activities	R100.00	R200.00	R240.00
8894	Photograph activities	R100.00	R200.00	R240.00
8895	Packaging activities	R100.00	R200.00	R240.00
88991	Credit rating agency activities	R100.00	R200.00	R240.00
88992	Debt collecting agency activities	R100.00	R200.00	R240.00
88993	Stenographic, duplicating, addressing, mailing list and similar activities	R100.00	R200.00	R240.00
920	Educational and training activities	R100.00	R200.00	R240.00
931	Human health activities	R100.00	R200.00	R240.00
932	Veterinary activities	R100.00	R200.00	R240.00
933	Social work activities	R100.00	R200.00	R240.00
951	Activities of business, employers and professional organizations	R100.00	R200.00	R240.00
96	Recreational, cultural & sporting activities	R100.00	R200.00	R240.00
961	Motion pictures, radio, television and other entertainment activities	R100.00	R400.00	R480.00
962	News agency activities	R100.00	R200.00	R240.00
9901	Washing and dry-cleaning of textiles and for products	R100.00	R150.00	R180.00
9902	Hair-dressing and other beauty treatment	R100.00	R200.00	R240.00
9903	Funeral and related activities	R100.00	R400.00	R480.00

REVENUE

Refer to drawer cheques (R/D) – Admin Fee
Current R200.00 and Proposed R200.00

Unpaid debit orders – Admin fee
Current R200.00 and Proposed R200.00

Supply of information (faxes)
Current R20.00 and Proposed R20.00

Supply of Duplicate statements
Current R20.00 and Proposed R20.00

Furnishing of Clearance Certificate Electronically
Current R180.00 and Proposed R295.00

Furnishing of Clearance Certificate Manually
Current R240.00 and Proposed R260.00

Furnishing of Valuation Certificate
Current R180.00 and Proposed R210.00

Furnishing of Duplicate Clearance Certificate
Current R130.00 and Proposed R150.00

Applying for Clearance Figures Electronically
Current R170.00 and proposed R190.00

Applying for Clearance Figures Manually
Current R255.00 and proposed R280.00

Final reading levy
Current R130.00 and Proposed R150.00

Credit Control Action – Friendly Reminders and
Final Demand Notice
Current R50.00 and Proposed R50.00

Credit Control Action – SMS Notification
Current R3.00 and Proposed R3.00

Copy of the Valuation Roll

Current R1 300.00 and Proposed R1 600.00

MINIMUM INITIAL CONSUMER DEPOSITS PER CATEGORY:

	CURRENT	PROPOSED
Flats with electricity only	R1 500.00	R1 800.00
Flats with electricity and water	R2 000.00	R2 100.00
Residential and agricultural properties:		
Single phase	R2 500.00	R3 000.00
Three phase	R6 000.00	R7 000.00
Business:		
Single phase	R7 250.00	R8 100.00
Three phase	R10 200.00	R12 200.00
Minimum deposit adjustment for disconnected accounts	R300.00	R300.00
Minimum deposit adjustment for dishonoured cheques and returned debit orders	R300.00	R300.00
Pre-paid electrical users (Water deposit)	R500.00	R500.00

Threshold for indigent households to be equal to the pensioners allowance as promulgated every year.

All above tariffs are VAT excluded.

**RENTAL OF UNIMPROVED PORTIONS OF THE FARM LETABA FLYING CLUB
512**

Hanger number	Area/m²	Current Rental per Month	Proposed Rental per Month
1A	437	1 613,68	1 775,05
1	118	435,73	479,30
2	215	793,93	873,32
3	660	2 437,14	2 680,85
4	225	830,85	913,94
5	175	646,21	710,84
6	123		
7	137	505,89	556,48
8	215	793,93	873,32
9	283	1 045,02	1 149,52
10A	207	764,38	840,82
10	190	701,61	771,77
11	215	793,93	873,32
12	193	712,68	783,95
13	483	1 783,55	1 961,91
14	231	853,01	938,31
15	473	1 746,62	1 921,28
16A	400	1 477,05	1 624,76
16	422	1 558,29	1 714,12
20		797,62	877,38
23	204	753,31	828,64
24	391	1 588,20	1 747,02
Main Building Hanger	992	1 100,40	1 210,44
:Pro Air	188		
28	123	454,19	499,61
29		694,24	763,66

LANDING FEES

	CURRENT	PROPOSED
Single motor aircraft:	R150 per landing	R150 per landing
Double motor aircraft:	R230 per landing	R230 per landing
Helicopter:	R150 per landing	R150 per landing
Parking fees:	R 80 per night	R80 per night

INDIGENT FEE

Indigent Management Fee	R200.00	R200.00
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ENVIRONMENTAL HEALTH FEES

	CURRENT	PROPOSED
Cleaning of overgrown stands	R0.94c/m ²	R0.94c/m ²
Validation of waste management plan	R1 560.00	R1 560.00

LICENCING TARIFFS

Poster

With regard to posters the amount of R20.00 per advertisement of which R5.00 is refundable.

Election Posters

An once off payment of R625,00 per candidate/applicant per election and a R150,00 deposit which is refundable.

Pamphlets

An amount of R210.00 per applicant which is not refundable.

Advertisement – Properties

With regard to advertisement of the selling of properties, an amount of R625.00 per calendar year or any part thereof.

Banners

With regard to banners, an amount of R210.00 of which R125.00 is refundable.

Driving School Registrations

With regard to driving school registration an amount of R1 050.00 per calendar year or any part thereof.

Dog Tax

Application for dog tax (Licensing) R50,00 amount payable per dog.

AMENDMENT TO DETERMINATION OF CHARGES FOR THE FURNISHING OF INFORMATION AND DOCUMENTS

It is hereby notified in terms of Section 80B(8) of the Local Government Ordinance, 1939 (Ordinance 17 of 1939), read with Section 10G(7) of the Local Government Transition Act, 1993, read with Section 11 (3) of the Local Government Municipal Systems Act 2000, that the Greater Tzaneen Municipality has by special resolution further amended the charges payable for the furnishing of information and documents, contained in Municipal Notice no. 24 dated 29 July 1981, and published in Provincial Gazette, No. 4157 of 29 July 1981, with effect from 1 July 2023 as follows:

	CURRENT	PROPOSED
a) Written information: for every folio of 150 words or part thereof:	R8,50	R8.50
b) Continuous search for information:		
- For the first hour	R52,00	R52.00
- For every additional hour or part thereof	R29,00	R29.00
c) Photostat Copies (per copy)	R0,80	R0.80
d) Faxes:		
i Faxes received (per A4 copy)	R3,90	R3.90
ii Faxes dispatched (per A4 copy)	R3,90	R3.90
e) Duplicating Work:		
Per folio	R0,36	R0.36
Per master	R0,36	R0.36

(aa) That the following Reviewed Policies attached to this report be approved by Council:

Revenue Related Policies

- a) Tariff Policy
- b) Credit Control & Debt Collection
- c) Consumer Deposits
- d) Cash Control Policy
- e) Impairment of Debt Policy

Budget Related Policies

- a) Budget Policy
- b) Indigent Policy
- c) Supply Chain Management
- d) Property Rates Policy
- e) Cash Management and Investment Policy
- f) Virement Policy
- g) Adjustment Budget Policy
- h) Borrowing Policy
- i) Funding and Reserves Policy
- j) Policy Relating to Long-Term Financial Planning
- k) Policy Relating to Management and Disposal of Assets
- l) Policy dealing with Infrastructure Investment and Capital Projects
- m) Subsistence and Travelling Policy
- n) Cost Containment Policy
- o) Petty cash policy

- (bb) That the Municipal Infrastructure Grant (MIG) Implementation Plan for 2023/2024 to 2025/2026 be noted by Council
- (cc) That the following projects funded by Municipal Infrastructure Grant (MIG) be approved

Project Name	2023/2024	2024/2025	2025/2026
Upgrading of Nkowakowa B (Hope of Christ, Bombelani School, Giyani Soshangani and Xirhombarhomba) Streets	R 1 000 000,00	R 19 000 000,00	R 3 000 000,00
Paving of Topanama Access Road	R 1 000 000,00	R 14 724 145,00	R 2 000 000,00
Paving of Thapane Street from gravel to paving	R 1 000 000,00	R 22 459 224,00	R 27 000 000,00
Lenyenye Street from gravel to paving	R 1 000 000,00	R 14 000 000,00	R 3 000 000,00
Paving of Zangoma to Mariveni Road	R 33 181 151,00	R 8 666 205,00	R 3 939 000,00
Upgrading of Marirone to Motupa Street from gravel to paving	R 19 300 000,00	R -	R -
Paving of Nkowakowa Section D (Tommy Spaza Shop via Bridge, Mashaba via Vodacom and Raymond Makelana) Streets	R 1 000 000,00	R 14 000 000,00	R 3 000 000,00
Access Street from Khopo, Molabosane School via Tickyline and Myakayaka Serutung to Malegege to Shoromong	R -	R 9 966 474,00	R 45 601 968 .00
Dan Access road from R36 (Scrapyard) to D5011 (TEBA)	R 22 144 120,00	R -	
Lenyenye Stadium Phase 2	R -	R 3 000 000,00	R
Runnymede Sport Facility Phase 2	R -	R -	R 18 000 000,00
Bulamahlo Community Hall	R 23 306 024,00	R 6 917 976,00	R 2 000 000,00
Paving of Thako to Kkefolwe to Kherobene Road			R 10 396 200,00
Purchase of Waste removal truck	R 4 343 855,00		
PMU Management (4.5% & 4.8% of Total MIG)	R 5 646 850,00	R 5 420 976,00	R 5 672 832,00
TOTAL MIG	R 112 922 000,00	R 118 155 000,00	R 123 610 000,00

(dd) That the following Projects “Own Funding” be approved:

Project Name + location (Region)	2023/2024	2024/2025	2025/2026
Township Establishments(Tzaneen Ext 105,Portion 24 of Mohlaba’s Location and Novengilla)			R1 000 000,00
G.I.S(Procurement of equipments).	R2 000 000,00	R2 000 000,00	
Purchase of Land (Politsi ext. 1).			R5 000 000,00
Tzaneen Ext. 13 internal streets			R10 000 000,00
Pusela via Van Velden Hospital to Billy Maritz street in Tzaneen		R5 900 000,00	
1st Avenue street in Tzaneen		R3 600 000,00	
3rd Avenue to Hospital to 2nd Avenue street in Tzaneen			R4 000 000,00
Haenertsburg Cemetery road	R5 000 000,00		
Main CBD Street and Parking in Letsitele	R2 500 000,00		
Nkowakowa Internal streets (Bankuna, Tambo to Maxakeni Road)		R8 000 000,00	
Lenyenye Internal Streets (Main street to Industrial Area, Stadium, Ithuseng to Main street via Police Station)			R6 000 000,00
Voster street in Letsitele			R2 000 000,00
Mogapeng Ring Road		R2 000 000,00	
Tzaneen Airfield Runway			R10 000 000,00
Maribethema Pedestrian Crossing bridges			R2 500 000,00
Petanenge Low level bridges	R2 000 000,00		
Patamedi Low level bridges			R2 000 000,00
Pedestrian Bridge at Tlhabine	R1 000 000,00		
Low level bridge at Ga Schultz	R2 000 000,00		
1x Bulldozer		R2 800 000,00	
Construction machinery Grader	R4 500 000,00	R4 500 000,00	
Construction machinery: TLB	R900 000,00	R900 000,00	R900 000,00
Grass cutting Machines			R800 000,00
1 x Trailer for traffic services			R300 000,00
New ablution block, offices and storage facility at Tzaneen testing grounds	R1 200 000,00		
Nkowankowa testing grounds	R1 000 000,00		R -
Tzaneen testing grounds		R1 500 000,00	
Shiluvane and Mulati library			
Public toilets in Tzaneen	R700 000,00		
Public toilets in Nkowakowa	R200 000,00		
Public toilets in Letsitele	R200 000,00		

New ablution block, offices and storage facility at Nkowakowa testing grounds		R1 500 000,00	
Ablution block in Sanlam centre			R1 500 000,00
Tzaneen Waste water treatment works	R500 000,00		
New change rooms at Tzaneen Dam	R1 000 000,00		
Tzaneen cemetery	R100 000,00		
New sleeping quarters for electrical department	R1 500 000,00		
New sleeping quarters at Georges valley treatment plant			R1 500 000,00
New sleeping quarters at Nkowankowa plumbers workshop			R1 500 000,00
New change rooms at Tzaneen plumbers workshop	R500 000,00		
New Guardroom at Tzaneen Civic Centre	R12 000,00		
New sleeping quarters at Letsitele water treatment works			
Airfield fencing			R1 500 000,00
Mechanical workshop		R1 000 000,00	
The chlorine dosage rooms for all water treatment plant			R300 000,00
Concrete palisade fence at Lenyenye cemetery		R2 000 000,00	
Ablution block with change room at Lesedi Regional Cemetery (Lenyenye)	R150 000,00		
Storeroom with guard house at Lesedi Regional cemetery (Lenyenye)		R800 000,00	
Environmental Impact Study at Lesedi Regional Cemetery (Lenyenye)	R400 000,00		
Earthworks at Lesedi Regional cemetery (Lenyenye)			
Ablution with change room at Nkowankowa cemetery			
Earthworks with full Environmental Impact Assessment study and designs at Nkowankowa cemetery	R300 000,00		
Agatha cemetery extension at Tzaneen		R1 000 000,00	
Earthworks with road construction at Tzaneen cemetery			
Guardroom at Nkowa kowa testing ground	R200 000,00		
Guardroom at Tzaneen testing ground	R200 000,00		
Concrete palisade fence at Nkowakowa cemetery			R2 200 000,00
Fencing at Tzaneen cemetery			
Archive storage at Tzaneen testing ground		R1 200 000,00	
Heanertzburg library sleeping quarters			R1 500 000,00
Ablution facility at Tzaneen			R800 000,00
Furniture for sport and recreation facilities at Juliesberg, Burgersdorp, Runnymede, Lenyenye, Nkowankowa	R300 000,00		
Civic centre building		R10 000 000,00	
Pelana road to Senakwe Primary School High Level Bridge			R10 000 000,00
Power Generator for Tzaneen wastewater treatment works	R300 000,00		
Shikwambana intersection to Sure Sure Brickyard		R10 000 000,00	
Tzaneen Tennis Courts		R	-

Connections (Consumer Contribution)	R10 000 000,00	R10 000 000,00	
Prepaid meters and infrastructure in phases (Talana Politsi, Mieliekloof and Tarentaalrand)			R5 000 000,00
Urban distribution networks		R1 000 000,00	
11kv cables Tzaneen CBD in phases (Tzaneen Main-SS1)			
11 kV and 33 kV Auto reclosers per annum X4 (La_Cotte x 2, California x 1,	R1 500 000,00	R1 500 000,00	R1 500 000,00
Monitoring system on GTM electrical network	R5 000 000,00		R3 000 000,00
11kv Feeder from Western sub to Industrial area			R5 000 000,00
Rebuild 66 kV wooden line from Tarentaalrand Main to Tzaneen (20km) in Phases		R5 000 000,00	
Building of new 4 MVA, 33/11 kV Substation at Agatha (Meyers Rus T off Phase 1)			R4 000 000,00
Skirving and Peace Streets replacement of old switchgear with safe technologies			
SS3 retrofitting old panels with safe technologies			
Tzaneen Main retrofitting old panels with safe technologies		R2 000 000,00	
Procurement of Network planning software			R1 500 000,00
Renewal Repairs and maintenance of Bulk meters and Replace current transformers & meter panel Tarentaalrand,	R1 000 000,00		
Installation of STATS meters Tzaneen Main, Letsitele Main, Western Sub, Rubbervale & 33/11kV Substation in Phases			R500 000,00
Installing of Quality of Supply recorders (Tarentaal Rand, Tzaneen Main, Letsitele Main, Henley, Waterbok, Middlekop, Politsi, Blacknoll, Letsitele Valley			R5 000 000,00
Refurbishment of protection systems and panels in Tarentaal rand		R3 000 000,00	R3 000 000,00
Refurbishment of protection systems and panels in Tzaneen Main			R3 000 000,00
Refurbishment of protection systems and panels in Letsitele Main			R3 000 000,00
Refurbishment of protection systems and panels at Rubbervale			R3 000 000,00
Replacement of Box Breakers at Letsitele Main Substation in Phases	R1 500 000,00	R1 500 000,00	R1 500 000,00
Replacement of Box Breakers in Main Substations at Tzaneen Main in phases		R1 500 000,00	R1 500 000,00
Replacement of 132Kv & 66Kv Breakers at Tarentaal Main Substations in phases			R4 000 000,00
Replacement of 66Kv Current Transformers at Letsitele Main Substations in phases			R1 500 000,00
Replacement of 66Kv Isolators at Letsitele Main Substations in phases			R500 000,00
Rebuilding of 11kV and 33kV lines in phases			R5 000 000,00

Replace, Refurbish & Upgrading of underground LV cables, metering kiosks (Tzaneen Town)		R1 000 000,00	R3 000 000,00
Replace, Refurbish & Upgrading of underground LV cables, metering kiosks (Haernerstburg Town)			R2 000 000,00
Replace, Refurbish & Upgrading of underground LV cables, metering kiosks (Letsitele Town)			R2 000 000,00
Replacement of old metering boxes and meters			R1 000 000,00
Customer Management and Interrogation system			R2 500 000,00
Maintenance Management tools & system			R2 000 000,00
Reduction Electricity losses analysis			R750 000,00
Revenue Protection			R500 000,00
Streetlights (Tzaneen Town, Haernerstburg)		R500 000,00	R500 000,00
Computerise Task order management system			R1 500 000,00
Installing of Power Factor Capacitors Blacknol, Tarentaal T-off, The Pleins Henely, LaCotte, Waterbok		R1 000 000,00	
Building of new 10 MVA, 66/11 kV Substation at Blackhills, Includes construction of 66kV line			R5 000 000,00
Upgrading of LA-Cotte Substation to 5MVA		R2 000 000,00	
Upgrading of Politsi Substation to 5MVA			R3 000 000,00
Install New 5MVA 66/11kV Transformer Letsitele Valley			R8 000 000,00
Token Identifier (TID) rollover Pre-paid	R500 000,00		
Rebuilding of Duiwelskloof 33 kv line (5km)	R1 500 000,00		R3 000 000,00
Rebuilding of Grysapel 11 kv line (2.5km)	R1 000 000,00		
Rebuilding of Pusela 11 kv line (4.5km)	R1 000 000,00	R1 000 000,00	
Rebuilding of Letsitele Valley/Bindzulani 11 kv line (5km)		R1 000 000,00	
Rebuilding of Manorvlei/broederstroomdrift 11 kv line (5km)	R1 000 000,00	R1 000 000,00	
Rebuilding of Hotel/Stanford lake college 11 kv line (5km)			
Rebuilding of Tarentaalrand/Deerpark 11 kv line (5km)	R1 000 000,00	R1 000 000,00	
Rebuilding of Waterbok/Prieska 11 kv line (5km)		R1 000 000,00	
Rebuilding of La Cotte 11 kv line (5km)			
Leretjeni Sports Complex	R5 500 000,00	R3 500 000,00	
Archive storage at Tzaneen licenising Main building			R1 200 000,00
Purchase of Office Equipment	R279 594,00	R290 777,00	
Storage container for Expenditure Division	R450 000,00		
Purchase of Office Equipment	R400 000,00	R400 000,00	R400 000,00
Purchase of Municipal pool cars	R12 000 000,00	R12 000 000,00	R12 000 000,00
TOTAL	R72 291 594	R109 890 777	R165 150 000

(ee) That the following projects funded by Integrated National Electrification Programme (INEP) be approved

No.	Project Name	Number of Connections	Original Budget
1	Electrification of Akanani	45	R900 000,00
2	Electrification of Mackery	60	R1 200 000,00
3	Electrification of Mandlakazi	50	R1 000 000,00
4	Electrification of Mugwazeni PH 2	450	R9 000 000,00
5	Electrification of Rikhotso 1	45	R900 000,00
6	Electrification of Thabina Valley 2	85	R1 700 000,00
7	Electrification of Mokgwathi PH2	200	R4 000 000,00
	TOTAL	935	R18 700 000,00

PRE- ENGINEERING			
No.	Project Name	Number of Connections	Original Budget
1	Electrification of Jopie	21	R 30 000,00
2	Electrification of Rwanda	365	R 438 000,00
	TOTAL	386	R 468 000,00

BULK INFRASTRUCTURE			
No.	Project Name	Number of Connections	Original Budget
1	11kV Waterbok to Selwane village MV line	N/A	R 6 000 000,00
	TOTAL		R 6 000 000,00

(ff) That the following rollover project from previous financial year funded by DBSA be approved:

Project Name + location (Region)	Project description	2023/2024	2024/2025	2025/2026
Rebuilding of Ebenezer PH 4	Rebuilding 33kV line	4,000,000		

4. THE BUDGET

EXECUTIVE SUMMARY

INTRODUCTION

During the Budget Process, the budget steering committee was confronted with numerous challenges. It remains a complex task in balancing the needs of the community with limited resources, while the municipality is expected to operate within the legislative prescripts and ensuring a credible funded budget is realized.

Since the 2008 global financial crisis South African public finance deteriorate, weal economic growth experienced and led to large revenue shortfalls. To maximize the value of spending and acceleration of service delivery, municipality needs to contain costs and eradicate wasteful treatment of public funds and resources.

The evolution of COVID-19 and slow progress in significant implications on our countries economic outlook. Vaccine rollout reinforces uncertainty and poses evolution of COVID-19 infections; the uninterrupted supply of electricity remains a binding constraint which could exacerbate over the short term and are a strain on economic growth. The inability of Departments to provide consumers with uninterrupted services like electricity and water supply put stress on consumer ability to pay for services. The poor payment levels of consumers resulted in Municipalities being unable to meet their payment obligations with Eskom, Water Bords and other creditors, while transfers from National Government are growing slower than in the past.

We are currently in an economic crisis with high levels of unemployment. Good Governance and accountability are therefore essential for sustainable and economic growth to ensure amongst others equitable allocation and distribution of the Municipalities resources. The efficient delivery of Municipal services will create a conducive environment for the upliftment of communities.

The objectives of combating service interruptions are high on the Municipalities agenda and the short-term objectives are;

- The upgrading of the Municipalities Electricity network to ensure the provision of an uninterrupted service to our Consumers.
- Data cleansing and improvement of the Municipalities Revenue collection and Revenue enhancement functions.
- A strong administration to ensure a stable working environment through which future development can be established.

Management considers the upgrading of the Municipalities electrical network as essential seeing that its performance is unacceptable and below standard.

Distribution losses of 20,91 percent, 11.34 percent, and 6.11 percent for the 2019/2020, 2020/2021 and 2021/2022 financial years respectively have been recorded in Councils financial statements. The 2021/2022 Distribution loss percentage is within the accepted norm of 10 percent.

The Municipality attempts to provide services that are essential for the daily lives of residents such as the distribution of water and electricity as well as the collection and disposal of waste. The provision of services however depends on the availability of financial resources which is directly linked to the payment for services by the communities.

Available financial resources are dependent on the collection of revenue which has been identified as one of the major challenges facing Municipalities and will be addressed to ensure financial sustainability.

MAXIMISING REVENUE GENERATION

The municipality is currently implementing revenue enhancement plans which were developed from revenue enhancement program in order to identify areas to work on to improve Revenue Collection / Debt challenges and Credit Control, experienced by the Municipality.

A number of strategies have been identified, however not all of the strategies can be implemented immediately, as some of them requires capital injection. The activities have been prioritized from high to low. The following activities have been agreed upon and are under discussion and/or implemented to address Councils credit control and debt collection.

Revenue enhancement road map

High Priority Interventions

- BILL-001: Accounts with no electricity meter readings or estimates.
- BILL-017: Debtors Department Format
- ELEC-001: Developed stands with no or low consumption (Electricity)
- ELEC-002: Electricity Prepaid Meter – Indigents
- ELEC-003: Electricity Prepaid Meter - All Residential Customers
- ELEC-004: Vegetation Control

- ELEC-005: GTLM Metering at Nkowankowa & Lenyenye
- ELEC-006: Replace Metering at Tarentaalrand Main Substation, Letstitele Main, Rubbervale and Gravelotte (Bulk Intake Points)
- ELEC-008: HAMSA Report
- ELEC-009: NMD Increase.
- ELEC-010: Wheeling Agreement
- ELEC-011: AMR (smart metering) for LPU's
- GEN-003: Monitor KPIs
- WAT-001: Developed stands with no or low consumption (Water)
- WAT-002: Meter audit of large water consumers
- WAT-003: IWA water balance
- WAT-004: Debtors high consumption
- WAT-005: Community Water Saving Awareness Campaign

Medium Priority Interventions

- BILL-004: Prepaid - Billing link
- BILL-005: Link billing system to cadastral data
- BILL-008: Update of billing system master data
- BILL-009: Credit Performance
- BILL-010: Implement an incentive plan to increase debt collection rate.
- BILL-011: Prepaid Services
- BILL-012: No availability charges
- BILL-013: Review active debtors list and age analysis monthly.
- BILL-014: Accounts should only be opened in the name of the owner of the property.

- ELEC-012: Refurbish and commission existing capacitor banks or purchase new ones.
- ELEC-013: Introduce a control room for swift communication between GTLM and consumers. SCADA
- ELEC-014: Introduce preventative maintenance strategies and move away from reactive maintenance.

- ELEC-015: Losses Contributing Factors
- ELEC-016: Agricultural Debtors
- ELEC-017: EEDSM projects 2023/24
- GEN-004: Cash Flow
- WAT-006: Water meter replacement program
- WAT-007: Implement WC/WDM program 20 Low Priority Interventions

Low- Priority Interventions

- GEN-001: Revenue Enhancement Task Team (RETT)
- BILL-002: Update of Indigent Register
- ELEC-007: Geographical Location of all LPU meters
- GEN-002: GTLM Culture
- BILL-003: Tariff code clean up.
- BILL-006: Clean prepaid meter data
- BILL-007: Update of Indigent Register

The collection of revenue is however not the only challenge Municipalities are faced with. Municipalities must conduct their business in such a way that uninterrupted services are provided to its communities over the long term. Financial sustainability can therefore be regarded as the most important challenge Municipalities are faced with and can only be successfully addressed if the Municipality has strong administration in place.

Challenges faced with the provision of services to communities are:

- Financial sustainability
- Deteriorating infrastructure
- Debt Collection
- Electricity losses
- Unauthorized, irregular and fruitless and wasteful expenditure.

Financial sustainability cannot be achieved by just having good Laws and Regulations. It is achieved through a combination of factors such as adherence to Laws, Regulations and good financial management practices with other elements such as good leadership and strong oversight by Council.

Managers need to manage and contain their expenses, specifically on legal fees, consultant fees, overtime expenses.

To ensure Municipal financial viability and sustainability, with emphasis on revenue collection and expenditure management, our Municipality needs to focus on the following activities:

- Productivity of Officials
- Cut Cost – Do more with less resources
- Decrease debt by improving collection rates
- Base Budget on realistic anticipated revenue to be collected
- Management of Councils expenditure budget
- Management of Contractors payment
- Reduction of irregular expenditure
- Eliminate fraud and corruption
- Allocating resources to revenue generation projects
- Budgeting for sufficient cash backed reserves

The financial strain on our consumers which resulted from the country wide lockdown, COVID-19 pandemic, rising unemployment, the increase in service charges and the increase in food prices must not be underestimated. Consumer disposable income is dropping and if their financial position / payment ability is not taken into account with the determination of service charge increases we will have to prepare for an increase in arrear accounts.

The 2023/2024 medium term revenue and expenditure framework proposes a consolidated budget of R1 594 Billion which includes the budget of our Municipal entity, GTEDA as well as budgets for the water and sewer services of which Greater Tzaneen Municipality is only the service provider. These two budgets will be submitted to Mopani District Municipality, the service authority, for approval and submission to Provincial Treasury for consideration. The budget of GTEDA will be discussed separately in the budget report as well as in a consolidated format.

The budget has been developed according to the requirements of the Municipal Finance Management Act (no. 56 of 2003) and will support the Municipality in achieving the strategic objectives contained in our IDP.

The projects in the IDP have been prioritized and will be implemented over the next three years. Due to funding constraints Council could not accommodate all high priority projects in the first year and had to spread it over a three-year period which is in line with National Treasuries requirements.

mSCOA IMPLEMENTATION

MUNICIPAL STANDARD CHART OF ACCOUNTS (mSCOA)

RELEASE OF VERSION 6.7 OF THE CHART

The mSCOA chart is reviewed on an annual basis to address implementation challenges and correct chart related errors. Towards this end, the 2022/2023 MTREF was drafted and approved on version 6.6 of the chart. The Adjustment Budget and mid-year performance report strings for the 2021/2022 financial year were also submitted in version 6.6 of the chart.

The preparation of the 2023/2024 Final MTREF will however be done in version 6.7 of the chart.

BUDGETING, TRANSACTING AND REPORTING IN mSCOA

Greater Tzaneen Municipality implemented the INZALO EMS mSCOA System over a period of time and went live on 1 July 2020. Although many challenges and system relate errors are experienced all the suggested modules of mSCOA, with the exception of the following, have been implemented and are currently in use.

- Human Resources and Salary module
- The Payday System is still in use and is integrated with the INZALO EMS System
- Asset Register is in progress with the conversion of asset data to mSCOA.
- With regard to Performance Management the IGS solutions is still in use with data being extracted from the mSCOA System.

All information required for reporting purposes are extracted from the INZALO EMS System and are submitted in monthly strings to the Treasury portal.

As the mSCOA chart is a complex process frequent meetings are held to evaluate the process outcome against the approved road map.

OVERVIEW OF THE 2023/2024 MTREF BUDGET (Including Water and Sewer)

OPERATING AND CAPITAL BUDGET EXPENDITURE	2022/2023 FINAL BUDGET	2023/2024 FINAL BUDGET	2024/2025 FINAL BUDGET	2025/2026 FINAL BUDGET
TOTAL OPERATING REVENUE	1 677 237 402	1 815 522 342	1 968 075 803	2 145 831 902
TOTAL OPERATING EXPENDITURE	1 472 292 123	1 594 993 267	1 692 734 155	1 848 694 071
TOTAL CAPITAL EXPENDITURE	164 368 840	189 566 744	222 624 801	283 087 168
TOTAL OPEX AND CAPEX BUDGET	1 636 660 963	1 784 560 011	1 915 358 956	2 131 781 239

The operating revenue increase is mainly attributable to an increase in grant allocations, tariff increase as well as a slight growth in the supplementary valuation to include new developments and rezoning. The operating expenditure increase is mainly attributable to the annual increase that is linked to CPI and the increase in bulk electricity cost.

Although the budget is approved by National Treasury and Provincial

Treasury on vote level/departement level the revenue and expenditure needs to be discussed on item level to get an overall picture of the 3-year budget.

The following table is a summary of all revenue and expenditure on item level:

CONSOLIDATED BUDGET PER ITEM FOR GTM AND GTEDA INCLUDING WATER AND SEWER SERVICES.

Row Labels	2022/2023 Sum of Final Budget	2023/2024 Sum of Final Budget	2024/2025 Sum of Final Budget	2025/2026 Sum of Final Budget
Expenditure By Type/Bulk purchases - electricity	485 899 790	515 243 120	590 983 859	695 588 002
Expenditure By Type/Contracted services	86 941 252	89 077 061	93 441 836	97 833 604
Expenditure By Type/Debt impairment	62 640 000	70 000 000	73 430 000	76 881 210
Expenditure By Type/Depreciation and asset impairment	128 252 876	115 814 038	121 488 926	127 198 907
Expenditure By Type/Employee related costs	421 498 897	438 867 924	460 372 465	482 009 985
Expenditure By Type/Finance charges	15 358 814	12 644 819	13 264 415	13 887 842
Expenditure By Type/Inventory consumed	97 854 428	111 337 563	116 793 109	122 282 389
Expenditure By Type/Losses	-	-	-	-
Expenditure By Type/Other expenditure	155 699 672	161 926 159	169 860 538	177 843 997
Expenditure By Type/Remuneration of councilors	29 696 588	29 382 362	30 822 096	32 270 734
Expenditure By Type/Transfers and subsidies	40 472 912	50 700 230	22 276 911	22 897 401
Grand Total	1 524 315 229	1 594 993 267	1 692 734 155	1 848 694 071

The total Revenue budget of Greater Tzaneen Municipality for the 2023/2024 financial year amounts to R1,816 million. The Municipalities commitment to respond to the communities' demand for a better life is reflected in a budget in which the key priorities are the renewal repairs and maintenance of our electricity distribution network and related critical infrastructure maintenance. The Revenue and Expenditure Budgets are summarized as follows:

CONSOLIDATED BUDGET: GREATER TZANEEN MUNICIPALITY AND GTEDA, INCLUDING WATER AND SEWER SERVICES

The total revenue for the 2023/2024 financial year amounts to R1,816 billion, which represents an increase of R138.3 million over the 2022/2023 financial year. This increase is mainly due to the increase in property rates, service charges and external grants from Government.

The total revenue budget includes an amount of R521 million which represents the equitable share allocation to the Greater Tzaneen Municipality.

An amount of R150 million will be levied by way of property tax and R884 million will be sourced from user charges. National allocations to fund operational activities amount to R37.2 million which includes the Finance Management Grant of R2,0 million, the EPWP grant of R5.4 million, Energy efficiency grant of R5 million, MIG operational of 5.6 million and the INEP allocation of R19 million.

An amount of R1.594 Billion has been made available on the operational budget for expenditure. This substantial increase is largely due to the increase in employee related costs, inventory consumed and bulk purchases. The Expenditure amount includes R439 million for employee related costs, R111 million for inventory consumed and R515 million for the purchase of bulk electricity.

An amount of R189.6 million has been allocated for capital expenditure for the 2023/2024 financial year. This amount includes the MIG allocation of R107.3 million which will be spend on roads, community hall and waste removal truck. This amount also includes the Capital INEP allocation of R6 million which will be spent on improvement of Bulk Infrastructure. A summary of the detailed capital budget is attached as Annexure "N" to this report.

GTEDA BUDGET

The detailed budget of GTEDA as contained in item 22 which needs to provide information on the Municipal Entities annual budget.

The total revenue of GTEDA's Budget amounts to R12.6 million which represents an increase of R2.3 million or 23% on the 2022/2023 Annual Budget. The total revenue amount consists of a Grant from GTM.

The total operational expenditure amounts to R12.3 million of which R7.8 million of the total expenditure represents employee related costs R1.1 represents contracted services and an amount of R2.7 million of total expenditure represents general expenditure.

An amount of R279 594 thousand has been provided for Office Equipment in the capital budget.

CONSOLIDATED BUDGET: GTM, GTEDA EXCLUDING MDM (WATER AND SEWER)

The total Revenue Budget for the 2023/2024 financial year amounts to R1.727 billion. This increase is mainly due to the increase in property rates, service charges and external grants from Government.

The total revenue budget includes an amount of R521 million which represents the equitable share allocation to the Greater Tzaneen Municipality.

An amount of R150 million will be levied by way of property tax and R803 million will be sourced from user charges. National allocations to fund operational activities amount to R37.2 million which includes the Finance Management Grant of R2,0 million, the EPWP grant of R5.4 million, Energy efficiency grant of R5 million, MIG operational of 5.6 million and the INEP allocation of R19 million.

An amount of R1,5 billion has been made available on the operational budget for expenditure. This substantial increase is largely due to the increase in employee related costs, inventory consumed, and bulk purchases. The Expenditure amount includes R399 million for employee related costs, R94 million for inventory consumed and R515 million for the purchase of bulk electricity.

WATER AND SEWER

Although Greater Tzaneen Municipality is not the Water and Sewer Authority, our Engineers will continue with critical as well as planned maintenance on the ageing water and sewer infrastructure. The Municipality will continue to meet

the pressing water and sanitation challenges to ensure a better life for all its communities.

No Capital expenditure has been budgeted for the water and sewer services as Capital Expenditure will be done by Mopani District Municipality who is the water and sewer services authorities.

ROADS AND STORMWATER

An amount of R70.8 million has been set aside over the next three (3) years for the repairs and maintenance of roads and storm water across the Municipality.

This amount can be summarized as follows:

Financial Year	Repair and Maintenance
2023/2024	R22 576 546
2024/2025	R23 682 799
2025/2026	R24 795 892

The repairs and maintenance allocations represent repairs and maintenance on roads and storm water and does not include labour cost.

The amounts allocated for Capital Projects from the MIG Funding are allocated as follows:

Financial Year	Capital Project from MIG
2023/2024	R107 275 150
2024/2025	R112 734 024
2025/2026	R117 937 168

ELECTRICITY SERVICES

The electricity service has been allocated an amount of R220.2 million over the MTREF 2023/2024 to 2025/2026 for infrastructure and maintenance of the electricity network. This amount excludes labour cost. The amount is allocated as follows:

Financial Year	Operational Expenditure	Capital Expenditure
2023/2024	R23 504 687	R25 000 000
2024/2025	R24 656 417	R35 000 000
2025/2026	R25 815 269	R86 250 000

The bulk electricity purchases amount to R515 million for the 2023/2024 financial year.

Distribution losses of 20,91 percent, 11.34 percent, and 6.11 percent for the 2019/2020, 2020/2021 and 2021/2022 financial years respectively have been recorded in Councils financial statements. The 2021/2022 Distribution loss percentage is within the accepted norm of 10 percent.

The inadequate maintenance of the electricity network can be problematic as an electricity grid is enduring and tolerant, it will persevere and withstand long-time abuse. Many grid transformers are overloaded for many hours in a day, when load is increased the windings heat up, when load decreases, they cool down. In most cases, it will take years to destroy a transformer, but when it finally let go it could cost lives.

It is therefore important that the Municipality ensures that the electricity network is maintained adequately. Meter reading audits must also be performed to curb the losses.

SOLID WASTE

Each year the Municipalities solid waste function is brought under pressure due to the fact that +- 33 600 Rural households have access to a basic removal service less frequent than once a week. +- 66 550 Rural households are using communal dump services.

An increase of 5.3% on the previous financial year tariff is proposed, which will provide for an amount of R40 893 774 as service charges on the 2023/2024 Budget.

The increase of 5.3% on the previous year tariffs is within the acceptable norm by National Treasury.

It will not be possible to address this problem in the short term but additional allocations in future budgets will be considered to ensure that all the communities are provided with at least a basic refuse removal service.

LIQUIDITY

The key liquidity metrics are currently deemed to be adequate however to ensure future viability the Municipality needs to determine creative ways in which it can generate funds to comply with the requirements of MFMA Circular 71 which determines that the cash/cost coverage ratio of a Municipality must remain between 1 and 3 months. The Municipality was encouraged by Treasury to adopt an operational budget which provides for a surplus of between one- and three-months actual expenditure.

To comply with this requirement, the Budget Steering Committee recommended that the surplus of between 1 and 3 months must be phased in over a period of time.

The following provision has been made over the next three years:

<u>Year</u>	<u>Surplus Allocation</u>
2023/2024	R221 439 263
2024/2025	R276 296 445
2025/2026	R298 137 503

MULTI-YEAR PROJECTIONS (INCLUDING WATER AND SEWER)

REVENUE: (Greater Tzaneen Municipality, GTEDA including Water & Sewer Services)

ITEM	2023/2024	2024/2025	2025/2026
Revenue	R1 815 522 342	R1 968 075 803	R2 145 831 902

The table above reflects the multi-year projections on revenue which is mainly based on the inflation forecast contained in National Treasuries Budget Circular 122 and 123 as well as the Grants contained in the Division of Revenue Bill (DORA) 2023/2024.

+The operating revenue increased from R1 677 237 401 in the 2022/2023 financial year to R1 815 522 342 in the 2023/2024 financial year.

The main contributors to these increases are:

Grants

Grants are contained in the Division of Revenue Act and the following Grants have been published.

2023/2024	-	R671 713 000
2024/2025	-	R694 285 000
2025/2026	-	R698 402 000

Service Charges

The increase in service charges are based on the inflation forecast contained in National Treasuries Budget Circulars 122 and 123.

ITEM	2023/2024	2024/2025	2025/2026
Service charges	R884 357 681	R1 002 465 207	R1 163 352 003

EXPENDITURE: Greater Tzaneen Municipality, GTEDA including Water & Sewer services)

The operating expenditure has increased from R1.480 billion in the 2022/2023 financial year to R1.594 billion in the 2023/2024 financial year. This increase is primarily the result of increases in several expenditure items.

CAPITAL

The Multi-Year capital projections are contained in item “19 summary of detailed capital budget” of this report.

TARIFFS

National Treasury informed Municipalities through Budget Circular’s 123 that the under-mentioned Macro Economic forecasts must be considered when preparing the 2023/2024 MTREF Municipal Budget

CATEGORY	2023/2024	2024/2025	2025/2026
Property Rates	5.3%	4.9%	4.7%
Electricity	20.70%	14.70%	17.70%
Refuse	5.3%	4.9%	4.7%
Water	5.3%	4.9%	4.7%
Sewerage	5.3%	4.9%	4.7%

The Municipality strives to project increases that are not above the CPI as advised by National Treasury. This is however hampered by a combination of increases in input cost associated with providing services and the ongoing attempt to ensure that cost reflective tariffs are approved and implemented. The Municipality will however continue focusing on Budget Management to reduce any inefficiency and thereby reduce the impact on our residents. It must also be mentioned that the Municipalities revenue base is not at the required level due to high rural areas that are part of the Municipalities responsibility. This requires creative and innovative ways of ensuring affordable and cost reflective tariffs as well as efficient service delivery. The Municipality strives for equal service levels for all communities it serves.

COMPLIANCE INFORMATION

Property Rates

Property rates are based on the inflation forecast contained in National Treasuries Budget Circulars 122 and 123 and is calculated on Councils general valuation roll implemented on 1 July 2017. Supplementary valuations will continue throughout the year. The increases in property rates are equal to the inflation forecast in all three financial years.

Service Charges

The increases in the service charge tariffs are within the upper limit set by National Treasury for the 2023/2024 financial year and according to the inflation forecast for the 2024/2025 and 2025/2026 financial years.

The effective budget management is however dependent on whether the risk Council is exposed to are identified and addressed and if sufficient control measures have been put in place to curb the risks Council are exposed to.

To address these problems Council has established a Risk Management Unit and an Internal Audit Unit who's duties and responsibilities are as follows:

Risk Management and Compliance Monitoring

In terms of the Municipal Management Act no 56 of 2003, Chapter 8, Section 62 (i) (c), The Accounting Officer of a Municipality must maintain an effective, efficient and transparent system of Financial and Risk Management and Internal Control.

Compliance Monitoring

The Municipal Finance Management Act 56 of 2003, Section 60 (1) '***states that the Municipal manager of the municipality is the Accounting Officer of the Municipality, exercise the functions and powers assigned to an Accounting Officer in terms of this Act; and provide guidance and advice on compliance with this Act to the political structures, political office-bearers and officials of the municipality and any municipal entity under the sole or shared control of the municipality***',

The Risk and Compliance Management Unit of Greater Tzaneen Municipality has been established within the office of the Municipal Manager and Reports administratively to the Municipal Manager and functionally to the Risk Committee.

This Unit is active and is inter-alia responsible for the following functions:

- Develop and implement Risk Management Policies and Strategies.
- Develop Risk Management framework and incorporate inter-alia Policies, implementation plan and the risk identification and methodology.
- Training of all stakeholders in Risk Management and continuously driving Risk assessments.
- Develop and implement compliance monitoring plans, policies and strategies;
- Perform internal controls and develop an action plan to assist and improve on controls;
- Conduct compliance monitoring with relevant legislations, laws and regulations, policies and procedures.

Internal Audit

Greater Tzaneen Municipality established an Internal Audit Unit in terms of section 165 of the Municipal Finance Management Act (MFMA). The Unit reports to the Municipal Manager administratively and functionally to the Audit Committee. Some of their duties are summarized as follows:

- To advise the Accounting Officer and report to the Audit Committee on matters relating to:
 - Internal Control
 - Accounting procedures and practices
 - Risk and Risk management
 - Performance Management, and
 - Loss control and compliance with legislation

Cost Containment Measures

To ensure value for money and to curb cost, Municipalities are urged to take cognizance of the cost containment measures which have been prescribed for Government Departments, constitutional institutions and public entities.

Section 62 (1) (a) of the Municipal Finance Management Act No. 56 of 2003 stipulates that the Accounting Officer of a Municipality is responsible for managing the financial administration of a Municipality and must for this purpose take all reasonable steps to ensure that the resources of the Municipality are used effectively, efficiently and economically.

In terms of the legal framework, the elected Councils and Accounting Officers are required to institute appropriate measures to ensure that the limited resources and public funds are appropriately utilized to ensure value for money is achieved.

The purpose of Circular 82 is to guide Municipalities and Municipal Entities on cost containment measures that must be implemented in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment and equality, amongst others.

Greater Tzaneen Municipality has adopted the cost containment measures as well as the annual updating thereof.

Schedule of Key Deadlines

The schedule of key deadlines is an extract from the Municipality's IDP Budget and PMS Calendar and details the key events and activities involved in the budget process. It is a statement that outlines the key elements of the Budget process that the Municipality embarked on while drafting the 2023/2024 Budget. This schedule is meant to ensure that all Legislative requirements are complied with during the preparation and approval of the 2023/2024 Budget.

The IDP, Budget and PMS processes are done within Legislative guidelines and Policy context with amongst other the following:

- Constitution of the Republic of South Africa (Act 108 of 1996)
- The Municipal Systems Act (Act 32 of 2000)
- Municipal Planning and Performance Management regulations 2001
- Municipal Finance Management Act (Act 56 of 2003)
- Spatial Planning and Land Use Management Act, 2013, Act No. 16 of 2013.

TARGET DATES	ACTIVITIES	CONVENER	STAKEHOLDERS
Phase 0 – Planning Phase			
July – August 2022	Development of the IDP, Budget and PMS Process Plan	Manager Strategic Support	Strategic Support and Budget & Reporting Offices
14 July 2022	IDP Workshop for Councillors and Management	MM	Mayor, EXCO, Speaker, Chief Whip, All Councillors, MM, Directors, Managers.

TARGET DATES	ACTIVITIES	CONVENER	STAKEHOLDERS
18 July-30 September 2022	IDP/Budget/PMS Rep Forum Registrations	Speakers Office/Manager Strategic Support	Mayor, EXCO, Speaker, Chief Whip, All Councillor, MM, Directors, Managers and external stakeholders, Sector Departments, Ward Committee Reps, Public Participation Manager
July- November 2022	Ward needs analysis	Ward Cllrs	Community stakeholders, Ward Committees
03 August 2022	IDP Steering Committee (Process Plan)	MM	MM, Directors and Managers, Sector Departments
19 August 2022	IDP Workshop for IDP Rep Forum Stakeholders	Manager Strategic Support	All registered stakeholders, PMS Officer, Budget & Financial Reporting Manager, IDP Officer and Public Participation Manager.
23 August 2022	Rep Forum meeting (Process Plan)}	Mayor and EXCO	Mayor, EXCO, Speaker, Chief Whip, All Councillors, MM, Directors, Managers and external stakeholders, Sector Departments, Ward Committee Reps
30 Aug 2022	Table the Process Plan to Council	Speaker	Members of Council
5-9 September 2022	Engagements with internal Departments (Analysis Phase – Status Quo)	MM	Directors, Managers & Designated Officers.
PHASE 1 – Analysis Phase			
16 September 2022	IDP Steering Committee (Analysis Phase)	MM	MM, Directors and Managers
September-December 2022	Capture the IDP in the mSCOA classification on system	Manager Strategic Support	Strategic Support
29 Sep 2022	Engagement with EXCO (Analysis Phase)	Mayor and EXCO	Mayor, EXCO, All Councillors MM, Directors

TARGET DATES	ACTIVITIES	CONVENER	STAKEHOLDERS
05 October 2022	Engagement with All Councillors (Analysis Phase)	Mayor and All Cllrs	Mayor, EXCO, All Councillors MM, Directors
6 October 2022	Rep Forum meeting (Analysis Phase presentation)	Mayor and EXCO	Mayor, EXCO, Speaker, Chief Whip, All Councillors MM, Directors, Managers and external stakeholders, Sector Departments, Ward Committee Reps.
October 2023	Preparations and submission of 3 - 5 Years proposed Projects	All Directors	Directors, Managers and all officials
Oct-Dec 2022	Download the latest mSCOA chart for implementation for use in budget compilation.	CFO (Manager Financial Services)	CFO
Phase 2 – Strategies Phase			
01 November 2022	IDP Steering Committee (Preparation for the Strategic Session)	MM	MM, Directors and Managers, Sector Departments
04 November 2022	Engagement with Executive Committee (Preparation for the Strategic Session)	Mayor and EXCO	Mayor, EXCO, MM and Directors
08 November 2022	Engagement with All Cllrs (Preparation for the Strategic Session)	Mayor and EXCO	Mayor, EXCO, MM and Directors
12 - 14 December 2022	Municipal Strategic Planning Session	Mayor and MM	Mayor, Speaker, EXCO, All Cllrs, MM, Directors, Managers and external stakeholders
November 2022	Portfolio Committee meetings – Needs prioritization	Portfolio Chairpersons and Heads	Portfolio chairpersons and Heads, Ward Cllrs and ward committee members)
13 Jan 2023	IDP Steering Committee (Strategies Phase presentation)	MM	MM, Directors and Managers and Sector Departments
17 Jan 2023	Review Financial position	CFO	MM & Directors

TARGET DATES	ACTIVITIES	CONVENER	STAKEHOLDERS
17 Jan 2023	Draft initial allocations to functions: Budget	CFO	MM & Director
17 Jan 2023	Start preparing draft budget and plans for the next 3 years	All Directors	MM, Directors and Managers
17 Jan 2023	Submit 6 months actual figures to Directors	CFO	MM & Directors
17 Jan 2023	Engagement with Executive Committee (Strategies Phase presentation)	Mayor and EXCO	Mayor, EXCO, MM and Directors
18 Jan 2023	Engagement with All Councillors (Strategies Phase presentation)	Mayor and EXCO	Mayor, EXCO, All Cllrs, MM, Directors and Managers
24 Jan 2023	Adjustment Budget meetings with Directors and Managers	CFO	Directors & Managers
26 Jan 2023	Draft Budget meetings with Directors and Managers	CFO	Directors & Managers
30 Jan 2023	Budget request submitted to Chief Financial Officer and MM	Directors	CFO
January 2023-March 2023	Mid-year budget and performance assessment visits	Provincial Treasury	National Treasury, Provincial Treasury, COGHSTA, Directors, IDP and PMS officer
Jan-March 2023	Compilation of detail budgets-mSCOA classification across segments (MTREF)	CFO (Manager Financial Services)	CFO
February 2023	Draft Adjustment Budget	CFO	Mayor, EXCO, MM and Directors
02 Feb 2023	Rep Forum meeting (Strategies Phase)	Mayor and EXCO	Mayor, EXCO, Speaker, Chief Whip, All Councillors MM, Directors, Managers and external stakeholders, Sector Departments.
03 Feb 2023	Submit Adjustment Budget Requests to	CFO (Manager Financial Services)	CFO & MM

TARGET DATES	ACTIVITIES	CONVENER	STAKEHOLDERS
	CFO and MM for consideration		
03 Feb 2023	Finalise Adjustments, Discussed on Directors meeting	CFO	MM,CFO & Directors
07 February 2023	Present adjustments to be included in Adjustment Budget (Budget Steering Committee)	CFO	Mayor, Speaker, Finance Chairperson, MM & CFO
07 Feb 2023	Budget Steering Committee meeting to Discuss 2023/24 Draft Budget and 2022/23 Adjustment Budget.	Chairperson of Budget Steering Committee	Budget Steering Committee
14 Feb 2023	Approval of adjustments by Budget Steering Committee	Budget Steering Committee	Budget Steering Committee
Phase 3 – Project Phase and Phase 4 – Integration Phase			
17 Feb 2023	IDP Steering Committee (Internal projects)	MM	MM, Directors and Managers and Sector Departments.
19 Feb 2023	Finalize detailed IDP projects, PMS and Sector plans for next 3 years.	MM	MM, Directors & Managers
22 Feb 2023	*Finalise adjustment Budget Report and present to Budget steering committee *Submit Budget Requests to Budget Steering Committee. Finalise projects to be included in the Draft Budget	CFO (Manager Financial services & Rep	CFO
25 Feb 2023	Council to adopt Adjustment Budget	Mayor & EXCO	EXCO and All Councillors
26 Feb 2023	EXCO to Discuss Adjustment Budget	Cluster Chairperson	Finance Cluster Committee
13 March 2023	IDP Steering Committee (External Projects, Integration Phase, Draft IDP and Budget)	MM	MM, Directors and Managers and Sectors Departments

TARGET DATES	ACTIVITIES	CONVENER	STAKEHOLDERS
15 March 2023	Present Draft Budget to Budget Steering Committee	CFO	Budget Steering Committee
17 Mar 2023	EXCO meeting (Draft IDP and Budget)	Cluster Chairperson and CORP	Finance Portfolio Committee
17 March 2023	Engagement of Executive Committee (External Projects, Integration Phase, Draft IDP and Budget)	Mayor and EXCO	Mayor, EXCO, MM and Directors
21 March 2023	Engagement of all Councillors (External Projects, Integration Phase, Draft IDP and Budget)	Mayor and EXCO	Mayor, EXCO and Councillors and Directors.
24 March 2023	Rep Forum meeting (External Projects, Integration Phase, Draft IDP and Budget)	Mayor	Mayor, EXCO, Speaker, Chief Whip, All Councillors MM, Directors, Managers and external stakeholders, Sector Departments, Ward Committee Reps
27 March 2023	Finalise Draft Budget Report and Schedules	CFO, Manager Financial Services	CFO
Phase 5 – Approval Phase			
30 March 2023	Council Adopts the Draft IDP & Budget	Mayor and EXCO	EXCO and All Councillors
31 March 2023	Table mSCOA complaint A1 Schedule format and upload Mscoa data strings on portal	CFO (Manager Financial Services)	CFO
April 2023	Public Participation On Draft IDP and Budget	PPP, Strategic Support & Budget	Community and Stakeholders, All Councillors.
03 April 2023	Publish Preliminary Budget and Draft IDP in newspapers and make it available on Councils website	CFO	Communication
03 April 2023	Submit Draft IDP and Budget to National Treasury, Provincial	CFO	National Treasury, Provincial Treasury,

TARGET DATES	ACTIVITIES	CONVENER	STAKEHOLDERS
	Treasury, COGHSTA and Mopani District Municipality		COGHSTA and Mopani District Municipality
April 2023- May 2023	Budget and benchmark assessment	Provincial Treasury	National Treasury, Provincial Treasury, COGHSTA, Directors, IDP and PMS officer
12 May 2023	IDP Steering Committee (Final IDP and Budget)	MM	MM, Directors and Managers and Sector Departments
16 May 2023	Engagement of EXCO and Councillors (Final IDP and Budget)	Mayor and EXCO	Mayor, EXCO, MM, Directors and Managers
18 May 2023	EXCO (Submit Final IDP/Budget changes to finance Study Group for consideration)	Cluster Chairperson and CORP	Finance Portfolio Committee
19 May 2023	Present final Budget to Budget Steering Committee	CFO	Budget Steering Committee
19 May 2023	Representative Forum Meeting (Final IDP and Budget)	Mayor and EXCO	Mayor, EXCO, Speaker, Chief Whip, All Councillors MM, Directors, Managers and external stakeholders, Sector Departments, Ward Committee Reps
26 May 2023	Council to approve Final budget, related policies and IDP	Mayor and EXCO	EXCO and All Councillors
31 May-June 2023	Upload mSCOA data string of the final budget and IDP	CFO (Manager Financial Services) and Manager Strategic Support	CFO & MM
05 June 2023	Publish final Budget and IDP in newspaper and Website	Strategic Support, Communication	Communities
05 June 2023	Submit IDP and Budget to National Treasury, Provincial Treasury, DPLG and Mopani District Municipality	MM & CFO	Manager Strategic Support and Manager Budget & Reporting

Budget Steering Committee

Section 4 of the Municipal Budget and Reporting Regulations provides that the Mayor of the Municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging his responsibility regarding the budget process.

The Budget Steering Committee was established and is functional. The Agenda and minutes of this Committee is attached to this report as Annexure "P".

(A) THE EFFECT OF THE ANNUAL BUDGET (TZANEEN AND WATER AND SEWER

The growth of Council's Medium-Term Revenue and Expenditure Framework (MTREF) is based on a combination of factors of which, the most important is the fact that National Treasury Advices Council not to increase its budget unrealistically.

National Treasury also cautioned Municipality's not to materially and unreasonably prejudice national economic policies particularly those on inflation and that cognizance must be taken of the Municipal Budget Circular's no. 122 and 123 of the 2023/2024 MTREF which determines the following:

Revising rates tariffs and other charges.

"National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason, Municipalities must justify in their budget documentation all increases in excess of the projected inflation target for 2023/2024.

The upper boundary of tariff increases prescribed by National Treasury in Circular no 122 and 123 is 5.3% for rates, tariffs and other charges.

The operating budget, of Greater Tzaneen Municipality reflects the following increases:

PROPERTY RATES

Property rates is a major source of revenue for the Municipality and contribute to cover cost for the provision of general services. Determining the effective property rates tariff is therefore an integral part of the Municipalities budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the differential rate ratio for public service infrastructure, public benefit organization and agricultural properties relative to residential properties to be 0.25:1. The implementation of these Regulations was effected in previous budget processes and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA)
- 100% Rebate will be granted to registered indigents in terms of the Municipality's Indigent Policy.

An increase of 5.3% on the previous year Property Rates Tariffs are proposed. To comply with Legislative requirements a new valuation roll will be effective from the 1st of July 2024.

The categories of property rates and the proposed rates for the 2023/2024 financial year is contained in item 3 of this report.

TARIFF INCREASES TO CONSUMPTIVE TARIFF-BASED SERVICES ARE:

• Electricity (average)	20.70%
• Water	5.3%
• Sanitation	5.3%
• Solid Waste	5.3%

All tariff increases are within the guidelines set by National Treasury which confirms that Greater Tzaneen Municipality does not prejudice National Economic Policy on Inflation.

ELECTRICITY

Council is advised that Treasury Circular 123 approved an increase of 20.7% on the previous year electricity tariff. NERSA is responsible for the

determination of electricity tariff increase and these increases in tariffs will be communicated through the consultation paper – Municipal Tariff Guideline, Benchmarks and proposed timelines for financial year 2023/2024.

The increase of 20.7% will be sufficient to provide for the electricity service but it is challenged by the ongoing high increases in electricity bulk purchases over the past few years that resulted in decrease in demand as some consumers have moved to alternative sources of energy and/or invested in energy saving equipment.

The Municipality has therefore taken all the cost drivers associated with rendering the electricity service, including the statistical data and distribution losses in consideration with the calculation of the electricity tariffs.

WATER

Water tariffs have been increased by 5.3% on the 2023/2024 approved tariffs. This increase is in line with the guidelines received from National Treasury. In calculating the water tariffs, the following were taken into account.

- Affordability of the tariff increases
- Breakeven point of the services
- Essential Operational Requirements
- Equitable share allocation from MDM

SANITATION

The proposed sewer tariff increase is 5.3% for the 2023/2024 financial year. There is however a concern regarding the ageing sanitation infrastructure and the impact that it may have on future operational budgets. The tariff increase of 5.3% is necessary to address essential operational requirements.

SOLID WASTE

The proposed Solid Waste Tariff increase is 5.3% for the 2023/2024 financial year. The increase is necessary to recover the cost of services provided to consumers which include refuse collection cost, disposal cost, weighbridge cost and other ad hoc services.

EMPLOYEE COST

Though the percentage is within the norm of 25% to 40% as per MFMA Circular 71 guideline from National Treasury the fact that it shows an upward trend when compared with the previous year needs to be noted. It must also be

noted that Councilors allowances and contracted services are not included in this percentage.

Salaries have been increased by 5.5% in the 2023/2024 financial year as recommended by the Budget Steering Committee. Provision has also been made for critical positions that have not been budgeted previously as well as positions that became vacant during the past 12 months.

BULK PURCHASES

The Bulk Purchases represent 32% of the total expenditure budget and is directly informed by the purchase of electricity from Eskom.

INVENTORY CONSUMED

Aligned to the priority given to the maintaining of Council's Assets the 2023/2024 Operating Budget provides for growth in the repairs and maintenance as well as the renewal repairs and maintenance vote.

The Municipality is striving to achieve a budget allocation of not less than 10% of the total operating expenditure budget. This goal has been set to cater for the ageing infrastructure and to ensure that the historic deferred maintenance is not repeated. The Municipality has embarked on a programme of replacing and maintaining electricity infrastructure which have reached and/or exceeded its useful lives.

GENERAL EXPENDITURE

The General Expenditure which comprises of various line items constitute 10% of the total operational Expenditure. To comply with the provisions of Circular's, 122 and 123 guidelines issued by National Treasury a line by line analysis have been done to improve efficiency and to ensure a credible budget.

Expenditure categories as a percentage of total expenditure: Greater Tzaneen Municipality, GTEDA including Water and Sewer services.

- | | |
|----------------------|--------|
| • Employee cost | 28% |
| • Bulk Purchases | 32.0% |
| • Inventory Consumed | 7% |
| • General Expenses | 10.51% |

(B) PAST AND CURRENT PERFORMANCE ACHIEVEMENTS

MUNICIPAL MANAGER'S DEPARTMENT:

The office of the Municipal Manager comprises of the Internal Audit, Disaster Management, Performance Management, Integrated Development Planning and Risk Management divisions. The following are the main achievements:

- Council approved the 2022/23 IDP, along with the budget, and it was submitted to the MEC for COGHSTA and Provincial Treasury
- Annually the SDBIP is drafted and approved on time. The 2022/2023 SDBIP was approved by the Mayor on the 23rd June 2022 and quarterly progress reports are submitted to Council. The Back-to-Basics Action Plan for 2022/23 was approved by the Council on the 30th of August 2022. Quarterly Back to Basics reports are submitted to council.
- The 2021/2022 Annual Performance Report was submitted to the Auditor General, Treasury and CoGHSTA on the 31st of August 2022.
- The Midyear Performance Report for 2022/23 was submitted to the Auditor General, Treasury and CoGHSTA on the 25th of January 2023.
- The Annual Report for 2021/2022 is currently being reviewed by MPAC and was approved by Council on the 26th of January 2023, the final AR will be concluded in March 2023.
- The MM and Directors have signed performance agreements for the 2022/2023 financial year.
- The Annual Performance Assessment of Directors for 2021/22 Financial year conducted by the end of March 2023.
- Risk Management Plan (Annual Risk Assessment) is done on annual basis and was approved by Council. Strategic and Operational Risk Registers have since been developed and progress is being monitored on quarterly basis. Risk Committee meetings are taking place on quarterly basis.
- The following Internal Audit strategic documents have been reviewed and approved: Internal Audit Charter, Audit Committee Charter, three year strategic and annual risk-based plans and Internal Audit methodology.

- An Audit Committee was appointed by Council on 26 May 2022 for a three-year period. All quarterly Audit Committee meetings were held.

Risk and Compliance Management unit:

The following are the main achievements for Risk and Compliance Management Unit:

- A Risk Management Plan (Annual Risk Assessment) is done on annual basis and was approved by Council. Strategic and Operational Risk registers have since been developed and progress is being monitored on quarterly basis. Risk committee meetings are taking place on quarterly basis.
 - Compliance monitoring with relevant Laws and Regulations are being conducted and monitored on continuous basis.

INTERNAL AUDIT

The following Internal Audit strategic documents have been reviewed and approved: Internal Audit Charter, Audit Committee Charter, three year strategic and annual risk-based plans and Internal Audit methodology.

An Audit Committee was appointed by Council on 26 May 2022 for a three-year period. All quarterly Audit Committee meetings were held.

DISASTER MANAGEMENT

Most peaceful natural/manmade disasters/emergencies that occur in the geological areas of responsibility of Greater Tzaneen Municipality are as follows: wind and hailstorm, floods, epidemics, transportation accidents, air/rail crashes, electric power blackouts, uncontrollable fires, toxic and flammable gas leaks, building or structural collapse, explosions, and breakdowns of essential services, supplies or any combination thereof.

Incidents

- Incidents were assessed at wards for 2021/2022 financial year and 155 households were affected. They were assisted and provided with relief as follows:**215 Blankets,186 Mattresses and 38 Tents.**

Awareness Campaigns on Fire, Floods and Communicable Diseases were conducted as follows:

The following primary schools were visited:

- Tito Mboweni, Mohlodumela, Maale, Thabeng, Marito, Dr,Annecke, Leseka, Moleketla, Marnorvlei, Madumane, Loretto
- Bright Morning Star, Tsaneng, Banana, Dududu, Muhlava, Nwjaheni,

Projects Done:

- Assessment and inspection of wetlands at Dan and Monageng.
- Prayer day held at Petanenge on the 10 June 2022
- Submission of Disaster Annual Report to Mopani District Disaster Centre on the 30th of August 2021

Special events attended:

- IPDA Event held at Maake TVET College on the 15th October 2021
- 2021 Provincial World FOOD Day held at Tzaneen Showgrounds on the 22 October 2021
- Tombstone Unveiling and Memorial Service for Hosi Muhlava 2 held at Muhlava Headkraal on the 27 November 2021
- Touching Life Art and Music Festival held at Lenyenye Stadium on the 7 May 2022
- Launch of AAFRICA Public Service Day held at Hotel@ Tzaneen on the 23 June 2022

Performance

Adoption of Annual Disaster Management Report by Council, EXCO and Mopani District within the framework time

PERFORMANCE MANAGEMENT

quarterly progress reports were submitted to council. The Back-to-Basics Action Plan for 2022/23 was approved by the Council on the 30th of August 2023. Quarterly Back to Basics reports are submitted to council.

The 2021/2022 Annual Performance Report was submitted to the Auditor General, Treasury and COGHSTA on the 30th of August 2022.

The mid-year performance report for 2022/2023 was submitted to the Auditor General, Treasury and COGHSTA on the 25th of January 2023. The annual report for 2021/2022 is currently being reviewed by MPAC and should be approved by council by March 2023, concluded in March 2023.

The MM and Directors have signed performance agreements for the 2022/2023 financial year.

IDP

Council approved the 2022/23 IDP on 26 May 2022, along with the budget, and it was submitted to the MEC for COGHSTA and Provincial Treasury.

The IDP Process of 2022/23 unfolded as planned and most activities all places despite changes in venues. The IDP Rep Forums took place as planned and were held physically.

The 2022 IDP public participation took place physically in wards. All community inputs were incorporated into the final IDP which was later approved by Council.

The submission of the IDP in the provincial COGHSTA was done through emails.

No challenges were experienced in the implementation of the IDP/Budget/PMS Process Plan.

LEGAL SERVICES:

- ❖ The Legal Division has a responsibility and duty to administer and manage the flow of litigation within the Municipality and to ensure that the Municipality is represented and defended in all the litigation processes instituted by the Municipality and also litigation processes instituted against the Municipality by other parties. The Legal Division draft all legal documents in the Municipality and provide legal advice in written verbal or verbal opinions.
- ❖ The Legal Division offers a full spectrum of services but concentrate on three main business streams:
 - (a) Civil and Criminal Litigation
 - (b) Corporate legal services and Dispute Resolutions
 - (c) Drafting of By-Laws, Contracts, Legal Opinions and Policies

- ❖ The Legal Division conducted successful legal compliance workshops from 2017/2018 financial year to date for Councillors and top management to uplift their skills, understanding and legal effects of the decisions the Councillors and Management are taking and will start conducting Divisional Workshops to avoid litigation against the Municipality.
- ❖ The Legal Services division established Legal Tariffs by means of which the legal fees our service providers charge the institution will be contained.

The Municipality completed several cases in 2022/2023 financial year. All of which were successfully contested and won, the initiative of which saved the Municipality significant amount of legal fees.

FINANCIAL SERVICES DEPARTMENT:

Multi Year Budgets (3 Years)

- The 2023/2024 Final Preliminary, Operational and Capital Budgets, which are based on the new financial structure as prescribed by National Treasury are in progress.
- The contents of the budgets and the budget processes that were followed are according to the requirements as set out in Chapter 4 of the Municipal Finance Management Act.
- mSCOA data strings on the budget will also be submitted to National Treasury as required by legislation.

Financial Reporting

All the Financial Reports required by the MFMA are completed and submitted to the MEC, NT, Mayor and Council on or before the dates stipulated in the Act.

Financial Statements

The 2021/2022 Financial Statements were compiled during August 2022. An unqualified audit opinion was received on the 30th of November 2022. Consolidated financial statements were also compiled to accommodate Councils Municipal Entity. The Audit of the Municipalities Consolidated Annual Financial Statements were complete during the month of January 2023.

Revenue

The municipality managed to collect R 497 414 162.91 for the first 6 months.

The Municipality averages payment rate of 95%.

The payment rate increased from 87% to 95% as a result of debt collection and credit control actions implemented and Covid 19 restrictions being uplifted. The economic climate however is effecting the consumer's/debtors ability to pay.

Billing data integrity is continuously validated, a new service provider for credit control has been appointed as from August 2022..

Supply Chain Management

A Supply Chain Management Unit has been established within the Budget and Treasury Office. This Unit is responsible for all procurement processes of the Municipality. Council has in this regard approved a Supply Chain Management Policy to regulate activities of the Unit.

Assets

An Asset Management Unit has been established within the budget and treasury office which is responsible for the management of Councils assets within the requirements of the GRAP Standards.

Stores and Fleet Management

This division has been established within the budget and treasury office and is responsible for the management of inventory and fleet administration.

ENGINEERING SERVICES DEPARTMENT

The Engineering Services Department of Greater Tzaneen Municipality is divided into four (4) divisions namely, Water and Sanitation, Roads and Building Maintenance, Mechanical Workshop and Technical Planning, Design and Project Management Unit (PMU); and are headed by respective Managers.

The services rendered within the divisions relate to administration, operation, maintenance, and implementation of services like blading of roads, tarring of roads, stormwater systems, community halls, public toilets, various municipal buildings, libraries, sports facilities / stadiums, water reticulation, water purification, wastewater treatment, sewer reticulation, etc.

Road and Storm water

This division is responsible for maintenance of roads, installation and unblocking of stormwater drainage systems and grading of internal gravel roads within the municipal area. Routine and periodic maintenance are done to improve the safety on roads and stormwater drainage in order to reduce number of road accidents and improve access to households and public amenities.

Building Control and Mechanical Workshop

This division is responsible for the maintenance of all municipal buildings, maintenance and management of fleet within Greater Tzaneen Municipality. The municipal buildings include the community halls, public toilets, libraries, sport facilities, living quarters for officials and other municipal building related matters. The building control unit is responsible for the administration of building plan applications, processing and approval of which the timeframe is 30 days from the date of submission.

Project Management Unit

Project Management Unit (PMU) is responsible for project implementation of both own funded capital and Municipal Infrastructure Grant (MIG) funded projects. The projects include the upgrading of gravel roads to tar or paving, stormwater management systems, building of community halls and sports facilities. The municipality is mainly dependent on the MIG for funding the projects implemented within the PMU of which the allocation for the current financial year is R119 004 000(inclusive of VAT). The unit is also responsible for coordination of EPWP.

Water and Sewer

Greater Tzaneen Municipality (GTM) is the Water Services Provider (WSP) as per the signed Service Level Agreement (SLA) between Mopani District Municipality (MDM) as the Water Services Authority (WSA). The division is responsible for the operation and maintenance of both water and sewer systems within the following areas: Tzaneen, Letsitele, Haenetsburg, Nkowankowa and Lenyenye towns

ELECTRICAL ENGINEERING DEPARTMENT

Greater Tzaneen Municipality (GTM) distributes power to an area of approximately 3200 m². The distribution area is not the same as the municipal jurisdiction area. The distribution area encroaches into neighbouring Municipalities of Ba-Phalaborwa, Greater Giyani and Greater Letaba. The

Municipality has a license to distribute power to areas around Haenertsburg, Georgesvalley, Makgobaskloof, Politsi, Campsies Glen, Agatha, Tzaneen, Letsitele Valley, Yamorna/Ledzee, Broederstroomdrift, Deerpark, Riverside, Letsitele, Gravelotte, Waterbok, Letaba Ranch. The larger part of the distribution network supplies farming areas through overhead power lines.

Some of the major challenges in the municipality, related to the Electrical Engineering Department (EED) are the following:

1. Our electricity distribution system which includes in excess of 2 200 km of overhead lines and total assets of an estimated R1.5 billion (NERSA estimated replacement value) performed increasingly below standards because of vegetation were again reinforced by a sharp increase in outages, especially in the outside and rural areas, highlighting the weaknesses of the distribution system created by increasing vegetation growth into our overhead lines

A further concern is that vegetation control is deemed to be a direct correlation between network performance and number of outages. Willing consumers have out of frustration with poor network performance, taken to clearing their own overhead lines, despite it being a service that are supposed be provided by the GTM.

Another concern is the fleet of vehicles, 4x4 Vehicles and trucks that are constantly in the workshop and the time frames of repairing them are at the point where service delivery is being grossly affected.

With this large farming community (3 500 square kilometres) and the towns of Tzaneen, Letsitele, Haenertsburg, Gravelotte and Politsi within its distribution area, the Electrical Department has, and will continue to be the leader in the business of electricity distribution amongst Municipalities. This leadership position amongst the Limpopo Municipalities with large electrical networks is however being eroded as the network continues to deteriorate

2. Increased power outages due to ageing infrastructure.
3. Theft of infrastructure (mainly transformers and copper cables).
4. Ageing Fleet
5. Insufficient Customer Communication System

VEGETATION CONTROL

The Municipality's distribution area is characterised by natural vegetation which contributes to the natural beauty of our area. However, conservation of this natural vegetation sometimes creates conflict with the requirements of overhead power lines. It is therefore important to balance the needs to preserve the natural beauty of our area and the minimum requirements of the overhead power lines. Continuous efforts are being made to control the vegetation in collaboration with private landowners to ensure the balancing of both needs. The Municipality utilises internal staff and sometimes outsources the service to eliminate backlogs.

AGEING INFRASTRUCTURE

Various projects have been identified for implementation over the MTREF period. The Implementation of the projects will assist in improving the performance of the electrical network. Improvement in the Municipal electrical network and has improve the customers outlook in the ability of the municipality to provide electrical services. The capital projects has also contributed in creating temporary job opportunities in the municipality. The municipality has been slow in the adoption of new technological advances will assist in improving the efficiency with the electrical department. Not sufficient funding has been allocated to infrastructure maintenance, less than what NERSA prescribed.

REVENUE ENHANCEMENT

The revenue enhancement program implemented by the municipality has assisted in reducing distribution electricity losses the program focused on identifying areas that will improve the municipal revenue this included the replacement of defective electrical meters, electrical data analysis of electrical meters and billing data.

INFRASTRUCTURE THEFT

Infrastructure theft is a serious threat to the sustainability and reliability of the network. The Municipality's network is spread over a wide area to supply power to some of the very important food producers (farmers) in our area. Theft of this infrastructure is bordering on sabotage of the livelihood of our communities. The escalating theft of cables and transformers requires a joint effort by all affected stakeholders to curb this scourge.

AGEING FLEET

The electrical fleet was replaced with 9 new vehicles and a crane for the truck. Although this is a huge improvement, we still need to replace Five (5) more vehicles. Of which 2 will be placed in 2022/2023 financial year.

INSUFFICIENT CUSTOMER COMMUNICATION SYSTEM

Insufficient communication with consumers has been identified as one of the major challenges in the EED. Although a 24-hour service is available for fault reporting, the manual system used poses a challenge both for reporting in terms of the license requirements and efficiency in dealing with customer complaints and queries. A telephone management system is required to. The municipality does not have a supervisory control and data acquisition (SCADA) system for monitoring and controlling the electrical network. This challenge is compounded by the nation wide loadshedding, as result operational costs and resource are overstretched. The municipality is in process of procuring a SCADA system to enable the effectiveness of operational the electrical network.

ELECTRIFICATION

The Municipality is proud to announce that all villages in the GTM jurisdiction have access to the electricity grid. However, due to continuous natural growth of villages, electrification of extensions is ongoing. The performance of electrification projects has been unsatisfactory due to low cost per connection leading to service providers taking time to complete projects. Forward planning is required in the execution of electrification projects to limit the need for rollover.

CORPORATE SERVICES DEPARTMENT

1. ADMINISTRATION AND RECORDS

11 Council meetings were held (7 normal and 4 Special Council meetings) from January to December 2022.

Out of 138 Council resolutions, 135 (97%) were implemented and 3 resolutions are still outstanding from January to December 2022.

From January to December 2022, all Council meetings were held face to face.

15 MPAC oversight reports were submitted to Council for adoption for the period January to December 2022.

2. HUMAN RESOURCES

Council staff complement was at a total of 630. Council approved organisational structure on the 26 January 2023 and the approved organisational structure was submitted to the MEC: CoGHSTA for consideration as per Chapter 2 of Municipal Staff Regulations. Thereafter, the Council may adopt the organisational structure for implementation.

From July 2022 to date a total of 111 employees were trained as per Workplace Skills Plan submitted to LGSETA, 19 Councillors were as trained on Protocol training, the training targeted 36 councillors however only 19 attended. In addition 76 Councillors and Traditional Leaders were trained on integrated Councillors induction, the induction was facilitated by SALGA, the Municipality was responsible for cost associated with Venue. The main challenges with implementing the Workplace Skills Plan fully is limited training budget, the Municipality is not budgeting the required 1% of the total payroll for training of Employees and Councillors, this has been ongoing challenge for the past 10 years. With the given budget we are unable to train even 25% of the employees including Councillors.

Number of Councillors:	69
Number of Personnel:	630

Greater Tzaneen has 630 full time personnel employed which includes Senior Managers appointed in terms of Section 57 of the Municipal Systems Act. The Senior Managers are:

1.	Municipal Manager	D Mhangwana
2.	Director Corporate Services	G S Sepeng
3.	Director PED	Acting: F Mthetwa
4.	Chief Financial Officer	P.M. Makhubela
5.	Director Engineering Services	Acting: H O Tshisevhe
6.	Director Electrical Engineering	F Mthetwa
7.	Director Community Services	A. Nkuna

Management Capability and Structure

The organizational structure of the Municipality as from 1 July 2022/2023 provides for the following departments:

- Office of the Mayor
- Office of the Speaker
- Office of the Municipal Manager
- Budget & Treasury Office
- Planning & Economic Development Services
- Corporate Services
- Engineering Services
- Community Services
- Electrical Engineering Services

Each department is headed by a Section 56/57 Manager appointed on a fixed term contract coupled to a renewable Annual Performance Agreement. All the departments except for the Mayor and Municipal Manager have Directors who manages the departments.

Care is taken as prescribed in legislation that capable Senior Managers are being appointed who have the necessary qualifications and experience to do justice to their respective functions and responsibilities.

3. PUBLIC PARTICIPATION

On account of challenges brought about the Covid-19 pandemic, normal public participation activities could not be undertaken. However, one Imbizo was held during the second quarter.

Community representatives and organizations have been given the opportunity to review the priorities indicated previously to ascertain whether it has been captured as agreed upon.

Public hearings were held in all 35 Wards. The meetings have been scheduled during April 2022.

TOWN PLANNING DIVISION

1. SDF: Service Provider has been appointed in December 2022 for the SDF Review 2022-2027.
2. SPLUMA:
 - a. The new Greater Tzaneen Municipal Planning Tribunal was adopted by Council on 27 October 2022 and gazette on 2 December 2022
 - b. (No new update on SPLUMA By-Law)
 - c. Land Development office is operational.
 - d. No backlog on Land Development applications
 - e. Names of Appeal Tribunal members gazette on 3 June 2022. Appeal Tribunal is fully operational.

Service provider has been appointed during December 2022, by the Dept. of Rural Development and Land Reform for the formulation of the Land Use Scheme

COMMUNITY SERVICES DEPARTMENT

Community services department comprise seven divisions which are Waste Management, Licensing, Law enforcement, Safety and Security, Environmental Health, Libraries and Parks, Sports & Recreation, Arts & Culture.

Environmental Health Services

Environmental Health Services promotes and protects public health through an effective regulatory framework for occupational hygiene, water quality monitoring, vector control and food control as well as environmental management. We also do management of human remains as well as public awareness in schools to promote environmental sustainability.

Law Enforcement Services

The division renders traffic Law enforcement including By-laws enforcement. The division is also responsible for road safety.

Safety and Security Division

Safety and security is responsible for safety of council assets and personnel.

Licensing Services

The division is responsible for licensing of drivers, vehicles, temporary posters/banners and dog license applications.

Library Division

Library Services provide valuable information to the community and promote a culture of reading. Services including access to varied book collections and the provision of free internet is available at the Tzaneen; Letsitele, Haenertsburg, Shiluvane and Mulati libraries.

Building of a new Library, donated by the Rand Water Foundation has started and the library is expected to be completed in 2023.

Parks, Sports & Recreation, Arts and Culture

The division is responsible for management, maintenance and development of parks, stadiums, swimming pool, tennis courts, open spaces, cemeteries, organizing, coordination and gives support in activities of Sport, Arts and Culture within the Municipality, District, Provincial and National Department of Sports, Arts and Culture.

Monthly maintained 8 cemeteries in town out of 136 at Villages. Grass cutting was done by GTM personnel and Contractor on quotation basis, while Garden maintenance of 18 developed parks and gardens was done by GTM and EPWP.

Waste Management

Description Waste Management Functions

- *Waste Minimization (Recycling)*
 - Recycling at source ("yellow-bags") is undertaken in some formal suburbs on a voluntary basis by residents as there is not yet a legal prescriptive on "recycling at source".
- *Waste Minimization-Composting*

- All organic waste (garden-waste) that is received is treated at a basic technology composting site. Unfortunately, no tub-grinder is available and therefore bulky organic waste cannot be composted.
- *Rural Waste Management*
 - 4 x Waste Development Workers (WDW) under the EPWP scheme do awareness activities at Rural Wards and Schools.
 - Firewood from the Landfill site are available for re-use and also delivered to rural Drop-off Centers (DoCs) for utilization by communities, to mitigate deforestation-practices.
 - 97 x DoCs have been erected in Rural Waste Service areas of which only 40 x is activated, whilst 57 DoC's are not utilized due to budget constraints.
 - Dedicated "Financial" interventions is needed to implement the requirements of the National Basic Refuse Removal Policy as well as the National Waste Management Strategy.
- *Collection & transportation*
 - A level 1 service – Curbside-removals is rendered at 8% of all households (representing 8,537 of the 108,687 H/h's)
 - A level 2 service – Communal Drop of Centre removals is rendered at 44% of all households (representing 47,822 of the 108 687 H/h's)
 - A level 3 service – Communal on site disposal exist @ 48% of all households (representing 52 170 of the 108 687 H/h's)
 - Health Care Risk Waste is removed to an appropriate licensed facility for incineration.
 - The cost to address the service in full (urban and rural), with immediate effect, will be approximately R168 000 000,00 per annum for all waste service areas.
- *Litter Picking*
 - 140 x designated urban litter picking routes are cleansed on a scheduled daily basis.

- Rural roads & open areas at the 40 x activated EPWP Waste Service Areas, are cleansed on scheduled basis.
- *Vehicle replacements*
 - *A dedicated replacement-programme of Waste specialized-vehicle is urgently needed to ensure the fleet being turn-around every 5 x years.*
- *Treatment & disposal*
 - One 11 x ha permitted landfill site which has been classified as a GMB-site, which is managed by a Service Provider in compliance with specifications.
 - The expected lifespan of the site is ± 15 years.
 - The Landfill-site & the D.o.C.s are managed by Service Providers
 - 4 x Internal Landfill Audits are conducted annually with an average of 92% to 95%.
 - GRAP 19 study must be Urgently conducted to:-
 - Establish the End-use-Plan
 - To determine the existing lifespan

(D) CONSOLIDATED FINANCIAL POSITION

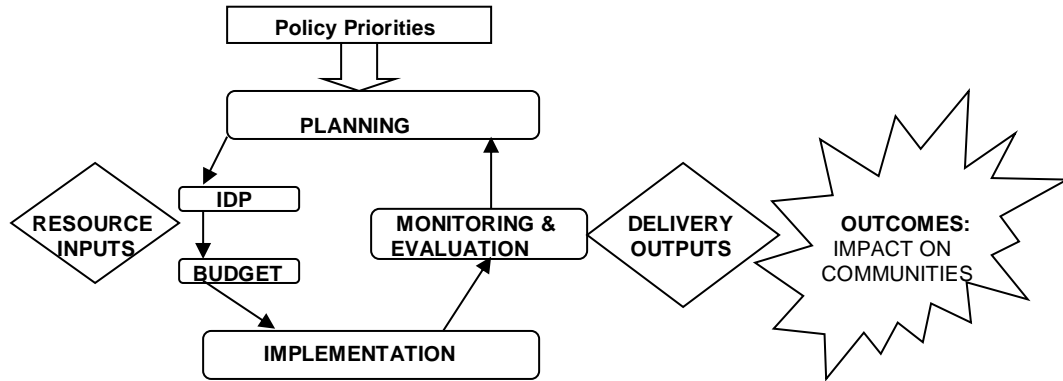
With the implementation of the mSCOA system the consolidated Expenditure figures are contained in the mSCOA Data Strings which will be submitted to Treasury with the approved Final Budget Report

(E) MUNICIPAL PRIORITIES AND LINKAGES TO THE IDP

The strategic objectives of Council are informed by the national priorities arising from the 2019 national and 2021 local government electoral mandate, National Development Plan and the Limpopo Development Plan. Key to our focus as municipality is the following priorities:

- Maintenance of Electrical infrastructure
- Revenue Enhancement
- Effective and efficient administration
- Maintenance of Municipal infrastructure
- Addressing service delivery backlogs
- Rural development

The process that was followed to ensure that the abovementioned political priorities are linked with the IDP and budget is as follows:



All the operating and capital projects in the 2022/2023 reviewed IDP have been evaluated through our prioritization system to ensure that the IDP, budget and performance targets are aligned. The IDP forms the basis of this process and all resources are focused on combining the different strategies in attaining our vision.

(F) KEY AMENDMENTS TO THE IDP

✓ Analysis Phase

- The IDP must be in alignment with the National Development Plan, Limpopo Development Plan and the Mopani District Planning Framework. The IDP must be prepared in line with the District Development Model (One Plan One Budget Model)

✓ Strategies Phase

- The Vision has been re-affirmed and is in line with Council’s 2030 growth development strategy and the Municipality is also following the growth and development strategy. The GTM Vision has been developed to take into account the issues and impact of the COVID 19 and other pandemics.

- Mission and values were also confirmed.

✓ Project Phase

- Prioritized projects have been approved. Most capital projects will funded through Municipal Infrastructure Grants and others through Own funding.

(G) ALIGNMENT WITH NATIONAL, PROVINCIAL AND DISTRICT PRIORITIES

To attain the Strategic Intent, with limited resources, forced the Municipality to develop strategies on how to achieve these through optimal utilizations of human and capital resources. Using the outcome-based planning methodology the Municipality has a proven way of developing strategies to attain its strategic intent. Taking into account the various aspects and challenges facing Greater Tzaneen Municipality, the outcome-based planning methodology is implemented to develop strategies to ensure that the Municipality focuses on all perspectives as contained within the outcome based planning methodology:

- Customer perspectives (defines what the organization will do to satisfy customers and community members)
- Financial perspectives (defines how effectively the Municipality is utilizing its resources to deliver on the community expectations)
- Internal processes perspective (defines and clarifies activities and processes required at providing the value expected by community)
- Learning and growth perspective (defines the foundation of strategic attainment by focusing on the development of skills and capabilities of human resources.

In addition to the above-mentioned perspective Greater Tzaneen Municipality has identified and aligned strategic themes that will provide the essential components of the strategies developed. A theme can be defined as an area of strategic focus within the organization that will enable the organization to focus on achieving its strategic intent. The four themes are mentioned below.

- Economic Growth
- Social, Environmental Sustainability and Infrastructure Development
- Good Governance and Administration
- Financial viability and management

The first two themes are contributing towards the growth strategy of Greater Tzaneen Municipality. (The focus of growth within the Municipality will be towards increasing the income for all and to contribute towards the quality of life for all living within the Municipal boundaries).

(H) KEY AMENDMENTS TO BUDGET RELATED POLICIES

No key amendments have been effected on policies.

(I) DEMOGRAPHIC, ECONOMIC AND OTHER ASSUMPTIONS

All assumptions are contained in Item 10, Budget assumptions.

J) PROGRESS WITH PROVISION OF BASIC SERVICES

Table 12: Service Delivery priorities per ward (Highest Priority first)		
Ward	Priority name and detail	Progress during 2022/2023
1	Water	Water remains a challenge in many wards
2	Water	
3	Water	Water remains a challenge in many wards
4	Water	Water remains a challenge
5	<ul style="list-style-type: none"> • Upgrading of Risaba to Musiphane (D3249) road from gravel to tar • Paving of internal street Risaba to Nkambako school in Malubane and Maweni villages • Electrification of extensions and new stands 	<ul style="list-style-type: none"> • No budget was made by the Dept of public works/RAL • The street paving have begun and done in phases in is advance stage. • Electricity for 100 HH done in Mugwazeni and further 450 allocated for 2023/24.
6	Water	Water remains a challenge in many wards
7	Building of a mall	Process initiated
8	Maintenance of internal streets	Need routine maintenance
9	Maintenance of internal streets	Need routine maintenance
10	Maintenance of internal streets	Need routine maintenance
11	Reconstruction of Leretjene stadium	The stadium is budgeted for.
12	<ul style="list-style-type: none"> • Upgrading of N'wamitwa to Deerpark cross (D3248) road from gravel to tar • Paving of internal street in N'wajaheni 	<ul style="list-style-type: none"> • The road has been budgeted for 2022/23 by public works/RAL • The street paving have begun and done in phases in is advance stage • Road D3248 handover was done in March 2023.

Table 12: Service Delivery priorities per ward (Highest Priority first)		
Ward	Priority name and detail	Progress during 2022/2023
13	<ul style="list-style-type: none"> Upgrading of N'wamitwa to Deerpark cross (D3248) road from gravel to tar Paving of internal street in Mandlakazi 	<ul style="list-style-type: none"> The road has been budgeted for 2022/23 by public works/RAL The street paving have begun and done in phases in is advance stage Road D3248 handover was done in March 2023.
14	Crime in farms	Forming community and farm patrols
15	Maintenance of streets	Maintenance is being done through own funding.
16	Maintenance for Road to cemetery in Haenertzburg	No progress for 2022/23 but routine maintenance is done.
17	Crime LED	<ul style="list-style-type: none"> Some progress made in conjunction SAPS in fighting the gangs. There is calm in the area A new Dan city and mall is earmarked
18	Water and sanitation LED	<p>Water remains a challenge</p> <ul style="list-style-type: none"> A new Dan city and mall is earmarked
19	Water	Water remains a challenge
20	Water and sanitation	Water remains a challenge
21	Maintenance of internal Streets in Nkawkowa B	Routine maintenance is done. Upgrades of internal streets is planned in Nkawkowa B

Table 12: Service Delivery priorities per ward (Highest Priority first)		
Ward	Priority name and detail	Progress during 2022/2023
22	Water	Water remains a challenge
23	Water	Water remains a challenge. MDM has commissioned construction of new bulk water pipes
24	Water	Water remains a challenge. A road that will link Zangoma & Mariveni has been planned for 2023/24
25	Water	Water remains a challenge
26	Water	Water remains a challenge
27	Upgrading from gravel to tar Shoromoni Village via Mmalekeke, Makhubidung, Serutulung through Kings2, cut between Myakayaka and Tickyline Puleng through Rita (Molobosane), Mshango Khopo to Mphukule	Upgrade of the road has been budgeted for in 2023/24
28	Water	Water remains a challenge
29	Water	Water remains a challenge
30	Water	Water remains a challenge
31	Lenyenye Clinic	No progress by Dept of Health
32	Water	Water remains a challenge
33	Water	Water remains a challenge
34	Water	Water remains a challenge
35	Water	Water remains a challenge

(k) DETAILS OF PROPOSED AMENDMENTS TO THE IDP

Preparatory Phase

The IDP Process Plan has been developed to ensure alignment with the Provincial Integrated Planning Framework (PIPF) and Mopani District Planning framework and has been approved by Council in August 2022.

ACTIVITY	DATE
Approval of Draft IDP	30 March 2023
Public Participation Programme	April 2023
Approval of final IDP	25 May 2023

Strategies Phase

- The Vision has been re-affirmed as adopted in the current IDP to be in line with the current Council 2030 growth development strategy and the Municipality is also following the growth and development strategy.
- Mission and values have also been re-affirmed.

An IDP Strategic Session was held on the 12th to 14th December 2022.

the needs of the Community.

5. ANNUAL BUDGET TABLES

The budget tables to be approved by Council are attached hereto as Tables A1 to A 10 and SA 1 to SA 38.

PART 2:

SUPPORTING DOCUMENTATION (Budget Report)

4. OVERVIEW OF ANNUAL BUDGET PROCESS

(a) Overview of the Budget Process

The Annual Budget process outlines the current and future direction that our Municipality would follow in order to provide services in a sustainable manner. The budget process enables Council to optimally involve residents and other stakeholders in the preparation of the budget.

Greater Tzaneen Municipalities IDP, Budget and PMS process plan for the 2023/2024 financial year was developed and approved by Council in August 2022. The process plan provides broad timeframes for the IDP and Budget preparation process and the main aim of the process plan is to ensure integration between the IDP and Budget and the adoption of a well-balanced and credible budget.

The Budget process is guided by Chapter 2 of the Municipal Budget and Reporting Regulations, Gazetted 17 April 2009, which 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.

Section 53(1)(a) of the Municipal Finance Management Act determines that the Mayor must provide general political guidance over the budgetary process and the priorities that must guide the preparation of the budget, while Section 21(1) of the Municipal Finance Management Act 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 credible.

The Budget Steering Committee has been established and is functional. It discusses all budget related activities to ensure that all legislative requirements are adhered to and that a well balance and realistic budget is approved. Some of the issues, with regard to the 2023/2024 financial year, that were discussed by the Budget Steering Committee are as follows:

- Budget Dates
- Budget Risks
- Adjustment Budget
- Inflation Forecast
- Financial Systems
- Mscoa Data Strings
- Approval of Budget and Tariffs
- Property Rates
- National Treasury Audits on mSCOA
- Non-compliance with mSCOA
- Revenue Budget
- Budget assessment by Treasury
- Increase in salaries
- Overtime
- Increase in Councillor allowances
- DORA Allocations
- Increase in tariffs
- Service Level Standards
- Amount to be allocated for capital projects
- Financing of Capital Projects
- Budget Requests
- Increase in Electricity Bulk purchase
- Repairs and maintenance
 - Renewal R & M
 - Routine R & M
- Budgeted Employee Structure
 - New Positions
 - Current Vacant Positions
- Electricity Tariff structure to NERSA
- Sundry Tariffs
- Dates IDP process to be finalized
 - Adjustment budget
 - Draft IDP
 - Draft budget
 - Final IDP
 - Final Budget
- MDM Previous budgets
- Water and Sewer Budget = Operational
- Water and Sewer Budget = Capital
- GTEDA
- Review of past performances
- Budget requests

- mSCOA Readiness

- GTM
- GTEDA

Budget meetings were held with all departments with the commencement of the budget process to review the 2022/2023 budget and to discuss past performance trends of the operating budget. During these meetings the alignment of the IDP and Budget was discussed as well as the 2023/2024 budget realities to ensure that critical service delivery needs are budgeted for.

The Mayor and Councillors have, through the IDP process, guided the 2023/2024 budget process in such a manner that the balance between policy priorities and fiscal realities resulted in a balanced and credible budget.

(b) Planning Process

The Municipalities Integrated Development Plan (IDP) is the principal strategic planning instrument which guides and informs its on-going planning, management and development actions. The IDP represents Councils commitment to exercise its budget planning to ensure an effective budget process.

Effective budget planning assists the Municipality in transforming its area of responsibility into a better place to live for all.

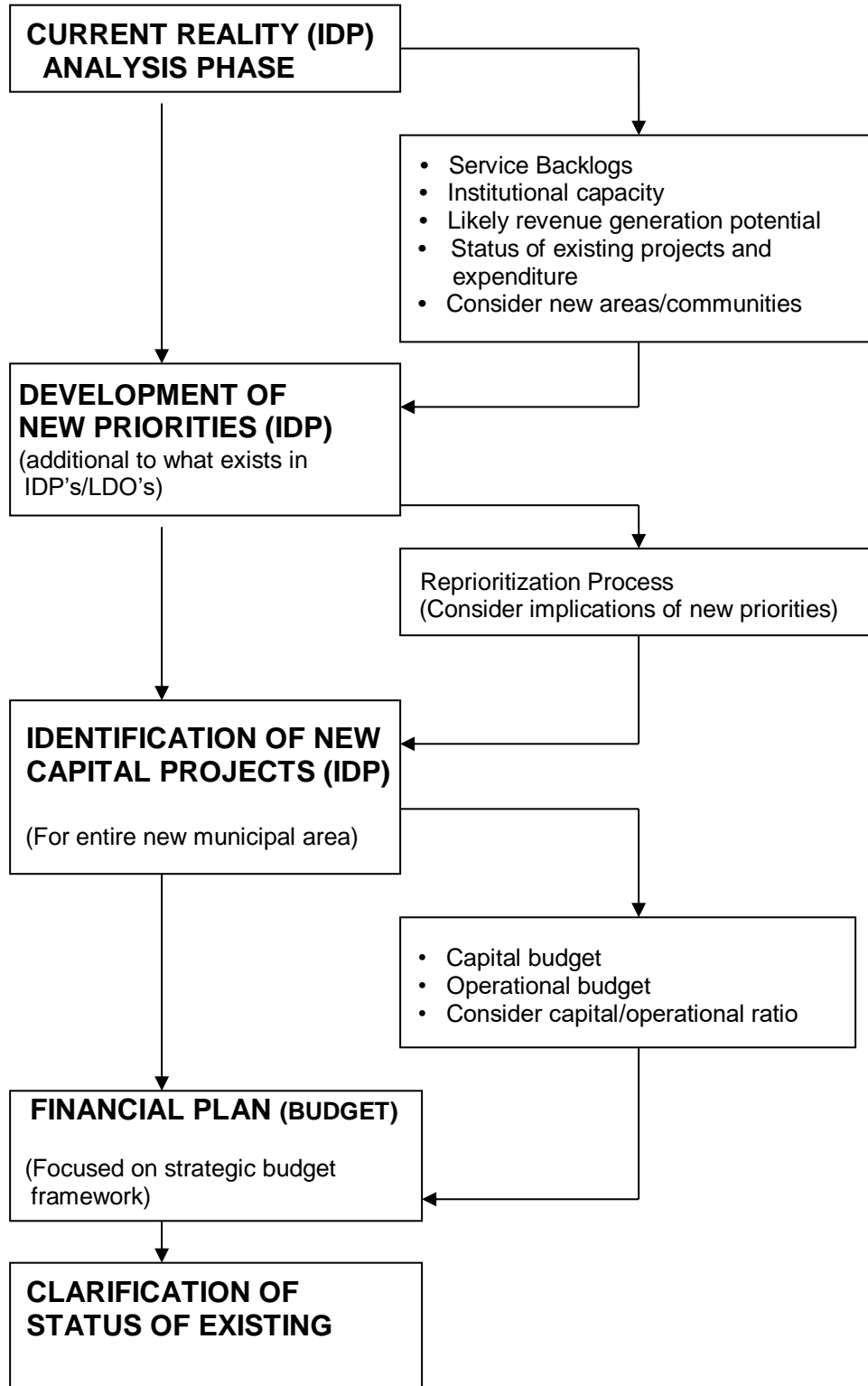
The development of the IDP and drafting of the budget is an evolving and interactive process over a 10-month period. This process commences with the approval of the IDP and Budget time-table, followed by the approval of the IDP and the drafting of the budget to determine the affordability of service delivery.

It is then followed by Public Participation process to ensure that the needs of our communities have been considered after which the IDP and budget are tabled to Council for approval.

Integrated Development Planning is seen as a function of Municipal Management which includes a system of planning and delivery. The Integrated Development Planning process is meant to arrive at decisions on issues that need to be provided for in Municipal budgets. Integrated Development Planning not only informs Management it also guides the activities from the planning stage through the budget culminating in the execution thereof.

The table below is a summary of the IDP/Budget methodology used by Greater Tzaneen Municipality:

INTERIM IDP/BUDGET METHODOLOGY (1-2 WORKSHOPS)



IDP'S / LDO'S

As required by the MFMA and Municipal Systems Act, Ward Committees, Residents, Community organizations and other stakeholder interest groups, have been invited to participate in the IDP and Budget process.

(c) Process for Consultations With Each Group of Stakeholders and Outcomes

Section 22 (1) of the Municipal Finance Management Act determines that:

“22 PUBLICATION OF ANNUAL BUDGETS

Immediately after an annual budget is tabled in a Municipal council, the Accounting Officer of the Municipality must:-

in accordance with Chapter 4 of the Municipal Systems Act-

make public the annual budget and the documents referred to in section 17(3); and

invite the local community to submit representations in connection with the budget; and

submit the annual budget:-

in both printed and electronic formats to the National Treasury and the relevant Provincial Treasury; and

in either format to any prescribed National or Provincial organs of state and to other Municipalities effected by the budget.”

The Municipalities Consultation process on its Draft IDP review and Draft Budget commenced during August 2022 with the approval of the IDP, Budget and PMS calendar.

After approval of the Draft IDP and Draft Budget it has been submitted to National Treasury and Provincial Treasury for their consideration in line with Section 22 of the MFMA.

The Draft Budget report, budget resolutions, budget tables, budget related policies and all budget related documents as required by Section 75 of the MFMA were placed on Councils website after approval by Council. It was also made public as required by Section 22 of the MFMA and the local community was invited to submit representations in connection with the budget to Council.

Community representatives and organizations have been given the opportunity to review the priorities indicated previously to ascertain whether it has been captured as agreed upon.

Public hearings were held in all 35 Wards. The meetings have been scheduled during April 2022.

The meeting schedule will be distributed under a separate cover.

The IDP and Budget timetable was approved by Council, 10 months before the start of the budget year in order to comply with the requirements of the MFMA. This timetable guides all IDP, Budget, SDBIP and performance activities and is in line with legislative frameworks.

Process of tabling the budget in Council for consideration and approval.

The tabling of the draft budget in Council during March 2023 has been followed by extensive publication of the IDP and budget in newspapers. It was also published on Councils website.

Public hearing on both the operational and capital budgets will be held during April 2023.

Process to record and integrate inputs from the community in the final budget.

During the consultative process all verbal questions and answers have been recorded.

All written submissions have been directed to the IDP Office who keeps record thereof.

All the submissions received during the consultation process have been considered before the tabling of the final budget.

The following documents will also be submitted in pdf format to the LG upload portal after approval of the final budget.

- The Budget documentation as set out in the MBRR.
- The non-financial supporting tables
- The Final Budget Report in electronic format
- The Council Resolution for the tabled and adopted budget.
- Signed quality certificate as prescribed in the MBRR.
- D schedules specific for the entity

Statistics relevant to the process (Submissions received and attendance at forums)

The framework that was utilized to summarize submissions received during the consultation process is as follows:

WARD	DATE	ATTENDING	SUBMISSION

On completion of the consultation process the IDP Officer submitted a summarized report (as per the framework above) to the Chief Financial Officer who scrutinized the report and the Mayor, Municipal Manager and Chief Financial Officer, determined what actions, had to be taken to address the needs of the Community.

5. ALIGNMENT OF BUDGET WITH INTEGRATED DEVELOPMENT PLAN / SERVICE DELIVERY AGREEMENTS

The Vision of Greater Tzaneen Municipality

A Green, Healthy, Prosperous and United Municipality that provided quality services to all.

Strategic Focus (Key Performance Areas)

The strategic focus, or strategic theme, as it is known in Greater Tzaneen Municipality is an area of strategic focus that will enable Council to focus on achieving its strategic intent. Greater Tzaneen Municipality has followed the initiative from Provincial Government and the Mopani District Municipality to align the strategic themes to that of the provincial clusters.

- Economic growth (Increased income for all)
- Service Delivery (Sustainable quality of life)
- Good Governance (Clean audit)

(A) Details of proposed amendments to the IDP

- ✓ Strategies Phase
 - The vision has been re-affirmed and is in line with the Council 's 2030 growth development strategy and the Municipality is also following the growth and development strategy.
 - Mission and values have also been re-affirmed
 - New operational strategies and KPI's has been added
- ✓ Project Phase
 - New projects were prioritized for implementation during the 2023/2024 financial year.

(B) Revenue, Operating Expenditure and Capital Expenditure aligned to action plans of the IDP

The IDP provides a five-year strategic program aimed at setting short, medium and long-term strategic and budget priorities. The Plan aligns the resources and the capacity of a Municipality to its development goals and guides the Municipal Budget.

As part of the alignment process extensive financial modeling was undertaken to ensure affordability and long-term financial sustainability.

The following factors have been taken into account during this process:

- IDP priorities and strategic objectives
- Economic climate and trends
- Councils cash flow situation
- Current debtor's payment levels
- Council's current loan status
- Tariff increases versus affordability.
- Improved and sustainable service delivery

The budgetary allocations for both the capital and operating expenditure are determined in a manner that will not only ensure that the outcomes of the IDP are achieved but also to ensure that Council's vision is realized.

The Performance Management System (PMS) which is aligned with the IDP and Budget also allows Council an opportunity to monitor and evaluate the organizational performance as well as individual performances of Directors to

ensure that the IDP outcomes and vision of Council are met. Greater Tzaneen Municipality utilizes the SDBIP as a performance monitoring and evaluation tool. Quarterly performance reports are submitted to Council detailing progress on the implementation of the IDP.

The IDP projects have been prioritized to be implemented over the next three years. These projects will be included in the capital budget and is attached hereto as Annexure "N".

Alignment with National, Provincial and District Plans

The constitution of South Africa provides for co-operative Governance in that the three spheres of Government align their functions, strategies and programmes which entails that Municipalities have to align their activities to that of National and Provincial Government to ensure optimal service delivery and that the strategic priorities of government are supported.

As mentioned previously in this report an IDP process plan was drafted and approved by Council. This plan which includes various processes i.e. Strategic Planning session, Integrated Development Planning and the budget process had brought about a collective approach in which the contributions of all the stakeholders are valued. We are therefore confident that this budget is structured in such a way that it will support the strategic priorities of Government.

Various meetings were held with stakeholders to comply with the requirements of the Local Government Municipal Systems Act which determines that the planning undertaken by a municipality must be aligned with and compliment the development plans and strategies of affected municipalities and organs of state. Horizontal and vertical alignment is done through the local IDP Steering Committee, District engagement sessions and Provincial Development Planning forums

6. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

(A) KEY FINANCIAL INDICATORS AND RATIO'S FOR:

OUTSTANDING SERVICE DEBTORS

$$A = B$$

C

"A" Outstanding service debtors to revenue	30.61%
"B" Total outstanding service debtors	278 314 500
"C" Annual revenue actually received for services	909 124 605

- DEBT COVERAGE

-

$$A = B - C$$

D

"A" Debt Coverage	26.36
"B" Total Operating Revenue Received	<u>909 124 605</u>
"C" Operating Grants	328 293 516
"D" Debt Service Payments	22 032 659

COST COVERAGE

$$A = B + C$$

D

"A" Cost Coverage	5.25
"B" All available cash at a particular time	<u>213 938 834</u>
"C" Investments	50 000 000
"D" Monthly Fixed Operating Expenditure	50 283 226

(B) MEASURABLE PERFORMANCE OBJECTIVES FOR:

The measurable performance objectives are attached as Annexure "I".

Providing clean water and managing wastewater.

- The Greater Tzaneen Municipality operates and manage the following Water and Wastewater works:

Name of Water Works	Capacity
1. Georges Valley Water Works	9.0MI/d
2. Tzaneen Dam Water Works	6.0MI/d
3. Letsitele Water Works	1.4MI/d
4. Tzaneen Waste water Works	8MI/d

- Blue Drop and Green Drop performance ratings

Greater Tzaneen Municipality received a Blue Drop Certificate during 2011 assessment for Tzaneen and Letsitele Systems. For the 2012, 2013 and 2014 years' assessment for both Blue and Green Drop, all Water and Wastewater works and networks for four towns were assessed, and the results are as follows:

Assessment	System	Percentage	Status
2011	Tzaneen	95.08%	Achieved Silver
2011	Letsitele	95,05%	Achieved Silver
2011	Tzaneen Sewerage	84,3%	Not achieved
2011	Nkowankowa Sewer	77,9%	Not achieved
2011	Lenyenye Sewer	21,9%	Not achieved
2012	Tzaneen	95,14%	Achieved Gold
2012	Letsitele	95,02%	Achieved Gold
2013	Tzaneen Sewerage	94.14%	94.14%
2013	Nkowankowa Sewer	24.91%	24.91%
2013	Lenyenye Sewer	8.03%	8.03%
2014	Tzaneen	77.4%	Not achieved
2014	Nkowankowa	80.88%	Not achieved
2014	Lenyenye	28.09%	Not achieved
2014	Letsitele	73.4%	Not achieved

- As part of the Blue Drop Certificate and Green Drop Certificate requirements, Water Safety Plans (WSP's) for both Wastewater and Water have been established. This Water Safety Plan is only applicable

to the systems operated and Managed by Greater Tzaneen Municipality. Challenges were identified during the audit process for Wastewater Works in Tzaneen and the findings are treated accordingly to Wastewater Risk Abatement Plan (W²RAP).

- The following are the identified challenges in Water and Sewerage management
 - There is not enough water for Tzaneen as demand is higher than supply. Application for an increase in water allocation by DWS has been made but with no success as both dams are over allocated (Tzaneen & Ebenezer)
 - Aged infrastructure which requires replacement of all dilapidated AC pipes within Greater Tzaneen Municipality.
 - There are illegal or unauthorized connections of both water and sewer by community members which result in high water loss and high blockages of sewers due to soil and debris entering the sewer lines.
 - Vandalism and theft of municipal infrastructure which result to water loss and regular sewer overflows.
 - Insufficient budget for repairing and maintenance of water services infrastructure.
- Steps taken are:
 - Implementation of Water Bylaws, Developed by the WSA
 - Mopani District Municipality to intervene in speeding up the application of an increase in Water quota.
 - Engage Mopani District Municipality as WSA to fund activities that will improve water supply and Water Demand Management systems.
 - Mopani to fund the upgrading of Tzaneen Water Works and Georges Valley Water Works to meet the increasing water demand.
 - Mopani District Municipality to fund the replacement of AC pipes for Tzaneen town, Haenesburg, Letsitele, Lenyenye and Nkowankowa.
 - Engage communities (public participation) and educate them about the importance of protecting the Water and Sewerage system.

- Budget allocations for 2023/2024 as outlined in the budget.

The certificate of analysis for water and waste water are attached as **Annexure “H”**.

7. BUDGET RELATED POLICIES OVERVIEW AND AMENDMENTS

The budget process of Greater Tzaneen Municipality is guided and Governed by relevant Legislation, Frameworks, Strategies and Policies. The budget related Policies and Amendments are discussed as follows:

9.1 LIST OF BUDGET RELATED POLICIES

Revenue Framework

Section 18 of the Municipal Finance Management Act (MFMA) states that the Budget can only be funded by realistically anticipated revenue to be collected, and cash-backed accumulated funds from previous years, which was not committed for other purposes.

Council has approved policies for main services provided by the Municipality, which are attached as **Annexure “ C ”** to this document.

9.1.1 Revenue-related policies

a) Tariff Policy

The General Financial Management functions covered in Section 62 of the MFMA includes the implementation of a Tariff Policy. Specific legislation applicable to each service has been taken into consideration when the Policy was drafted.

b) Credit Control and Debt Collection Policy

This has been formulated in terms of Section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

9.1.2 Budget-related policies

The following budget-related policies have been approved by Council in line with National Guidelines and Legislation.

a) Budget Policy

The Budget Policy, which was approved by Council deals with the objectives, budgeting principles, Responsibilities of the Chief Financial Officer's Legal requirements, Funding of Expenditure and Adjustment budget which are attached to this report.

b) Equitable Share and Indigent Policy

This policy deals with the Equitable Share allocation and Indigent Subsidy.

c) Supply Chain Management Policy

Section 111 of the MFMA requires each municipality and municipal entity to adopt and implement a Supply Chain Management Policy, which gives effect to the requirements of the Act. The Municipal Supply Chain Management Policy was adopted by Council and the three committees required by the Act have been established and are functional.

The Supply Chain Management Policy provides systems for the following functions:

- Demand Management
- Acquisition Management
- Logistics Management
- Disposal Management
- Risk Management
- Performance Management

It also describes in detail the process and procedures of the acquisition of goods, services and works as well as the disposal of inusable, redundant and obsolete goods.

d) Rates Policy

Greater Tzaneen Municipality prepared a General Valuation Roll of all property in terms of the Local Government: Municipal Property Rates Act of 2004 (MPRA). The policy is attached to the report.

The new valuation roll will be implemented with effect from 1 July 2024.

e) Investment and Cash Management Policy

The Council approved the Investment Policy that deals with the management of the surplus cash resources and the investment thereof.

f) Virement Policy

The Virement Policy aims to empower Senior Management with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA. While no limits were placed on the amount of the virement, certain limitations were placed in terms of allocations and it further provides for flexibility within votes.

g) Adjustment Budget Policy

The Adjustment Budget Policy is governed by various provisions in the MFMA and the Municipal Budget and Reporting Regulations, which are aimed at establishing an increased level of discipline responsibility and accountability in the financial management practices of the Municipality.

9.2 PROPOSED AMENDMENTS TO THE BUDGET RELATED POLICIES

Section 15(1) of the Local Government: Municipal Property Rates Act provides that,

“A Municipality may in terms of criteria set out in its Rates Policy:

“a) Exempt.....

b) Grant to a specific category of owners of property, or to the owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties.”

The following change had to be made on Council's Property Rates Policy during the 2017/2018 financial year to accommodate this change.

“The Municipality grants an additional 20% rebate which applies to residential property mentioned in (b) above and that the rebate be phased out over the next four years.”

The Rebate has been phased out.

8. BUDGET ASSUMPTIONS

Budget assumptions and parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets. The assumptions and principles applied in the drafting of this budget are mainly based upon guidelines from National Treasury and the National Electricity Regulator of South Africa (NERSA).

Municipality's long-term financial viability depends largely on the extent to which improved and sustainable revenue capacity on the one hand - and sound financial management of its resources on the other hand – can be achieved. These imperatives necessitate proper multi-year financial planning. Future impacts of revenue and expenditure streams and the financial implications for the community at large (i.e. the potential influence on property tax, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions programmes, projects and sundry service delivery actions.

The following paragraphs outline the assumptions made by the Chief Financial Officer and the Budget Steering Committee:

A) INFLATION TARGET

At the beginning of each calendar year National Treasury issues a budget circular that is intended to guide Municipalities in the preparation of their budgets. Amongst other things the circular indicates anticipated inflation figures that are to guide the Municipalities when setting increases to their tariffs. Circular's no 122 and 123 indicate an inflation rate of 5.3% for the 2023/2024 financial year.

PERSONNEL ISSUES

The Salary and Wage Collective Agreement for the period 1 July 2021 to 30 June 2024 dated 15 September 2021 was approved by the bargaining committee of the Central Council in terms of clause 17.3 of the constitution will be used when budgeting for employee related costs for the 2023/2024 MTREF.

Provision for an increase of 5.5% has been made for the 2023/2024 financial year.

- **Number of employees:** Provision has been made for positions that become vacant during the past twelve months as well as vacant positions that were classified as critical to ensure continuous service delivery.

B) COUNCILLOR'S ALLOWANCES

Composition of and increases to Councillor's allowances are determined annually by the Minister of the Department of Co-operation and Traditional Affairs (COGSTA) through a Gazette setting out the upper limits of the allowances to Councillor's. This Gazette is normally issued towards the end of December to apply retrospectively from 1 July of that year. The Gazette had not been issued yet.

C) BORROWINGS

The Municipal Finance Management Act no 56 of 2003 permits long term borrowing by Municipalities only to finance Capital Expenditure.

The strategy of Greater Tzaneen Municipality is to borrow long-term funds only at the lowest possible interest rate at minimum risk. No loan will be taken up during the 2023/2024 financial year.

D) COLLECTION RATES

In accordance with relevant legislation and national directives, revenue recovery rates are based on realistic and sustainable trends. The municipal collection rate is set at an average of 90% and is based on a combination of actual rates achieved to date and estimated outcomes of the current financial period. Adequate provision is made for non-recovery.

E) BAD DEBTS PROVISION

The bad debt provision is determined on 10% of the non-collection of debt older than 90 days.

F) TARIFF ADJUSTMENTS

Due to the fact that there was an average increase of 31% of property valuation on the previous valuation roll Council resolved during the 2017/2018 financial year to approve an additional 20% rebate on the residential property rates charge from 01 July 2017 which will be phased out at a rate of 5% over a period of four years. The additional rebate has now been phased out.

The electricity tariff adjustment is 20.7%, largely due to the increase for Eskom bulk purchases.

Water and Sewerage tariff adjustments are 5.3% on the previous year tariff, while refuse and disposal charges are modeled to increase by 5.3%. All the increases are within the upper limit set by National Treasury.

G) INVENTORY CONSUMED

Greater Tzaneen Municipality's target with regard to inventory consumed is set at 7% of total expenditure to address backlogs.

H) DEPRECIATION

Depreciation which is prescribed by the Budget Regulations on new capital expenditure is calculated at a varying rate ranging between 3 and 20 years, depending on the nature of the asset. Actual depreciation was modeled on existing assets.

I) WATER AND SEWER SERVICES

Mopani District Municipality is the Water and Sewer Services Authority and Greater Tzaneen Municipality is the Water and Sewer Service Provider. An agreement to this extends has been signed. The budget for these services has been drafted according to legislative requirements and will be submitted to Mopani District Municipality for approval.

J) ESKOM

An increase of 20.7% was approved pending approval by NERSA.

K) TARGETED GROWTH

As part of the normal budgeting process, consideration is normally given to the anticipated growth in the population of the Municipality due to normal increment and mobility of people into the urban areas where cost recovery is taking place. However due to stagnation of development in areas where cost recovery is taking place, no increases in the population has been taken into account.

L) CAPITAL EXPENDITURE

It is recommended that no loan be taken up to finance Capital projects.

M) OTHER ASSUMPTIONS

That unconditional grants and subsidies are not allocated to certain services but that it be allocated within the context of the overall financial position of Council.

9. OVERVIEW OF BUDGET FUNDING

Fiscal Overview

The Greater Tzaneen Municipality is unfortunately not excepted to the economic risks facing the nation and the world and its necessary to table a budget that is balanced and realistic.

The budget tabled to Council today is based on the 2022/2023 budget and was drafted in a way that the Municipality will be able to pay for bulk services, focus on collecting the revenues owed to Council and eliminate wasteful and non-core spending.

The Country wide lockdown and the fact that, according to Stats S.A., people in South Africa have lost their jobs resulted in revenue collection been under pressure. This has a direct impact on the ability of the Municipality to pay for Bulk Services and to spent on service delivery.

New and creative ways will have to be found to ensure financial sustainability.

As part of our financial sustainability strategy an Aggressive Revenue Management Framework has been implemented to increase our Cash flow, not only from current billings but also from debtors that are in arrears. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

With regard to creditors management Council is in the process of ensuring that creditors are settled within the legislated 30 days from invoice. All invoices are paid within 30 days with the exception of a few where services have not been provided at an acceptable standard. With regard to expenditure special attention will also be given to the cost containment measures approved by Cabinet on 23 October 2013 and updated on an annual basis by National Treasury to ensure value for money and cost savings.

The free basic service of Council is a social package which assists residents that have difficulty paying for services and are registered as indigent households in terms of Councils Indigent Policy. Only registered indigents qualify for the free basic service.

Cash flow problems are experienced from time to time due to the seasonal electricity tariff of ESKOM.

The implementation of the MFMA required a reform in financial planning within Municipality's. All senior managers are responsible for managing the respective votes or departments of the Municipality, to whom powers and duties for this

purpose have been delegated. Top Management must also assist the Accounting Officer in managing and coordinating the financial administration of the Municipality.

(A) Outcomes of the Past Years and Current year

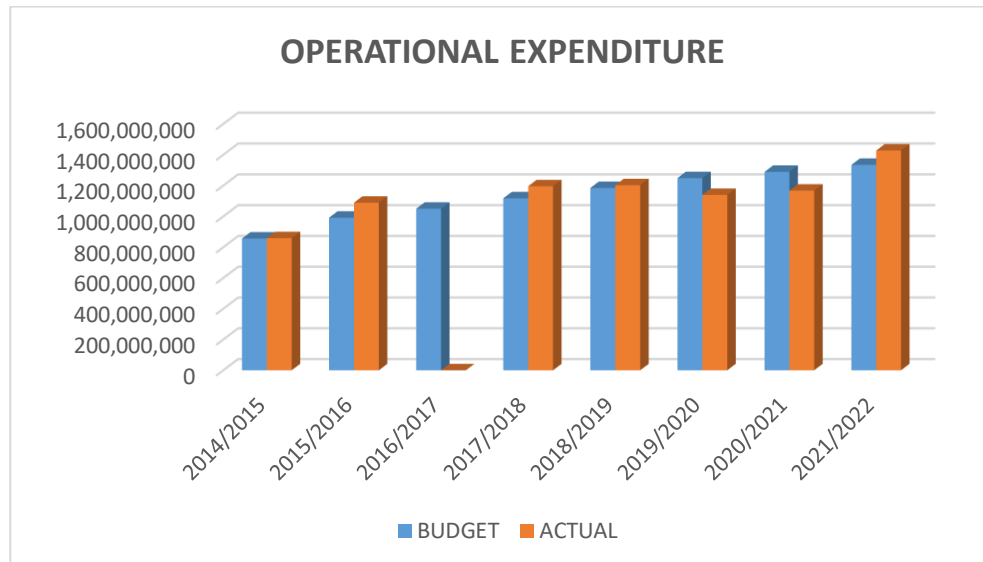
The graph below indicates the comparison between budgeted and actual operating expenditure over the past 8 years:

OPERATING EXPENDITURE

YEAR	BUDGET	ACTUAL
2014/2015	856 448 445	859 112 707
2015/2016	992 087 237	1 088 960 417
2016/2017	1 049 831 674	1 114426002
2017/2018	1 117 685 742	1 195 776 661
2018/2019	1 184 776 021	1 202 734 280
2019/2020	1 248 665 025	1 139 784 807
2020/2021	1 289 198 789	1 167 410 998
2021/2022	1 334 748 887	1 427 722 794

GRAPH

Operating Expenditure



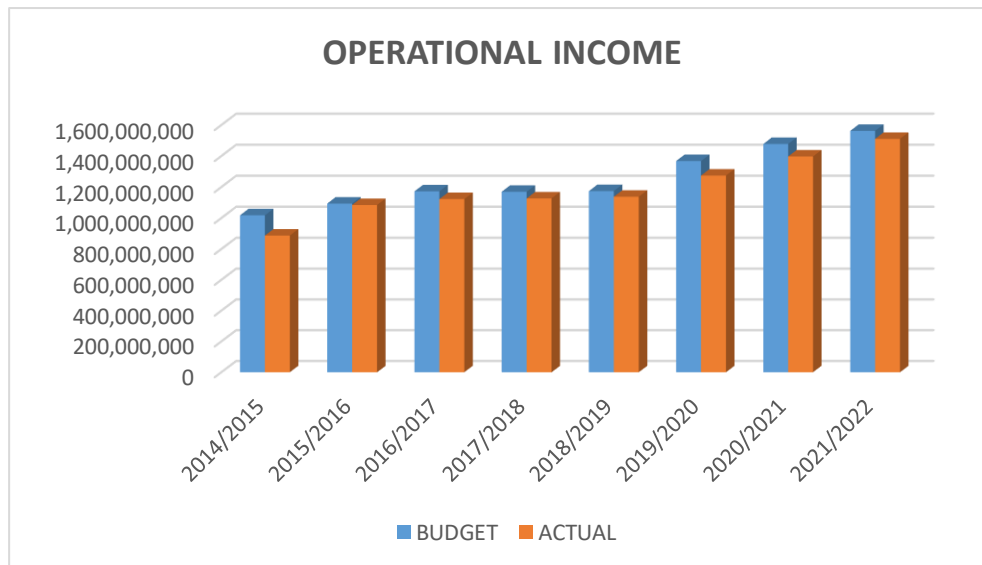
The graph below indicates the comparison between budgeted and actual operating Income over the past 8 year.

OPERATING INCOME

YEAR	BUDGET	ACTUAL
2014/2015	1 018 055 369	887 463 147
2015/2016	1 093 649 325	1 084 442 042
2016/2017	1 172 632 424	1 122 605 916
2017/2018	1 169 602 034	1 126 982 043
2018/2019	1 174 423 977	1 137 825 267
2019/2020	1 368 008 037	1 274 427 231
2020/2021	1 478 075 365	1 397 561 361
2021/2022	1 562 745 714	1 510 863 461

GRAPH

Operating Income



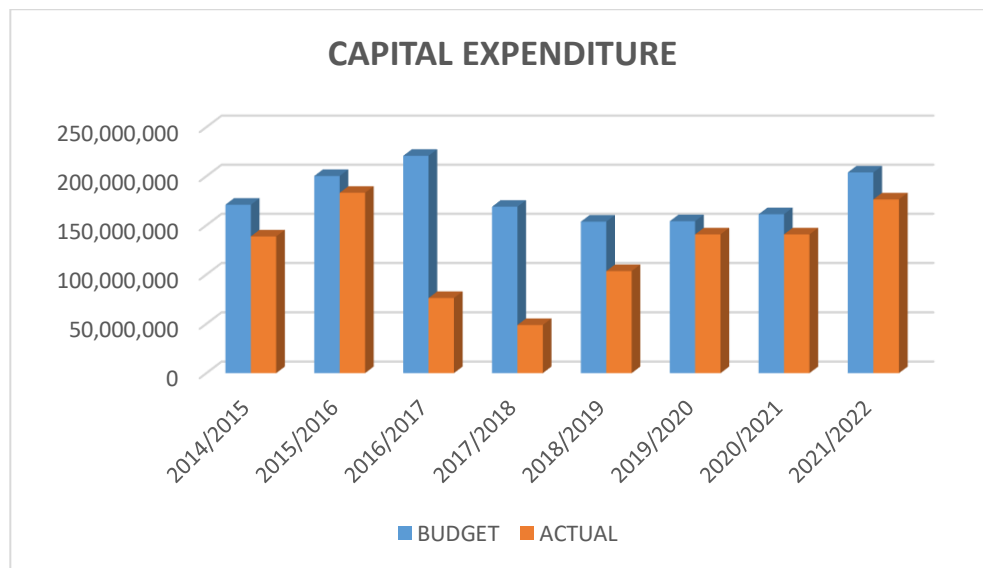
The capital expenditure against the budget of the past 8 years are also indicated graphically below:

CAPITAL EXPENDITURE – MIG INCLUDED

YEAR	BUDGET	ACTUAL
2014/2015	170 928 970	138 660 743
2015/2016	200 254 351	183 123 413
2016/2017	220 782 252	76 127 574
2017/2018	168 925 910	48 787 680
2018/2019	153 718 018	103 447 827
2019/2020	154 157 765	140722334
2020/2021	161 257 943	140 722 334
2021/2022	203 819 620	176 377 454

GRAPH

Capital Expenditure



OPERATING BUDGET 2022/2023

Operating Revenue

The revenue of Greater Tzaneen Municipality is pre-dominantly raised through rates and tariffs. Grants and subsidies from National and Provincial Government constitute a portion of the total revenue but the budget is based on a strong base of own sources.

Metered services and property rates contributed the following revenue to Greater Tzaneen Municipality during the 2022/2023 financial year:

Electricity	43.63%
Refuse Removal	2.34%
Property Rates	11.24%

OPERATING BUDGET 2023/2024

The Greater Tzaneen Municipal operating income will be allocated as follows during 2023/2024 Financial year:

Greater Tzaneen Municipalities Budget including GTEDA excluding Water & Sewer services.

Excluding Water and Sewer

Row Labels	Sum of 2023 2024 Final Budget
Revenue By Source/Agency services	15 664 291
Revenue By Source/Fines, penalties and forfeits	21 557 011
Revenue By Source/Gains	-
Revenue By Source/Interest earned - external investments	9 500 000
Revenue By Source/Interest earned - outstanding debtors	39 734 777
Revenue By Source/Licences and permits	817 000
Revenue By Source/Other revenue	12 136 746
Revenue By Source/Property rates	150 141 836
Revenue By Source/Rental of facilities and equipment	1 100 000
Revenue By Source/Service charges - electricity revenue	763 000 000
Revenue By Source/Service charges - refuse revenue	40 893 774
Revenue By Source/Transfers and subsidies	565 237 100
Revenue By Source/Transfers and subsidies - capital (monetary allocations)	-
Revenue By Source/Transfers and subsidies - capital (monetary allocations) (National/Provincial and District)	107 275 900
Grand Total	1 727 058 435

Consolidated Budget of Greater Tzaneen Municipality and GTEDA including Water & Sewer services

Row Labels	Sum of 2023 2024 Final Budget
Revenue By Source/Agency services	15 664 291
Revenue By Source/Fines, penalties and forfeits	21 557 011
Revenue By Source/Gains	-
Revenue By Source/Interest earned - external investments	9 500 000
Revenue By Source/Interest earned - outstanding debtors	47 734 777
Revenue By Source/Licences and permits	817 000
Revenue By Source/Other revenue	12 136 746
Revenue By Source/Property rates	150 141 836
Revenue By Source/Rental of facilities and equipment	1 100 000
Revenue By Source/Service charges - electricity revenue	763 000 000
Revenue By Source/Service charges - refuse revenue	40 893 774
Revenue By Source/Service charges - sanitation revenue	8 100 000
Revenue By Source/Service charges - water revenue	72 363 907
Revenue By Source/Transfers and subsidies	559 237 850
Revenue By Source/Transfers and subsidies - capital (monetary allocations)	-
Revenue By Source/Transfers and subsidies - capital (monetary allocations) (National/Provincial and District)	113 275 150
Grand Total	1 815 522 342

Operating Expenditure

The budgeted expenditure per item are as follows for the 2023/2024 financial year:

Greater Tzaneen Municipal Budget including GTEDA and excluding Water & Sewer services.

Row Labels	Sum of 2023 2024 Final Budget
Expenditure By Type/Bulk purchases - electricity	515 243 120
Expenditure By Type/Contracted services	82 720 401
Expenditure By Type/Debt impairment	59 600 000
Expenditure By Type/Depreciation and asset impairment	115 814 038
Expenditure By Type/Employee related costs	399 481 701
Expenditure By Type/Finance charges	12 644 819
Expenditure By Type/Inventory consumed	94 326 693
Expenditure By Type/Losses	-
Expenditure By Type/Other expenditure	159 269 216
Expenditure By Type/Remuneration of councillors	29 382 362
Expenditure By Type/Transfers and subsidies	50 700 230
Grand Total	1 519 182 580

Consolidated Budget of Greater Tzaneen Municipality and GTEDA including Water & Sewer services

Including Water and Sewer

Row Labels	Sum of 2023 2024 Final Budget
Expenditure By Type/Bulk purchases - electricity	515 243 120
Expenditure By Type/Contracted services	89 077 061
Expenditure By Type/Debt impairment	70 000 000
Expenditure By Type/Depreciation and asset impairment	115 814 038
Expenditure By Type/Employee related costs	438 867 924
Expenditure By Type/Finance charges	12 644 819
Expenditure By Type/Inventory consumed	111 337 563
Expenditure By Type/Losses	-
Expenditure By Type/Other expenditure	161 926 159
Expenditure By Type/Remuneration of councillors	29 382 362
Expenditure By Type/Transfers and subsidies	50 700 230
Grand Total	1 594 993 276

CAPITAL BUDGET

An amount of R190 million was approved for capital projects for the 2023/2024 financial year. This was funded as follows:

- Own Sources	R 72 291 594
- DBSA	R 4 000 000
- Grants	<u>R113 275 150</u>
TOTAL	<u>R189 566 744</u>

(b) FUNDING MEASURES

The funding of the budget is based on realistic anticipated revenue to be collected which was calculated on collection levels to date and actual revenue collected in previous financial years.

Financial Challenges

The challenges facing Greater Tzaneen Municipality are, inter alia, the following:

- Electricity remains a constraint with power interruptions expected to continue into 2023.
- Job losses which have a negative effect on payment for services rendered.
- Debt collection and Credit control where services infrastructure is lacking.
- Expenditure Management

Sources of Funding

It is evident from the summary below that the revenue of Council is predominantly raised through rates, service charges and grants. This high level of relative stable revenue source is a key factor in sound financial position, the Municipality will however have to increase its tax base to ensure that the much-needed development can be funded.

The 2023/2024 expenditure will be funded as follows:

Consolidated Budget: Greater Tzaneen Municipality and GTEDA, Excluding Water and Sewer services

Funding source	Amount
Grants & Subsidies	R 672 513 000
Rates & Service Charges	R 954 035 610
Sundry Income	<u>R 100 509 825</u>
Budgeted Revenue	<u>R1 727 058 435</u>

Greater Tzaneen Municipal Budget Including GTEDA and Water & Sewer:

Funding source	Amount
Grants & Subsidies	R 672 513 000
Rates & Service Charges	R1 034 499 517
Sundry Income	<u>R 108 509 825</u>
Budgeted Revenue	<u>R1 815 522 342</u>

(c) PROPERTY VALUATION RATES TARIFFS AND OTHER CHARGES

To maintain an effective, efficient and sustainable town, tariff increases are inevitable. Tariff setting plays a major role in ensuring desired levels of revenue by assisting in the compilation of a credible and balanced budget to accommodate the basic service provision. The determination of tariffs for the financial year has been guided by our Tariff Policy and guidelines set by National Treasury in the Municipal Budget Circular's 122 and 123 for the 2023/2024 MTREF.

Property Rates

The proposed property rates are to be levied in accordance with existing Council's Policy, and both the Local Government Municipal Property Rates Act 2004 (MPRA) and the Local Government Municipal Finance Management Act 2003.

The Property Rates Policy of Council is attached hereto as prescribed by National Treasury.

Property rates are based on values indicated in the General Valuation Roll. The Roll is updated for properties affected by land sub-division, alterations to buildings, demolitions and new buildings (improvements) through Supplemental Valuation Rolls. A valuation roll has been implemented from 1 July 2017 and the Property Rates Tariff contained in the 2023/2024 Budget is calculated on the Valuation Roll for the period 2017 - 2022.

The proceeds from property rates must cover the shortfall in the provision of general service. It is also seen as the most important source of general revenue for Municipalities, especially in developed areas. The revenue generated from property rates is used to fund services like maintaining streets, roads, sidewalks, storm water drainage, parks and cemeteries.

It is proposed that the property rates tariff be increased by 5.3%, in line with the CPI inflation forecast seeing that this is a tax and not a metered service of which the user has the choice to the extent he/she wants to make use of it.

Water and Sewer Services

Council must take note that Greater Tzaneen Municipality is only the water service provider and not the water service authority.

The water and sewer budgets are drafted by Greater Tzaneen Municipality but submitted to Mopani District Municipality for approval.

The proposed Sanitation Tariffs for 2023/2024 are consistent with National Policy on the extension of free basic services, the National Strategic

Framework for Sanitation and with Council's Indigent Relief Measures, Rates and Tariff Policies and Equitable Service Framework.

The progressive nature of the existing domestic stepped tariff structure both for water and sanitation is pro-poor and allows for the needs of the indigent. It is also designed to discourage high water consumption levels, which have an impact on the size of both the water and sanitation portions of a consumer's bill. It enables all consumers to adjust their consumption levels to ensure affordability.

It is proposed that the step tariff structure from the 2021/2022 financial year be retained, with a proposed 5.3% increase in volumetric water tariffs generally, and a proposed 5.3% increase in sanitation tariffs generally.

Indigent Accounts

It is also recommended that the indigent accounts remain at R200.

Electricity Service

The proposed revisions to the tariffs have been formulated in accordance with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

The increase in electricity tariffs has not yet been communicated by NERSA through the consultation paper- Municipal Tariff Guideline, Benchmarks and proposed timeline for financial year 2023/2024. The budget steering committee resolved that an increase of 20.70% on the previous year tariffs be approved as communicated by National Treasury

Refuse Removal Service

According to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) a municipality must ensure a safe and healthy environment for its residents. Greater Tzaneen Municipality is therefore responsible to adequately maintain its refuse removal service, as well as refuse sites and solid waste disposal efforts.

The solid waste tariffs are levied to recover costs of services provided directly to customers and include collection fees, disposal fees and other ad hoc services.

It is proposed that the tariff be increased by 5.3% on the 2022/2023 tariffs with effect from 1 July 2023.

Tariffs and Charges Book

Council is permitted to levy rates, fees and charges in accordance with the Local Government Municipal Property Rates Act, the Local Government: Municipal Systems Act, Act 32 of 2000, Section 75A and the Municipal Finance Management Act, no. 56 of 2003, 17 (a)(ii).

(d) DEBTORS

The table below illustrates the debtor revenue in millions for the 6 months, July 2022 to December 2022:

	Jul-22 R000	Aug-22 R000	Sep-22 R000	Oct-22 R000	Nov-22 R000	Dec-22 R000
Revenue billed	92,987,875	99,352,130	112,846,610	75,580,055	90,994,592	81,015,786
Revenue collected	65,790,773	89,094,920	89,547,357	87,022,758	92,639,495	73,318,859
% Revenue collected	70.75%	89.68%	79.35%	115.14%	101.81%	90.50%

The MFMA requires that the budget be based on realistic forecasts for revenue and the average collection rate for Greater Tzaneen Municipality amounts to 91%.

(e) SAVINGS AND EFFICIENCIES

To ensure value for money and efficient utilization of resources, performance indicators have been set for all Section 57 Directors.

In-year reports (monthly and quarterly) as well as annual reporting are done on functional service delivery against information contained in the approved SDBIP.

Performance plans and productivity measures exist for each Director and it is expected of top management (all Directors) to manage their respective votes / departments.

(f) INVESTMENTS

Adequate provision has been made by way of external investments to ensure that cash is available on the maturity date of external sinking fund loans. Short-term Investment income on the other hand is utilized to fund the operational budget.

Details of the long-term investment of Greater Tzaneen Municipality are disclosed as follows.

Valuation of unlisted Investment

Standard Bank	R22 352 185
ABSA	R17 592 967

STANDARD BANK

An investment of R11 350 000 has been made with Standard Bank to repay a loan of R30 million on maturity date. The loan bears interest on variable rate and the value of the investment amounts to R22 352 185.

ABSA

An investment of R16 million has been made with ABSA as a security of a R90 million loan taken from DBSA and the value of the investment amounts to R17 592 967.

(g) GRANT ALLOCATION

National Treasury advised Municipalities, through their Budget Circular 123 use the indicative numbers as set out in the 2023 Division of Revenue Act to compile their 2023/2024 MTREF.

Greater Tzaneen Municipality however included the Grant allocations as contained in the DORA as published in Government Gazette no. 48017 of 10 February 2023, in the 2023/2024 Final Budget.

The grant allocations as published in the 2023/2024 Division of Revenue Bill are summarized as follows:

Grant	2023/2024	2024/2025	2025/2026
Energy Efficiency and Demand Side Management Grant	5 000 000	-	-
Expanded Public Works Programme Integrated Grant	5 412 000	-	-
Integrated National Electrification Programme Grant	25 168 000	12 000 000	12 538 000
Local Government Financial Management Grant	2 000 000	2 000 000	2 000 000
Equitable Share	521 211 000	562 130 000	560 254 000
Municipal Infrastructure Grant	112 922 000	118 155 000	123 610 000
Grand Total	671 713 000	694 285 000	698 402 000

10. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

According to the introduction of the Municipal Infrastructure Grant (MIG) the grant has been divided as follows for the following three Municipal Budget years:

Project Name	2023/2024	2024/2025	2025/2026
Upgrading of Nkowakowa B (Hope of Christ, Bombelani School, Giyani Soshangani and Xirhombarhomba) Streets	1 000 000	19 000 000	3 000 000
Paving of Topanama Access Road	1 000 000	14 724 145	2 000 000
Paving of Thapane Street from gravel to paving	1 000 000	22 459 224	27 000 000
Lenyenye Street from gravel to paving	1 000 000	14 000 000	3 000 000
Paving of Zangoma to Mariveni Road	33 181 151	8 666 205	3 939 000
Upgrading of Marirone to Motupa Street from gravel to paving	19 300 000	-	-
Paving of Nkowakowa Section D (Tommy Spaza Shop via Bridge, Mashaba via Vodacom and Raymond Makelana) Streets	1 000 000	14 000 000	3 000 000
Access Street from Khopo, Molabosane School via Tickyline and Myakayaka Serutung to Malegege to Shoromong	-	9 966 474	51 274 800
Dan Access road from R36 (Scrapyard) to D5011 (TEBA)	22 144 120	-	-
Lenyenye Stadium Phase 2	-	3 000 000	23 368 084
Runnymede Sport Facility Phase 2	-	-	18 000 000
Bulamahlo Community Hall	23 306 024	6 917 976	2 000 000
Paving of Thako to Kkefolwe to Kherobene Road	-	-	10 396 200
Purchase of Waste removal truck	4 343 855	-	-
PMU Management (4.5% & 4.8% of Total MIG)	5 646 850	5 420 976	5 672 832
TOTAL MIG	112 922 000	118 155 000	123 610 000

11. ALLOCATIONS OF GRANTS MADE BY THE MUNICIPALITY

The allocations made by Council for the 2023/2024 financial year can be summarized as follows:

	2022/2023	2023/2024
Museum	R 45 000	R 45 000
Eskom EBSST	R4 000 000	R4 000 000
Mayor Special Account	R 500 000	R 500 000
SPCA	R 100 000	R 150 000
Mayors Bursary Account	R 450 000	R 450 000
Sport Council	R 190 000	R 190 000
Arts & Cultural	R 150 000	R 150 000
Speaker Special Account	R 250 000	R 250 000

12. DISCLOSURE ON COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

(A) COUNCILLORS ALLOWANCES AND COST TO COUNCIL

	SALARY	LAPTOP	TRAVEL	TEL. ALL	SETA
CHIEF WHIP	546 602	3 798	182 201	43 044	7 354
COUNCILLOR	10 835 165	178 506	3 611 724	2 023 068	159 537
EXCO	3 710 386	34 182	1 236 796	387 396	49 285
MAYOR	728 469	3 798	242 823	43 044	9 696
SPEAKER	582 779	3 798	194 260	43 044	7 120
SECTION 79	3 209 294	37 980	1 069 765	430 440	45 784
Total	19 612 696	262 062	6 537 567	2 970 036	278 777

(B) EMPLOYER BENEFITS FOR MUNICIPAL MANAGER AND OTHER SENIOR MANAGERS

	MUNICIPAL MANAGER	DIRECTOR PLANNING & ECONOMIC DEVELOPMENT	CHIEF FINANCIAL OFFICER	DIRECTOR CORPORATE SERVICES	DIRECTOR COMMUNITY SERVICES	DIRECTOR ELECTRICAL ENGINEERING SERVICES	DIRECTOR ENGINEERING SERVICES
Total Cost to Employer	1 669 879,85	1 377 029,51	1 578 591,59	1 174 598,28	1 377 739,24	1 173 588,04	1 566 190,85

(C) EMPLOYEE BENEFITS FOR OTHER MUNICIPAL EMPLOYEES INCLUDING GTEDA AND WATER & SEWER SERVICES

Row Labels	Sum of 2023 2024 Final Budget
Expenditure By Type/Employee related costs	439 000 613
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Accommodation, Travel and Incidental	18 356 879
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Cellular and Telephone	1 652 130
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Essential User	4 000 000
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Housing Benefits	276 125
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Rental Subsidy	1 435 939
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Bonus	1 675 556
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Leave Pay	14 560 669
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Overtime:Structured	20 140 999
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Standby Allowance	2 680 247
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages	295 033 574

Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Bonuses	19 727 062
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Bargaining Council	106 648
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Group Life Insurance	2 873 765
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Medical	15 806 165
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Pension	29 093 022
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Unemployment Insurance	1 733 493
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Allowance:Accommodation, Travel and Incidental	354 480
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Allowance:Cellular and Telephone	25 320
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Basic Salary	1 066 841
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Bonuses	8 890
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Social Contributions:Pension	107 238
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Social Contributions:Unemployment Insurance	2 242
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Allowance:Accommodation, Travel and Incidental	379 800
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Allowance:Cellular and Telephone	126 600
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Basic Salary	5 475 198
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Bonuses	42 822
Expenditure:Employee Related Cost:Senior Management:Designation:Social Contributions:Pension	591 537
Expenditure:Employee Related Cost:Senior Management:Designation:Social Contributions:Unemployment Insurance	11 210
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Allowance:Accommodation, Travel and Incidental	291 180
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Allowance:Cellular and Telephone	25 320
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Basic Salary	1 166 840
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Bonuses	9 724
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Social Contributions:Pension	160 856
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Social Contributions:Unemployment Insurance	2 242
Grand Total	439 000 613

15 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASHFLOW

(a) CONSOLIDATED PROJECTION OF REVENUE BY SOURCE AND EXPENDITURE BY TYPE.

Attached as Annexure “J”

(b) CONSOLIDATED PROJECTION OF REVENUE AND EXPENDITURE BY VOTE.

Attached as Annexure “J”

(c) CONSOLIDATED CAPITAL EXPENDITURE BY VOTE.

2023/2024

DEPARTMENT NUMBER	DEPARTMENT	2023/2024	2024/2025	2025/2026
002	Municipal Manager	0	0	0
052	Corporate Services	0	0	0
032	Financial Services	12 850 000	12 400 000	12 400 000
140	Community Services	0	0	1 200 000
0062	Engineering Services	138 437 150	172 934 024	177 237 168
162	Electrical Engineering Services	35 000 000	35 000 000	86 250 000
012	PED	2 000 000	2 000 000	6 000 000
	GTEDA	279 594	290 777	0
	TOTAL	189 566 744	222 624 801	283 087 168

The Capital budget increased from **R164 368 840** in the 2022/2023 financial year to **R189 566 744** in the 2023/2024 financial year.

(d) CASH FLOW SETTING OUT RECEIPTS BY SOURCE AND PAYMENT BY TYPE.

Attached as Annexure “E”

16 SUMMARY OF THE BUDGET AND THE SDBIP – INTERNAL DEPARTMENTS

A) Executive summary of the SDBIP for each internal department.

In terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the Mayor of a Municipality for implementing its delivery of municipal services and its annual budget which must indicate the following: -

a) Monthly projections of-

- I Revenue to be collected, by source; and
- II Operational and capital expenditure by vote

b) Service delivery targets and performance indicators for each quarter.

c) Other matters prescribed.

The Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days after the approval of the Budget. In addition, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval.

The SDBIP gives effect to the Integrated Development Plan and the Budget of the Municipality. It is an expression of the objectives of the Municipality in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2023 to 30 June 2024. It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It therefore facilitates oversight of financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the managers.

B) Services provided including level of services.

With regard to service delivery standards Greater Tzaneen Municipality endeavors to realize the following values:

- Give priority to the basic needs of the community.
- Promote the development of the community.
- Ensure that all members of the Local Community have access to

at least the minimum level of basic municipal services.

With regard to the levels of services currently rendered in our area of jurisdiction we are convinced, although much more needs and will be done, that Greater Tzaneen Municipality is one of the leading municipalities in the Province.

The level of the different services currently rendered by Council can be summarized as follows:

Waste Management

- Powers and Function of Waste Management

The mandate of GTM is to provide all households with a basic removal service to protect the environment for the benefits of present and future generations through legislative and other measures to prevent pollution and ecological degradation promote conservation to secure sustainable development.

Section 84 read with Section 85 of the Municipal Structures Act 117 of 1998; determine the division of powers and functions, and such require Landfill-sites to be a district function for more than one Municipality.

The Department of Environmental Affairs already resolved that a process of Landfill "Regionalization" must be pursued, which is aligned with Sec. 84 (1) (e) (iii) of the above-mentioned Act.

The jurisdiction-area of GTM is divided by the main roads from Politsi via Tzaneen, Tarentaalrand, Letsitele and Trichardtsdal, in a Northern and Southern service region.

Water and Sewer Services

Level of Service

Water Treatment

Greater Tzaneen Municipality manages and operates Water Works in Tzaneen (Georges Valley and Tzaneen Dam) and Letsitele (Letsitele Water Works) at 100% efficiency level. These water works comply with Blue Drop Certification and SANS 241:2011 levels and criteria as set by Department of Water Affairs. Haenertsburg and Nkowankowa are supplied by Lepelle Northern Water while Lenyenye is supplied by Mopani District Municipality as Water Services Authority. Regular water samples are collected from different points of these mentioned towns and analyzed accordingly.

Wastewater Treatment

Greater Tzaneen Municipality manages and operates Tzaneen Sewage Works and assist Mopani District Municipality to maintain Nkowankowa Sewerage Works and Lenyenye Oxidation Ponds. Both Haenertsburg and Letsitele are using Septic tanks which are drained regularly at the request of the owner. The majority of the rural community use VIP latrines.

Maintenance of Water services network

A 100% maintenance services are rendered by Greater Tzaneen Municipality to the following towns:

- Tzaneen
- Nkowankowa
- Lenyenye
- Letsitele
- Haenertsburg

Although Greater Tzaneen Municipality always respond to community request to repair or assist with maintenance to equipment in rural areas the maintenance in rural areas is the responsibility of Mopani District Municipality.

Electricity

Tzaneen has the options of power delivery in single or three phase form. Three phase < 75 kVA and Single phase domestic pre-paid has been added as a third option and is available in areas where pre-paid monitoring infrastructure is installed.

Power provision is on a 24-hour basis with interruptions due to faults and maintenance due to lack of funding for operational and capital activities, systems integrity is being negatively affected. Vegetation Control was in-sourced four years back and is proving a huge challenge.

The issue of FBE (Free Basic Electricity) to our indigent people has been fully addressed by Council and is implemented as far as the ESKOM administrative constraints will allow.

C) Senior Management Capability and Structure

The organizational structure of the Municipality as from 1 July 2022/2023 provides for the following departments:

Office of the Mayor
Office of the Speaker

Office of the Municipal Manager
 Budget & Treasury Office
 Planning & Economic Development Services
 Corporate Services
 Engineering Services
 Community Services
 Electrical Engineering Services

Each department is headed by a Section 56/57 Manager appointed on a fixed term contract coupled to a renewable Annual Performance Agreement. All the departments except for the Mayor and Municipal Manager have Directors who manages the departments.

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Care is taken as prescribed in legislation that capable Senior Managers are being appointed who have the necessary qualifications and experience to do justice to their respective functions and responsibilities.

D) Changes to service levels and standards

The service levels and standards are contained in item 16 (B) of this report.

17 SUMMARY OF BUDGET AND SDBIP – ENTITIES

Budget is contained in Item 22 of this report.

18 CONTRACTS HAVING FUTURE AND BUDGETARY IMPLICATIONS

A. NAMES OF ALL CONTRACTING PARTIES

NAME	SERVICE
MOD HOPE	VALUATION ROLL

**B. INFORMATION ON EXPENDITURE ON EACH CONTRACT FOR THE
LAST THREE YEARS**

NAME	SERVICE	Expenditure for 3 Years
MOD HOPE	VALUATION ROLL	0

C. TOTAL EXPENDITURE ON EACH CONTRACT TO DATE

NAME	SERVICE	Amount paid to date
MOD HOPE	VALUATION ROLL	0

**D. PLANNED EXPENDITURE ON EACH CONTRACT FOR THE BUDGET YEAR
AND THE FOLLOWING TWO YEARS**

NAME	SERVICE	PLANNED EXP p.a.
MOD HOPE	VALUATION ROLL	5 000 000

**E) ESTIMATE OF THE TOTAL BUDGETARY IMPLICATIONS OF EACH
CONTRACT**

Provision has been made on the budget by the departments to accommodate the cost i.e. Contracted Services, Repairs & Maintenance, Depreciation, etc., of all contracts.

19 SUMMARY OF DETAILED CAPITAL BUDGET

Capital expenditure/projects relates to the investment in major initiatives, the benefit of which is going to last for more than one financial year. It represents infrastructure which forms part of the service that is provided to our communities.

The primary role of Local Government is the provision of services. The capacity to do so is largely dependent on an appropriate and functional infrastructure.

The obtaining of functional infrastructure is ultimately dependent on project management.

In this regard our Municipality has made considerable improvements from the drafting of a Demand Management Plan, the establishment of internal SCM procedures up to the managing and monitoring of projects.

Although the benefits derived from capital projects will last for more than one year, Council must take cognizance that capital expenditure has ongoing financial implications on the operational budget. Not only must funds be made available on the capital budget, but sufficient funds must also be provided on the operational budget to sustain the operations into the future.

Section 19(2) of the MFMA determines that:

“(2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider:-

- (a) the projected cost covering all financial years until the project is operational; and***
- (b) the future operational costs and revenue on the project, including municipal tax and tariff implication.”***

Council must also take cognizance that the budget which includes the capital projects is informed by the IDP. The projects on the IDP are firstly subjected to a prioritization system subject to the availability of funds, before it is included in the capital budget.

Section 19 of the MFMA determines that a Municipality may spent money on a capital project only if the money for the project has been appropriated in the capital budget. It also determines that the total cost of the project must be approved by Council and that the sources of funding for the project are available and have not been committed for other purposes.

The details of the capital budget are summarized as follows:

LOANS

No loans will be taken up during the 2023/2024 financial year to finance capital projects.

Consolidated Capital Projects :
Greater Tzaneen Municipality.

DEPARTMENT NUMBER	DEPARTMENT	2023/2024	2024/2025	2025/2026
002	Municipal Manager	0	0	0
052	Corporate Services	0	0	0
032	Financial Services	12 850 000	12 400 000	12 400 000
140	Community Services	0	0	1 200 000
0062	Engineering Services	138 437 150	172 934 024	177 237 168
162	Electrical Engineering Services	35 000 000	35 000 000	86 250 000
012	PED	2 000 000	2 000 000	6 000 000
	GTEDA	279 594	290 777	0
	TOTAL	189 566 744	222 624 801	283 087 168

20 LEGISLATIVE COMPLIANCE STATUS

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

- Budget and Treasury Office have been established in accordance with the MFMA.
- Budget Steering Committee required by the Budget Regulations has been established and is functional.
- The 2023/2024 IDP review process is underway, with community consultation will be conducted during the month of April as required by Legislation.
- The Annual Budget has been prepared in accordance with the requirements prescribed by National Treasury, the MFMA and budget regulations. mSCOA Data Strings will also be submitted to National Treasury and Provincial Treasury as required.
- The Municipal Supply Chain Management Policy was adopted and the three committees required by the Act have been established and are functional.

- Compliance with regard to monthly, quarterly and annual reporting to the Mayor, Executive Committee, Council, Provincial Government and National Treasury.
- Compilation of the Annual Financial Statements to GRAP Statements.
- The Annual Report has been prepared in accordance with the MFMA and National Treasury requirements.
- An Audit Committee has been established which provides an oversight function over the Financial Management and Performance of the Municipality.
- A Municipal Public Accounts Committee has been established to ensure that the administration is held accountable for the Management of Municipal funds, assets and to ensure the efficient and effective utilization of Councils resources.

21 OTHER SUPPORTING DOCUMENTS

21.1 Providing clean water and managing wastewater.

Attached as Annexure “H” is a certificate of analysis of water samples of Greater Tzaneen Municipality.

22 ANNUAL BUDGET OF MUNICIPAL ENTITIES

Greater Tzaneen Municipality established a Municipal Entity to inter-alia market Greater Tzaneen’s Economic Development potential and investment opportunities to the Local, National and International Business communities.

The services provided by this Entity are as follows:

GTEDA Services provided:

- Market Greater Tzaneen potential and investment opportunities.
- Create a positive investment climate.
- Provide business support services.
- Create networking platforms.
- Conduct and facilitate project funding.
- Facilitate access to available business premises and land.
- Coordination of economic development; and
- Fully investigate available resources.

GTEDA Mandate:

GTEDA is the entry point for potential investors.
GTEDA is a catalyst.
GTEDA connect people who have a passion for growth.
GTEDA implement Local Economic Strategy of GTM

Funding from Parent Municipality:

Funded by Greater Tzaneen Municipality, the parent Municipality. The 2023/2024 allocation amounts to R12 585 230.

Future Objectives:

GTM is currently formulating a new relationship with GTEDA, based on Audit Committee finding on GTEDA sustainability “going concern”.

23 PERFORMANCE AGREEMENTS OF SENIOR MANAGERS

The performance agreements of Senior Managers are attached hereto as Annexure “M”

24 MUNICIPAL MANAGERS QUALITY CERTIFICATION

The Quality Certificate is attached as Annexure “ K “ .

013 - GREATER TZANEEN ECONOMIC DEVELOPMENT AGENCY

PROPOSED MULTI- YEAR BUDGET 2023/24, 2024/25, 2025/2026

	YEAR 1		YEAR 2		YEAR 3	
	Total Budget 2023/2024		Total Budget 2024/2025		Total Budget 2025/2026	
01 - INCOME						
011- Interest Earned	-		-		-	
0141 - Interest Received	-		-		-	
022- Operating Grants/Subsidies	12 585 229,51	19%	13 214 490,98	5%	13 875 215,53	5%
0231 - GTM VAT Refund	-		-		-	
0230 - SERVICES SETA	-		-		-	
0233 - Municipal	12 585 229,51	19%	13 214 490,98	5%	13 875 215,53	5%
024- Other Revenue	-		-		-	
0250 - Facilitation Fees	-		-		-	
xxxx - Other Cash Sales	-		-		-	
TOTAL INCOME	12 585 229,51	19%	13 214 490,98	5%	13 875 215,53	5%
02 - EXPENSES						
051- Employ Related Costs	5 015 849,26	28%	5 266 641,73		5 529 973,81	5%
1001 - Salaries Basic	4 484 225,60	28%	4 708 436,88	5%	4 943 858,73	5%
1002 - Overtime	15 291,26	-70%	16 055,83	5%	16 858,62	5%
1004 - Annual Bonus (13th Cheque)	309 136,00	51%	324 592,80	5%	340 822,44	5%
1010 - Leave Pay	135 770,04	5%	142 558,54	5%	149 686,47	5%
1016 - Performance Bonus	71 426,36	5%	74 997,67	5%	78 747,56	5%
053- Employ Related Costs	2 793 259,62	51%	2 932 922,60		3 079 568,73	5%
1021 -Contribution-Medical aid scheme	374 472,00	100%	393 195,60	5%	412 855,38	5%
1022 - Contribution-Pension schemes	730 216,34	100%	766 727,16	5%	805 063,51	5%
XXX - Contribution-Housing Subsidy	-		-		-	
1023 - UIF/Levy (Stat Payments)	1 688 571,28	19%	1 772 999,84	5%	1 861 649,83	5%
058 - Remuneration of Directors	610 984,92	5%	641 534,17		673 610,87	5%
1053 - Emoluments	501 484,62	5%	526 558,85	5%	552 886,79	5%

1057 - Travel/Accom	109 500,30	5%	114 975,32	5%	120 724,08	5%
1054 - Secretarial Support	-		-		-	
064 - Depreciation	105 170,89	5%	110 429,44		115 950,91	5%
1091 - Depreciation	105 170,89	5%	110 429,44	5%	115 950,91	5%
066 - Repairs and Maintenance	6 606,60	5%	6 936,93		7 283,78	5%
1101 - Furniture/Office Equipment	6 606,60	5%	6 936,93	5%	7 283,78	5%
068 - Interest Expense	5 434,07	5%	5 705,77		5 991,06	5%
1231 - External	5 434,07	5%	5 705,77	5%	5 991,06	5%
074 - Contracted Services	1 096 697,65	-25%	1 151 532,53		1 209 109,16	5%
1261 - Information Technology	79 425,07	5%	83 396,32	5%	87 566,14	5%
1263 - Security	8 205,35	5%	8 615,62	5%	9 046,40	5%
1265 - Cleaning	45 760,00	536%	48 048,00	5%	50 450,40	5%
1270 - Internal Audit	246 191,40	5%	258 500,97	5%	271 426,02	5%
1271 - Copier Rental	140 029,37	-49%	147 030,84	5%	154 382,38	5%
1277 - Rent Premises	577 086,46	5%	605 940,78	5%	636 237,82	5%
078 - General Expenses	2 668 944,51	-10%	2 802 391,73		2 942 511,32	5%
1301 - Advertising	62 996,25	5%	66 146,06	5%	69 453,36	5%
1302 - Advertising Recruitment	-		-		-	
1303 - Audit Fees	350 000,78	-32%	367 500,82	5%	385 875,86	5%
1306 - Bank Fees / Interest on Overdraft	23 298,32	138%	24 463,24	5%	25 686,40	5%
1307 - Community Based Planning	1 007 403,46	5%	1 057 773,63	5%	1 110 662,31	5%
1310 - Consultancy/Legal Costs	74 649,12	5%	78 381,58	5%	82 300,65	5%
1311 - Consumables Domestic	1 731,09	5%	1 817,65	5%	1 908,53	5%
1320 - Entertainment Public	10 321,86	5%	10 837,95	5%	11 379,85	5%
1327 - Insurance	21 715,18	5%	22 800,94	5%	23 940,99	5%
1347 - Postage & Courier	3 251,35	5%	3 413,92	5%	3 584,62	5%
1348 - Printing/Stationery	53 423,71	5%	56 094,89	5%	58 899,64	5%
1363 - Subscriptions	77 268,98	5%	81 132,43	5%	85 189,05	5%
1364 - Subsistence/Travel/Accom	120 000,36	100%	126 000,38	5%	132 300,40	5%
1366 - Telephone/Cellphone	129 982,53	5%	136 481,66	5%	143 305,74	5%
1368 - Training	149 411,47	5%	156 882,04	5%	164 726,15	5%
1379 - Accounting Costs	375 943,98	5%	394 741,18	5%	414 478,24	5%
1380 - Social Inclusion	6 006,00	5%	6 306,30	5%	6 621,62	5%
1381 - Bursaries	125 591,47	5%	131 871,04	5%	138 464,59	5%

1382 - Seminar & Workshop	75 948,60	5%	79 746,03	5%	83 733,33	5%
1383- Covid-19 Expense	-		-		-	
03 - CAPITAL EXPENDITURE	282 282,00	5%	296 396,10		311 215,91	5%
608 - Other Assets 5023 - Office Equipment	282 282,00	5%	296 396,10	5%	311 215,91	5%
TOTAL EXPENSES	12 585 229,51	19%	13 214 490,99	5%	13 875 215,54	5%
NET SURPLUS/ (DEFICIT)						

DEPARTMENTAL COMMENTS

COMMENTS FROM DIRECTOR CORPORATE SERVICES: MS. G S SEPENG

COMMENTS FROM DIRECTOR ENGINEERING SERVICES: MRS. H O TSHISEVHE(ACTING)

COMMENTS FROM ELECTRICAL ENGINEERING SERVICES: MR F MTHETWA

COMMENTS FROM PLANNING AND ECONOMIC DEVELOPMENT: MR. F MTHETWA(ACTING)

COMMENTS FROM COMMUNITY SERVICES: MR. A. NKUNA

COMMENTS FROM THE MUNICIPAL MANAGER: MR. D MHANGWANA

COMMITTEE OUTCOME OR STUDY GROUP OUTCOMES

RESOLVED TO RECOMMEND

