
REPORT OF THE DEPARTMENT OF THE CHIEF FINANCIAL OFFICER

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1.1 ANNEXURES

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1.2 INTRODUCTION

PURPOSE OF THIS REPORT

The purpose of this report is to request Council to consider the 2024/2025 (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. 126,128 and related circulars, which state inter alia that municipal revenues and cash flows are expected to remain under pressure in the 2024/2025 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.
- [Economic growth and fiscal responsibility.](#)
- [Identification and assessment of financial risks and uncertainties that could impact budget stability.](#)

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, [economic downturn](#), [limited resources](#), 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 draft Budget of Greater Tzaneen Municipality for the financial year 2024/2025 and the indicative revenue and projected expenditure for the two subsequent years 2025/2026 and 2026/2027 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 2024/2025 – 2026/2027 financial year be approved as follows:

| | 2024/2025 | 2025/2026 | 2026/2027 |
|--------------|---------------------|---------------------|---------------------|
| Grants | R122 952 800 | R110 429 500 | R120 587 300 |
| Own Sources | R89 709 223 | R89 709 223 | R90 000 000 |
| GTEDA | R290 777 | R290 777 | R0 |
| TOTAL | R212 925 800 | R200 429 500 | R210 587 300 |

- (f) That an amount of R 13 592 048 (previous year R12 585 230) 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) That the municipal fleet be purchased through a finance lease and that the process commences immediately after Council approval.

(l) CAPITAL BUDGET

- I. That no annuity loan be taken up to finance Capital Projects during the 2024/2025 financial year.
- II. That Council takes cognizance of the R111 062 000 MIG allocation for capital projects of which R105 152 800 is allocated for Capital and R5 909 200 is allocated for Operational activities.

III. TRANSPORT BUDGET

- I That the Vehicle 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.

(m) PERSONNEL

That the Organizational structure budget for Greater Tzaneen Municipality be approved. **Annexure “F”**.

(n) 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%.

(o) INTEREST ON AREAR RATES

That the interest rate of prime rate as at 1 July 2024 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.

- (p) That R950 000 (previous year R950 000) be made available to the Mayor for the 2024/2025 financial year, allocated as follows:
- I R500 000 Public Programs which must be subjected to Audit and be utilized in accordance with circular 126. (Funds will only be used for charity purposes) (Previous year R500 000)
 - II R450 000 For Bursaries (Previous year R450 000)
- (q) That R250 000 (Previous year R250 000) be made available for the Speaker Public Programs which must be subjected to Audit and be utilized in accordance with circular 126.
- (r) That an amount of R150 000 (Previous year R150 000) be allocated to SPCA for the running of the pound effectively and successfully
- (s) 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 | R166.53 | R174.69 |
| | b. Basic waste charge for non-urban residential premises | R166.53 | R174.69 |
| 2. | <u>Business waste</u> | <u>Current</u> | <u>Proposed</u> |
| | a. Basic waste charge | R555.08 | R582.28 |
| | b. Waste tariff per unit of 85 x litres, for 6 x kerbside-removals p.w. | R555.08 | R582.28 |
| 3. | <u>Industrial waste</u> | | |
| | a. Basic waste charge | R444.09 | R465.85 |
| | b. Waste tariff per unit of 85 x litres, for 3 x kerbside-removals p.w. | R444.09 | R465.85 |

| | | | |
|----|---|---------------------|---------------------|
| 4. | <u>Institutional waste</u> | | |
| | Basic waste charge | R527.19 | R553.03 |
| | Waste tariff per unit of 85 x litres, for 6 x kerbside-removals p.w. | R527.19 | R553.03 |
| 5. | <u>Dead Animals</u> | | |
| | Collection, transportation and disposal of animal carcasses per removal | R409.35 | R429.41 |
| 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 469.92 | R1 541.95 |
| 7. | <u>Clean up Tariff of Dirty Stands/Premises</u> | | |
| | Clean up tariff per ton or 1m ³ or part there-off | R2 632.50 | R2 761.49 |
| 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 | R629.40 |
| | Removal of 6m ³ (or part there-of) of non-compactable-waste p.w. | R550.00 See note | R576.95 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 | R330.30 |
| | Per entry of a lorry load not exceeding 3 tons // 3m ³ , but exceeding ≤ 1 ton // 1m ³ (or part thereof) | R618.88 | R649.21 |
| | 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 613.91 |
| | 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 750.58 |
| | Per entry of a lorry load exceeding ≤ 10 x tons // 10m ³ (or part thereof) | R3 397.33 | R3 563.80 |
| | | | |

| 10. | <u>Health Care Risk Waste charges for collection, transportation & disposal</u> | <u>Current</u> | <u>Proposed</u> |
|-----|--|-----------------------|------------------------|
| | ≤ = 5 x lit sharps | R194.36 | R203.89 |
| | ≤ = 5 x lit human tissue | R308.69 | R323.81 |
| | ≤ = 10 x lit sharps | R423.02 | R443.75 |
| | ≤ = 10 x lit human tissue | R423.02 | R443.75 |
| | ≤ = 20 x lit sharps | R605.95 | R635.64 |
| | ≤ = 20 x lit human tissue | R605.95 | R635.64 |
| | ≤ = 85 x lit H.C.R.W. in liner | R217.22 | R227.87 |
| | ≤ = 25 x lit H.C.R.W box + liner | R160.07 | R167.91 |
| | ≤ = 50 x lit H.C.R.W box + liner | R320.12 | R335.81 |
| | ≤ = 140 x lit H.C.R.W box + liner | R788.88 | R827.53 |
| | ≤ = 140 x lit Empty liners | R45.73 | R47.97 |

(t) **WATER SUPPLY: TARIFFS**

That the following tariffs for water supply be approved

Tariffs Basic Charges

| | CURRENT | PROPOSED |
|------------------------|----------------|-----------------|
| Domestic (AA) | R42.54 | R44.63 |
| Business (BA) | R67.19 | R70.48 |
| Industrial (CA) | R67.19 | R70.48 |
| State (EA) | R114.25 | R119.85 |
| Dept (FA) | R42.54 | R44.63 |
| Transnet (HA) | R114.25 | R119.85 |
| Flats | R69.43 | R72.84 |
| Education | R53.78 | R56.41 |

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 | R1,56 per kl R4,37 per kl R7,71 per kl R10, 40 per kl R11,60 per kl R21, 85 per kl | R1,64 per kl R4,58 per kl R8, 09 per kl R10,91 per kl R12, 17 per kl R22, 92 per kl |
| ii | BUSINESS (BA) / INDUSTRIAL (CA) | | |
| | 0 – 50 kl 51 – 100 kl 101 and more | R5,56 per kl R9, 27 per kl R11, 12 per kl | R5,83 per kl R9,72 per kl R11,66 per kl |
| iii | STATE (EA) TRANSNET (HA) | | |
| | 0 – 50 kl 51 – 250 kl 251 and more | R10, 30 per kl R13,72 per kl R14, 58 per kl | R10,80 per kl R14, 39 per kl R15, 29 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 | R1,13 per kl R3, 00 per kl R5,30 per kl R6,35 per kl R7,96 per kl R14,86 per kl | R1,19 per kl R3,15 per kl R5,56 per kl R6,66 per kl R8, 35 per kl R15, 59 per kl |
| V | FLATS | | |
| | 0 – 75 kl 76 – 120 kl 121 – 200 kl 201 – 250 kl 251 – 370 kl 371kl and more | R2,74 per kl R8,69 per kl R9, 15 per kl R9,60 per kl R10, 07 per kl R10,98 per kl | R2,87 per kl R9, 12 per kl R9,60 per kl R10, 07 per kl R10,56 per kl R11, 52 per kl |
| vi | EDUCATION | | |
| | 0 – 50 kl 51 – 200 kl 201 – 400 kl 401 kl and more | R4,44 per kl R5,93 per kl R6, 30 per kl R7,40 per kl | R4,66 per kl R6, 22 per kl R6,61 per kl R7,76 per kl |

HAENERTSBURG WATER TARIFFS

| | CURRENT | PROPOSED |
|-----------------|----------------|-----------------|
| 00 – 6 kl | 9,93 per kl | 10, 42 per kl |
| 7 – 10 kl | 9,93 per kl | 10, 42 per kl |
| 11 – 25 kl | 9,93 per kl | 10, 42 per kl |
| 26 – 35 kl | 9,93 per kl | 10, 42 per kl |
| 36 – 100 kl | 9,93 per kl | 10, 42 per kl |
| 101 kl and more | 9,93 per kl | 10, 42 per kl |

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

(u) **SEWERAGE: TARIFFS**

That the following tariffs for sewer services be approved:

| | CURRENT | PROPOSED |
|--|----------------|-----------------|
| Charge per m ² (Basic Charge) | R0,405/kl | R0,425/kl |
| CHARGE PER KL WATER USAGE/MONTH | | |
| Domestic (AA) | R1, 030/kl | R1,080/kl |
| Business (BA) | R1,716/kl | R1,800/kl |
| Hotel (BB) | R1,432/kl | R1,502/kl |
| Guest Houses | R1,432/kl | R1,502/kl |
| Industrial (CA) | R1,716/kl | R1,800/kl |
| Flats (IA) | R1, 030/kl | R1,080/kl |
| State (EA) | R1,316/kl | R1,380/kl |
| Education | R0,569/kl | R0,596/kl |
| Incentives | R0,569/kl | R0,596/kl |

(v) **GENERAL RATES AND REBATE**

PROPERTY RATES TARIFFS

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

| | | |
|----------------------------------|-----------|-----------|
| Public Service Properties | | |
| Tariff on market value | R0,015837 | 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 2024 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.

(w) 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 717.83 | R 2 416.45 |
| 25 kVA Three phase | 45 Amp | R 2 856.70 | R 2 807.59 |
| 50 kVA Three phase | 80 Amp | R 3 787.33 | R 3 315.69 |
| 75 kVA Three phase | 100 Amp | R 5 267.49 | R 4 912.15 |

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 R 2.3874

B.2.1 A consumption charge, per kWh consumed

(Business) Three phase R 2.3940

B.2.2 A consumption charge, per kWh consumed

(Agric/Domestic) Three phase R 3.0181

B.2.3 A consumption charge, per kWh consumed
(Agric/Domestic) Single phase R 2.4997

PLUS

B.3.1 On single phase Business connections, an additional charge per kWh for every unit consumed above 1500 units
(Business 1 Phase) R0.0716c

PLUS

B.3.1 On three phase Business connections, an additional charge per kWh for every unit consumed above 3 000 units
(Business 3 Phase) R0.0718c

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) R0.0905c

PLUS

B.3.3 On single phase connections and additional charge per kWh for every unit consumed above 1500 units.
(Agriculture/Domestic 1 phase) R0.0749c

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 R 3 554.52

- | | | |
|------------|--|------------|
| C.1.2 | Business | R 5 065.17 |
| | | |
| C.2 | If the demand is registered during the months of June, July or August per point of supply: | |
| | (Agricultural/Domestic) | R 600.89 |
| | | |
| C.3 | If the demand is registered during the months of September to May per point of supply: | |
| | (Agric/Domestic) | R 373.46 |
| | | |
| C.4 | If the demand is registered during the months of June, July or August per point of supply: | |
| | (Business) | R 458.75 |
| | | |
| C.5 | If the demand is registered during the months of September to May per point of supply: | |
| | (Business) | R 224.67 |
| | | |
| 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) | R 1.8369 |
| | | |
| C.6.2 | If the kWh has been consumed during the months of September to May: | |
| | (Agric/Domestic) | R 1.4050 |
| | | |
| 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) | R 1.8811 |
| | | |
| C.7.2 | If the kWh were consumed during the months of September to May: | |
| | (Business) | R 1.3876 |
| | | |
| 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: R 17 680.42

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: R 120.68

D.2.2 If the demand is registered during the months of September to May: R 120.68

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 R 6.9762

D.3.1.2 During Standard Hours R 1.9915

D.3.1.3 During Off-Peak Hours R 1.1650

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

| | | |
|---------|-----------------------|---------|
| D.3.2.1 | During Peak Hours | R2.1035 |
| D.3.2.2 | During Standard Hours | R1.5032 |
| D.3.2.3 | During Off-Peak Hours | R1.0340 |

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.

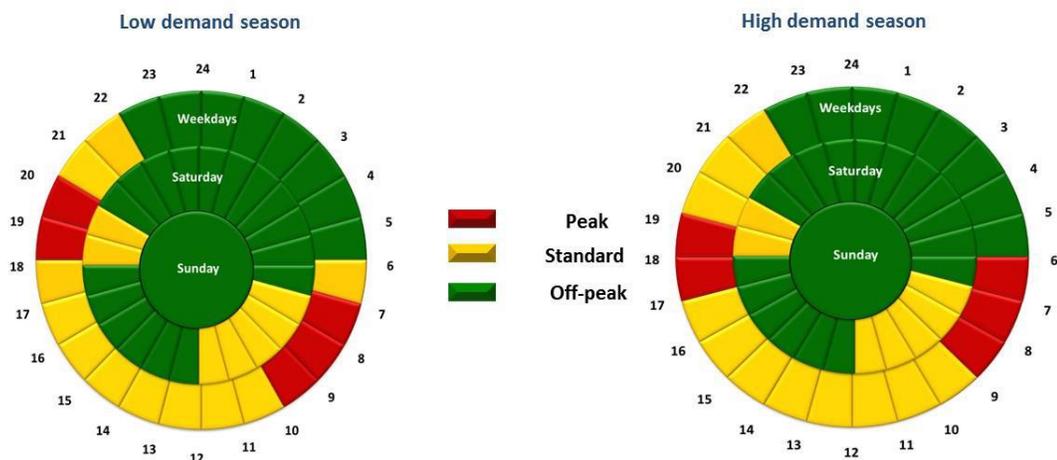
(September to May)

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"*

(s) 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 Councilor arrears on consumer accounts.

(t) 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 (R/kWh) | DOMESTIC BLOCK 2 51 – 350 kWh (R/kWh) | DOMESTIC BLOCK 3 351 – 600 kWh (R/kWh) | DOMESTIC BLOCK 4 >600 kWh (R/kWh) |
| R1.7548 | R2.2532 | R3.0017 | R3.7393 |
| IBT Fixed Charge | | R 197.00 / month | |

(x) **SUNDRY TARIFFS 2024/2025**

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 2024 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 R24 000 | up to R25 200 |

DISCONNECTION CHARGES

Electricity

| | | |
|-------------------------------------|--------|--------|
| Electricity Cut – disconnections | R480 | R504 |
| Electricity Cut – Removal of meters | R820 | R861 |
| Remove installation | R3 500 | R3 675 |

Water

| | | |
|--|--------|--------|
| Water restriction: Business | R270 | R285 |
| Water restriction: Residential/Urban | R290 | R300 |
| Water disconnection: nonresidential (15 – 40 mm) | R690 | R725 |
| Water disconnection: non-residential (50-100mm) | R1 200 | R1 260 |
| Water Normalize Flow Res/Bus | R350 | R370 |
| Water Normalize Flow Farmers | R380 | R400 |

SERVICE CONTRIBUTION TARIFF (2024/2025) PER kVA

| | Current | Proposed |
|--|---------|----------|
| 1. New LV connection (Electrification) | R4 658 | R4 891 |
| 2. LV at pole transformer rural | R4 517 | R4 756 |
| 3. 11kV at 33/11kV rural sub | R3 340 | R3 507 |
| 4. 33kV at 33/11kV rural sub | R3 481 | R3 665 |

| | | | |
|-----|--|--------|--------|
| 5. | 33kV busbars at 66/33kV rural main sub | R3 483 | R3 657 |
| 6. | 66kV busbars at 66/33kV rural main sub | R2 008 | R2 108 |
| 7. | LV 1ph at kiosk | R6 414 | R6 735 |
| 8. | LV 3ph at kiosk | R5 103 | R5 358 |
| 9. | LV busbars minisub provided by developer | R3 011 | R3 162 |
| 10. | LV busbars in minisub | R4 434 | R4 656 |
| 11. | 11kV RMU MU provided by developer | R3 782 | R3 971 |
| 12. | 11kV busbars at switching sub | R2 941 | R3 088 |
| 13. | 11kV busbars main sub (Urban) | R5 447 | R5 719 |
| 14. | 66kV busbars at main sub (Urban) | R1 114 | R1 170 |
| 15. | 66kV busbars intake sub (Urban) | R46 | R48 |
| 16. | 32kV busbars intake sub (Urban) | R62 | R65 |

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 | R 8 705 |
| Sport bodies at club level: Stadium | R865 | R900 |
| Sport bodies at inter-district level | R1 600 | R1 680 |
| Athletics (Adults) | R1 600 | R1 680 |
| Athletics (Schools) | R1 600 | R1 680 |
| Rally's | R8 295 | R8 705 |
| Church Activities | R3 675 | R3 855 |
| 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.

LOCAL FOOTBALL ASSOCIATION R200.00

MERRY GO ROUND EVENT {INSIDE AND OUTSIDE} R6000.00 PLUS ELECTRICITY CONSUMPTION THAT ELETRICAL DEPARTMENT MUST STIPULATE

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 |
| Lenyeny Stadium - | R525/day | R525/day |
| Julesburg Stadium - | R525/day | R525/day |
| Julesburg Hall - | R225/day | R225/day |

BURGERSDORP STADIUM

| | | |
|-------------------------|----------|----------|
| Major Games - | R630/day | R630/day |
| change room or ablution | | |
| Small Clubs - | R275/day | R275/day |
| Runnyemede 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 Nonrefundable | 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 functions Adults | R1 900 | R1 900 |
| Graduation function for Day Care/Crèches | R900 | |
| 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 |
| Beauty pageant | R2 500 | R2 500 |
| Concert | R2 500 | R2 500 |
| Choir | R1 150 | R1 150 |

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.

PARKING FEE

| | CURRENT | PROPOSED |
|---|----------------|-----------------|
| Parking at municipal main building designated areas | R10 | R70 |

SWIMMING POOL USAGE

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

Admission fee R31.47 per day except infants from 3 years down and pensioners in possession of their pension card.

Monthly Tickets from R188.82 per person.

School going kids R125.88 per month.

Season Tickets from R1 028.02.00 per person.

Local School galas or Aquatic sport events will pay R524.50

Provincial and National school galas or aquatic sport events pay R839.20

Swimming instruction done at remuneration by trainees during hours, which was previously approved per season, per instructor be R3 776.40 for 3 lanes at 10 persons per lane for 2 hours a day or R31.47 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.

R629.40 per hour per lifeguard 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 2024:

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 | R786.75 |
| 1.2 Per grave for any person 03 years and over: | R1 195 | R1 253.55 |
| 1.3 Opening for second burial: | R750 | R786.75 |

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

| | | |
|--|--------|-----------|
| Children under 03 years per grave | R1 500 | R1 573.50 |
| Adults 03 years and over per grave | R2 935 | R3 079.81 |
| Re-opening for second burial | R1 600 | R1 678.40 |
| Niches: Per niche per deceased | R750 | R786.75 |
| Memorial work: Removal or re-affixing | R420 | R440.58 |
| Removal of ashes from a niche: Per removal | R370 | R388.13 |

(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

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 2024 by the substitution for item 3 of the following:

Miscellaneous Charges

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

Old Tariff 2023/2024 VAT included = R4 303.82

Proposed Tariff 2024/2025 VAT included = R4 514.71

(b) For each new 50 mm water connection

Old Tariff 2023/2024 VAT included = R15 769.73

Proposed Tariff 2024/2025 VAT included = R16 542.45

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

Old tariff 2023/2024 VAT included = R18 726.55

Proposed Tariff 2023/2024 VAT included = R19 644.15

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

Old tariff 2023/2024 VAT included = R1 575.88

Proposed Tariff 2024/2025 VAT included = R1 653.10

(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 0.34/L/day

1.1. WATER TANKERS TARRIFS

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

Proposed Tariff 2024/2025 + VAT = R0.29/kL

Only applies for Municipal water tanker - radius charge:

| | |
|-----------|------------------|
| + R0/km | from 0 – 60 km |
| +R4.98/km | from 61 – 120 km |
| +R7.12/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 (O.45µm Filtered) | FCOD | mg/L O ₂ | R 287.47 | No |

CHEMICAL INORGANIC DETERMINANDS

| Determinand | Abbreviation for request purposes | Analysis Units | Tariff excl VAT | SANAS Accreditation |
|------------------|-----------------------------------|----------------------|-----------------|---------------------|
| Ammonia Nitrogen | NH ₃ | mg/L N | R 91.40 | No |
| Chloride | Cl | mg/L Cl | R 102.00 | No |
| Fluoride | F | mg/L F | R 106.00 | No |
| Free Chlorine | ClFre | mg/L Cl ₂ | R 225.21 | No |
| Nitrate Nitrogen | NO ₃ | mg/L N | R 173.55 | No |
| Orthophosphate | PO ₄ | mg/L P | R 116.58 | No |
| Sulphate | SO ₄ | mg/L SO ₄ | R 86.11 | No |

CHEMICAL PHYSICAL DETERMINANDS

| Determinand | Abbreviation for request purposes | Analysis Units | Tariff excl VAT | SANAS Accreditation |
|---|-----------------------------------|-----------------------|-----------------|---------------------|
| Apparent Colour | Col | PtCo | R 84.78 | No |
| Conductivity | Cond | Ms/m@25°C | R 49.01 | No |
| Dissolved Solids | TDS | mg/L@180°C | R 94.03 | No |
| PH | PH | | R 49.01 | No |
| Suspended Solids | TSS | mg/L@105°C | R 110.00 | No |
| Total Alkalinity | Talk | mg/LCaCO ₃ | R 94.03 | No |
| Turbidity | Turb | FTU | R 80.80 | No |
| Calculation Methods (requires additional determinands, please confirm with laboratory) | | | | |
| Ryznar Index | RyzInd | | R 84.78 | No |

OTHER

| Determinand | Abbreviation for request purposes | Analysis Units | Tariff excl VAT | SANAS Accreditation |
|------------------|-----------------------------------|----------------|-----------------|---------------------|
| Calcium Hardness | CaHard | mg/L | R 90.10 | No |

| | | | | |
|--------------------|--------|------------------------|---------|----|
| Magnesium Hardness | MgHard | mg/L | R 90.10 | No |
| Total Hardness | Thard | mg/L CaCO ₃ | R145.27 | No |

CHEMICAL METALIC DETERMINED

| Dissolved Metals | | | | |
|------------------|-----------------------------------|----------------|-----------------|---------------------|
| Determinand | Abbreviation for request purposes | Analysis Units | Tariff excl VAT | SANAS Accreditation |
| Aluminium | Al | mg/LAl | R 80.81 | No |
| Calcium | Ca | mg/L Ca | R 80.81 | No |
| Iron | Fe | mg/L Fe | R 80.81 | No |
| Magnesium | Mg | mg/LMg | R 80.81 | No |
| Manganese | Mn | mg/LMn | R 80.81 | No |
| Potassium | K | mg/LK | R 80.81 | No |
| Sodium | Na | mg/L Na | R 80.81 | No |
| Zinc | Zn | mg/ L Zn | R 80.81 | 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 76.83 | No |
| Total Coliforms | TC | cfu/100ml | R 192.09 | No |
| Heterotrophic plate Count | HPC | Count/ml | R192.09 | 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 2024.

Old Tariff 2023/2024 + VAT = R4 585.44

Proposed Tariff 2024/2025 + VAT = R4 810.13

2.2. SEWER HONEY SUCKER

Old Tariff 2023/2024 + VAT = R 176.736/m³

+ R0/km from 0 – 60 km
+R4.731/km from 61 – 120 km
+R6.766/km from 121 km plus

Only applies for Municipal water tanker - radius charge:

Proposed Tariff 2023/2024 + VAT = R186.103/m³

+ R0/km from 0 – 60 km
+R4.983/km from 61 – 120 km
+R7.123/km from 121 km plus

| <u>EFFLUENT TYPE</u> | <u>CURRENT</u> | <u>PROPOSED</u> |
|--|------------------------|------------------------|
| • Domestic effluent by private tanker | R 49.28/m ³ | R51.69/m ³ |
| • Domestic effluent by private discharger /200 Liter / Drum | R 16.43/l/d | R17.24/l/d |
| • Trade effluent from outside Municipal's jurisdiction per tanker | R707.45/t | R742.12/t |
| • Trade effluent from inside municipal jurisdiction | R618.74/t | R649.06/t |

PENALTIES

New Tariff for illegal water and sewer services:

- Water Connection R2 761.49
- Sewer Connection R2 761.49
- Illegal water abstraction R2 761.49
- Illegal water/sewer discharge R2 761.49

WATER AND SEWER PERMIT FEE

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

- R576.95 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: 2024/2025 R764.38 (2023/2024 tariff was R728.68).

The charges payable for any building plans shall be R12.73 per m² for 2024/2025 and 2023/2024 tariff was R12.14.

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 R4.65per m² for 2024/2025 and (2023/2024 - tariff R4.42per m²) 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 R45.06 for every R630.45 or part thereof, with a minimum charge of R924.17 and a maximum charge of R9 941.37.
3. Building plans for swimming pools will be approved at a charge of R626.25 per plan (2023/2024 tariff – R594.78.00)
4. Charges payable for the re-inspection of buildings and swimming pools: R892.70 per re-inspection. (2023/2024 Old tariff R851.00)
5. New tariffs for copy of approved building plans R277.98/ copy (Old Tariff R264.36).
6. Re- examination of building plans the costs as per item 1.
7. Town maps R289.52 per copy (Old Tariff R276.00)

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 2024 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 4554 | R2 682 |
| II Town | R1 788 | R1 877 |
| III New Connection charge | R455 | R478 |

TARIFF CHANGE

| | | |
|---------------------------|--------|--------|
| Electricity tariff change | R1 777 | R1 866 |
|---------------------------|--------|--------|

PRE-PAID

| | | |
|------------------------|------|------|
| Keypad Replacement Fee | R515 | R541 |
| Lost Card Fee | R51 | R54 |

Pre-paid:
 Conventional to 60 Amp pre-paid
 Conversion charge R2 643 R2 775
 (If infrastructure is available)

Pre-paid:
 Upgrade from 20 Amp to 60 Amp R7 504 R7 879
 Connection (Consumers to provide COC)
 (Rural settlements overhead connections only)

APPROVAL OF DESIGNS

Review of Electricity designs R25/KVA R26/KVA

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.

DETERMINATION OF CHARGES PAYABLE IN TERMS OF THE PROVISIONS OF CHAPTER 3, REGULATION 14(1)(b) OF THE SPATIAL PLANNING & LAND USE MANAGEMENT ACT, 2013 (ACT 16 OF 2013) AND SECTION 79 OF THE SPLUMA BY-LAW OF GREATER TZANEEN MUNICIPALITY

Notice is hereby given in terms of the provisions of Section 11 (3) of the Local Government Municipal Systems Act 2000, that the Greater Tzaneen Municipality has by Resolution determined charges payable in terms of the provisions of Chapter 3, Regulation 14 (1)(b) of the Spatial Planning & Land Use Management Act, 2013 (Act 16 of 2013) and Section 79 of the SPLUMA By-Law of Greater Tzaneen Municipality, with effect from 1 July 2024, as set out in the Schedule below.

SECTION A:

FEES EXCLUDING ADVERTISEMENT AND INSPECTION

| APPLICATION | CURRENT TARIFF | PROPOSED TARIFF |
|--|---------------------------|----------------------------|
| i. Application for township establishment, extension of boundaries of an approved township, or amendment or cancellation in whole or in part of a General Plan of a township | R8670.00 | R9095.00 |
| ii. Application for consent use/special consent, excluding Spaza shops and telecommunication masts | R2317.00 | R2431.00 |
| iii. Application for consent use for spaza shops provided for in terms of an existing scheme | R316.00 | R331.00 |

| | | | |
|--------|--|---|---|
| iv. | Application for consent use for telecommunication masts and base stations | R2618.00 | R2746.00 |
| v. | Application for the amendment of an existing scheme or land use scheme by the rezoning of land | 5044.00 | R5291.00 |
| vi. | Application for the removal, amendment, or suspension of a restrictive or absolute condition, servitude or reservation registered against the title of land and simultaneous rezoning | R5044.00 | R5291.00 |
| vii. | Application for subdivision for property in 5 or less portions | R2844.00 | R2983.00 |
| viii. | Application for subdivision of property in more than 5 portions | R2995.00 for the first 5 portions plus R266.00 in respect of each further portion | R3142.00 for the first 5 portions plus R279.00 in respect of each further portion |
| ix. | Application for consolidation of any land | R1142.00 | R1198.00 |
| x. | Exemption of Municipal Approval ito Section 63 of SPLUMA By-Law of GTM | R590.00 | R619.00 |
| xi. | Application for permanent closure of any public place | R2820.00 | R2958.00 |
| 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. | R186.00 | R195.00 |
| 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 | R422.00 | R443.00 |
| xiv. | Application for Tribunal’s reasons | R952.00 | R998.00 |
| 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 | R2845.00 | R2984.00 |
| xvi. | Amendment of pending subdivision application | R2437.00 | R2556.00 |
| xvii. | Amendment of pending Township application- <ul style="list-style-type: none"> • Material amendment • Non-material amendment | R8135.00 R2437.00 | R8533.00 R2556.00 |
| xviii. | Phasing of a Township application | R2437.00 | R2556.00 |
| xix. | Consideration of a Site Development Plan – SDP, in terms of the Tzaneen Town Planning Scheme, 20000 | R2437.00 | R2556.00 |
| xx. | Application for extension of time – <p>1st application (year 1) 2nd application (year 2)</p> | R1210.00 | R1270.00 |

| | | |
|--|----------|-------------------------|
| 3 rd application (year 3) | R2437.00 | R2556.00 |
| | R3649.00 | R3828.00 |
| xxi. Application for Excision of Agricultural Holding | R2618.00 | R2746.00 |
| 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 | R5235.00 | R5492.00 |
| xxiii. Hard copy of Spatial Development Framework document | R7070.00 | R7416.00 |
| xxiv. Hard copy of SPLUMA By-Law of Greater Tzaneen Municipality | R2667.00 | R2798.00 |
| xxv. Copy of record of Municipal Planning Tribunal i.t.o Section 44(2) of the SPLUMA By-Law of Greater Tzaneen Municipality | R2667.00 | R2798.00 |
| xxvi. Lodging of an objection | R6590.00 | R6913.00 |
| xxvii. Granting of intervener status i.t.o Section 127 of the SPLUMA By-Law of Greater Tzaneen Municipality | R9346.00 | R9804.00 |
| xxviii. Lodging of an Appeal | R9346.00 | R9804.00 |
| 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 | R4997.00 | R5242.00 |
| ii. Inspection and hearing regarding any application | R2192.00 | R2300.00 |

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 | R12.69/d | R13.31/d |
| | Food and Soft drinks | R25.38/d | R26.62/d |
| | Fruit and Vegetables | R12.69/d | R13.31/d |
| | Accessories and other Appliance (Cell/Jewellery/hair/books) | R12.69/d | R13.31/d |

| | | | |
|---|--|-----------|-----------|
| | Clothing | R25.38/d | R26.62/d |
| Pavements/Sidewalks | Fruit and Vegetables | R6.29/d | R6.59/d |
| | Accessories (Cell/Jewellery/Hair) | R6.29/d | R6.59/d |
| | Clothing and Toys | R12.69/d | R13.31/d |
| Trolleys/Designated Cart | Food and Soft drinks | R12.69/d | R13.31/d |
| | Accessories | R6.29/d | R6.57/d |
| | Fruit and Vegetables | R6.29/d | R6.57/d |
| Junction/Road side | Food and Soft drinks | R12.69/d | R13.26/d |
| | Fruit and Vegetables | R12.69/d | R13.26/d |
| | Décor materials (flower pots/flowers, etc.) | R12.69/d | R13.26/d |
| Open designated site Hawker's fee | Centre of town | R50.54/d | R53.01/d |
| Adv. of Board handling fee | | R631.80 | R662.75 |
| Adv. Board Approval fee | | R631.80 | R662.75 |
| Adv. Sign Board Application fee | | R573.89 | R602.01 |
| Adv. Sign Board Inspection fee | | R114.78 | R119.94 |
| Adv. On bridges, fence, wall and lamp poles (4.5m+) | | R0.00 | R1 439/pm |
| Adv. Storage Fees | | R0.00/d | R105.00/d |
| Hawkers Bush Mechanics | | R631.80 | R662.75 |
| Hawkers Car wash | | R631.80 | R662.75 |
| Taxi & Busses | | R1 263.60 | R1 325.51 |

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 | R100.00 | R500.00 | R600.00 |
| | Sells to retailers. | | R500.00 | R600.00 |
| | Sells to both public, | | R500.00 | R600.00 |

| | | | | |
|-------|---|---------|-------------------------------|-------------------------------|
| | and retailers | | | |
| 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 R295.00 and Proposed R310.00

Furnishing of Clearance Certificate Manually
Current R260.00 and Proposed R275.00

Furnishing of Valuation Certificate
Current R210.00 and Proposed R220.00

Furnishing of Duplicate Clearance Certificate
Current R150.00 and Proposed R160.00

Applying for Clearance Figures Electronically

Current R190.00 and proposed R210.00

Applying for Clearance Figures Manually
Current R280.00 and proposed R300.00

Final reading levy
Current R150.00 and Proposed R160.00

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 600.00 and Proposed R1 680.00

MINIMUM INITIAL CONSUMER DEPOSITS PER CATEGORY:

| | CURRENT | PROPOSED |
|--|----------------|-----------------|
| Flats with electricity only | R1 800.00 | R2 100.00 |
| Flats with electricity and water | R2 100.00 | R2 300.00 |
| Residential and agricultural properties: | | |
| Single phase | R3 000.00 | R3 500.00 |
| Three phase | R7 000.00 | R8 000.00 |
| Business: | | |
| Single phase | R8 100.00 | R9 500.00 |
| Three phase | R12 200.00 | R14 00.00 |
| Pre-paid electrical users (Water deposit) | R500.00 | R600.00 |

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 | 1 775.05 | 1 952.55 |
| 1 | 118 | 479.30 | 527.23 |
| 2 | 215 | 873.32 | 960.65 |
| 3 | 660 | 2 680.85 | 2 948.94 |
| 4 | 225 | 913.94 | 1 005.33 |
| 5 | 175 | 710.84 | 781.92 |
| 6 | 123 | | |
| 7 | 137 | 556.48 | 612.12 |
| 8 | 215 | 873.32 | 960.65 |
| 9 | 283 | 1 149.52 | 1 264.48 |
| 10A | 207 | 840.82 | 924.90 |
| 10 | 190 | 771.77 | 848.95 |
| 11 | 215 | 873.32 | 960.65 |
| 12 | 193 | 783.95 | 862.35 |
| 13 | 483 | 1 961.91 | 2 158.10 |
| 14 | 231 | 938.31 | 1 032.14 |
| 15 | 473 | 1 921.28 | 2 113.41 |
| 16A | 400 | 1 624.76 | 1 787.23 |
| 16 | 422 | 1 714.12 | 1 885.54 |
| 20 | | 877.38 | 965.11 |
| 23 | 204 | 828.64 | 911.50 |
| 24 | 391 | 1 747.02 | 1 921.72 |
| Main Building | 992 | 1 210.44 | 1 331.49 |
| Hanger :Pro Air | 188 | | |
| 28 | 123 | 499.61 | 549.57 |
| 29 | | 763.66 | 840.03 |

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 |
|-------------------------|---------|---------|

ENVIRONMENTAL HEALTH FEES

| | CURRENT | PROPOSED |
|-------------------------------------|-----------------------|-----------------------|
| Cleaning of overgrown stands | R0.94c/m ² | R5.00c/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

Regarding 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 2024 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 |

- (y) 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

(z) That the Municipal Infrastructure Grant (MIG) Implementation Plan for 2024/2025 to 2026/2027 be noted by Council

(aa) That the following projects funded by Municipal Infrastructure Grant (MIG) be approved

| Project Name | Funding sources | 2024/2025 (R) | 2025/2026 (R) | 2026/2027 (R) |
|---|-----------------|--------------------|--------------------|--------------------|
| Upgrading of Nkowakowa B (Hope of Christ, Bombelani School, Giyani Soshangani and Xirhombarhomba) Streets | MIG | 0 | 18 447 000 | 9 553 000 |
| Paving of Topanama Access Road | MIG | 16 900 000 | 0 | 0 |
| Paving of Thapane Street from gravel to paving | MIG | 18 447 000 | 13 253 000 | 0 |
| Lenyenye Street from gravel to paving | MIG | 17 227 298 | 26 452 404 | 0 |
| Paving of Zangoma to Mariveni Road | MIG | 21 162 615 | 0 | 0 |
| Upgrading of Marirone to Motupa Street from gravel to paving | MIG | 3 730 582 | 0 | 0 |
| Paving of Nkowakowa Section D (Tommy Spaza Shop via Bridge, Mashaba via Vodacom and Raymond Makelana) Streets | MIG | 0 | 36 000 000 | 2 000 000 |
| Access Street from Khopo, Molabosane School via Tickyline and Myakayaka Serutung to Malegege to Shoromong | MIG | 0 | 0 | 42 739 895 |
| Dan Access road from R36 (Scrapyard) to D5011 (TEBA) | MIG | 21 054 096 | 0 | 0 |
| Bulamahlo Community Hall | MIG | 6 631 209 | 0 | 0 |
| Supply and Installation of 20 High Mast | MIG | 0 | 13 000 000 | 0 |
| Paving of Thako to Kkefolwe to Kherobene Road | MIG | 0 | 3 277 096 | 24 400 405 |
| Paving of Khethong Access Street | MIG | 0 | 0 | 15 000 000 |
| Supply and Installation of 30 High Mast | MIG | 0 | 0 | 26 894 000 |
| PMU Management (4.5% & 4.8% of Total MIG) | MIG | 5 909 200 | 6 180 500 | 6 346 700 |
| TOTAL MIG | | 111 062 000 | 116 610 000 | 126 934 000 |

(bb) That the following Own Funded Projects be approved:

| Project Name | 2024/2025 (R) | 2025/2026 (R) | 2026/2027 (R) |
|---|--------------------------|--------------------------|--------------------------|
| Township Establishments | 0 | 1 000 000 | 0 |
| G.I.S(Procurement of equipment) | 2 000 000 | 0 | 0 |
| Purchase of Land (Politsi ext. 1). | 0 | 5 000 000 | 0 |
| Tzaneen Ext. 13 internal streets | 0 | 10 000 000 | 0 |
| Nkowakowa Internal streets (Tambo to Maxakeni Street) | 5 600 000 | 0 | 0 |
| Mogapeng Ring Road | 0 | 0 | 2 000 000 |
| Tzaneen Airfield Runway | 0 | 0 | 12 000 000 |
| R71 Roundabout | 1 500 000 | 0 | 0 |
| Maribethema Pedestrian Crossing bridge | 4 000 000 | 0 | 0 |
| Petanenge Pedestrian crossing bridge | 4 500 000 | 0 | 0 |
| Patamedi Low level bridge | 0 | 0 | 2 000 000 |
| Tlhabine Pedestrian Bridge | 3 500 000 | 0 | 0 |
| Lephepane low level Bridge | 0 | 0 | 2 500 000 |
| Walk-behind Roller X 2 | 700 000 | 0 | 0 |
| Installation for smoke detectors in municipal buildings | 1 200 000 | 1 200 000 | 0 |
| Nkowakowa offices (Old Home Affairs building) | 1 300 000 | 0 | 0 |
| Toilet block and change rooms in parks | 0 | 0 | 1 500 000 |
| Shiluvane and Mulati library | 0 | 0 | 500 000 |
| Public toilets in Tzaneen | 700 000 | 0 | 0 |
| New ablution block, offices and storage facility at Nkowakowa testing grounds | 1 500 000 | 0 | 0 |
| Ablution block in Sanlam centre taxi rank | 1 500 000 | 0 | 0 |
| New sleeping quarters at Georges valley treatment plant | 0 | 1 500 000 | 0 |
| New sleeping quarters at Nkowankowa plumbers' workshop | 0 | 1 500 000 | 0 |
| New sleeping quarters at Letsitele water treatment works | 0 | 0 | 1 500 000 |
| Airfield fencing | 0 | 4 500 000 | 4 500 000 |
| Archive storage at Tzaneen testing ground | 0 | 0 | 1 500 000 |
| Haenertzburg library sleeping quarters | 0 | 1 500 000 | 0 |
| Ablution facility at Tzaneen Public Toilets | 0 | 800 000 | 0 |

| | | | |
|---|------------|------------|------------|
| Civic center building | 3 000 000 | 9 000 000 | 0 |
| Connections (Consumer Contribution) | 10 000 000 | 10 000 000 | 10 000 000 |
| Urban distribution networks | 0 | 1 000 000 | 0 |
| 11 kV and 33 kV Auto reclosers per annum X4 (La_Cotte x 2, California x 1, | 1 500 000 | 1 500 000 | 0 |
| Monitoring system on GTM electrical network | 5 100 000 | 2 000 000 | 9 400 000 |
| 11kv Feeder from Western sub to Industrial area | 0 | 0 | 3 000 000 |
| Rebuild 66 kV wooden line from Tarentaalrand Main to Tzaneen (20km) in Phases | 5 500 000 | 5 500 000 | 5 500 000 |
| Skirving and Peace Streets replacement of old switchgear with safe technologies | 0 | 4 000 000 | 2 000 000 |
| Tzaneen Main retrofitting old panels with safe technologies | 0 | 0 | 2 000 000 |
| Procurement of Network planning software | 1 000 000 | 0 | 0 |
| Renewal Repairs and maintenance of Bulk meters and replace current transformers & meter panel Tarentaalrand, | 1 500 000 | 0 | 0 |
| Installation of STATS meters Tzaneen Main, Letsitele Main, Western Sub, Rubbervale & 33/11kV Substation in Phases | 0 | 500 000 | 500 000 |
| Installing of Quality of Supply recorders (Tarentaal Rand, Tzaneen Main, Letsitele Main, Henley, Waterbok, Middlekop, Politsi, Blacknoll, Letsitele Valley | 500 000 | 0 | 0 |
| Refurbishment of protection systems and panels in Tarentaal rand | 0 | 2 000 000 | 2 000 000 |
| Refurbishment of protection systems and panels in Tzaneen Main | 0 | 0 | 2 000 000 |
| Refurbishment of protection systems and panels in Letsitele Main | 0 | 0 | 1 500 000 |
| Replacement of Box Breakers at Letsitele Main Substation in Phases | 3 000 000 | 2 000 000 | 0 |
| Replacement of Box Breakers in Main Substations at Tzaneen Main in phases | 3 000 000 | 3 000 000 | 0 |
| Replacement of 132Kv & 66Kv Breakers at Tarentaal Main Substations in phases | 0 | 0 | 1 000 000 |
| Replacement of 66Kv Current Transformers at Letsitele Main Substations in phases | 0 | 1 500 000 | 0 |
| Replacement of 66Kv Isolators at Letsitele Main Substations in phases | 0 | 500 000 | 1 000 000 |
| Replace, Refurbish & Upgrading of underground LV cables, metering kiosks (Tzaneen Town) | 0 | 1 000 000 | 1 000 000 |

| | | | |
|---|-----------|-----------|-----------|
| Replacement of old metering boxes and meters | 1 000 000 | 1 000 000 | 0 |
| Maintenance Management tools & system | 1 000 000 | 0 | 0 |
| Revenue Protection | 0 | 500 000 | 0 |
| Streetlights (Tzaneen Town, Haernerstburg) | 1 000 000 | 1 500 000 | 1 500 000 |
| Building of new 10 MVA, 66/11 kV Substation at Blackhills, Includes construction of 66kV line | 0 | 0 | 2 000 000 |
| Upgrading of Middlekop Substation from 2MVA to 4MVA | 0 | 0 | 2 000 000 |
| Install New 5MVA 66/11kV Transformer Letsitele Valley | 0 | 2 000 000 | 0 |
| Rebuilding of Pusela 11 kv line (4.5km) | 0 | 1 000 000 | 0 |
| Rebuilding of Letsitele Valley/Bindzulani 11 kv line (5km) | 1 000 000 | 0 | 0 |
| Rebuilding of Hotel/Stanford Lake college 11 kv line (5km) | 1 000 000 | 0 | 0 |
| Rebuilding of Tarentaalrand/Deerpark 11 kv line (5km) | 1 000 000 | 0 | 1 000 000 |
| Rebuilding of La Cotte 11 kv line (5km) | 0 | 0 | 1 000 000 |
| Installation of streetlights from R71 Voortrekker traffic light to Deerpark Traffic circle | 1 500 000 | 0 | 0 |
| Rebuilding of Ebenezer 33 kv line (5km) | 0 | 0 | 1 500 000 |
| Rebuilding of Grenshoek 11kV line (7.6km) | 0 | 1 000 000 | 0 |
| Rebuilding of Valencia 11 kv line (11km) | 0 | 0 | 1 000 000 |
| Rebuilding of Gravelotte/Rubbervale 11 kv line (8.5km) | 0 | 1 000 000 | 0 |
| Rebuilding of Taganashoek _ Quality 11 kv line (5km) | 1 000 000 | 0 | 0 |
| Rebuilding of Henely _ Deeside 11 kv line (5km) | 0 | 0 | 1 000 000 |
| Rebuilding of The Pleins T-off _ R10 11 kv line (6km) | 1 000 000 | 1 000 000 | 0 |
| Installation of 11kV Switchgear at Western sub | 2 500 000 | 0 | 0 |
| Electrical Infrastructure Fencing (60 x Mini sub) Tzaneen, Letsitele & Haernerstburg | 1 000 000 | 1 000 000 | 0 |
| Installation of Rooftop Solar PV Municipal Main Building | 0 | 0 | 2 000 000 |
| Capital Tools | 500 000 | 500 000 | 500 000 |
| Runnymede Sport Facility Phase 2 | 6 000 000 | 5 000 000 | 7 000 000 |
| Installation of X – Ray Scanner Machines | 700 000 | 0 | 0 |
| Restoration of Biometric Access Control | 2 000 000 | 0 | 0 |
| Purchase of Law Enforcement Trailer | 400 000 | 0 | 0 |
| Purchase of Office Equipment | 290 777 | 290 777 | 0 |

| | | | |
|--|-------------------|-------------------|-------------------|
| Purchase of Office Equipment | 510 223 | 509 223 | 600 000 |
| Archive storage at Tzaneen licensing Main building | 0 | 1 200 000 | 0 |
| Filing Cabinet for Records and Admin Division | 300 000 | 0 | 0 |
| Loud hailing Bakkie | 799 000 | 0 | 0 |
| Marketing and Communications Equipment | 400 000 | 0 | 0 |
| ICT Equipment | 3 000 000 | 2 000 000 | 0 |
| TOTAL | 90 000 000 | 90 000 000 | 90 000 000 |

- (cc) That Council approve the mSCOA Roadmap as per **Annexure “T”**
- (dd) That the cost containment circular no 82 and 97 as issued by national treasury on the 30th of March 2016 and 31 July 2019 continuously be enforced to reduce spending on non-priority items
- (ee) That the following projects funded by Integrated National Electrification Programme (INEP) be approved

| No. | Project Name | Number of Connections | 2024/2025 Original Budget (R) |
|-----|--|-----------------------|-------------------------------|
| 1 | Electrification of Burgersdorp (Colbits) | 150 | 3 000 000 |
| 2 | Electrification of Rwanda phase 1 | 100 | 2 000 000 |
| 3 | Electrification of Mackery phase 3 | 100 | 2 000 000 |
| 4 | Electrification of Mandlakazi phase 3 | 150 | 3 000 000 |
| 5 | Electrification of Akanani phase 2 | 177 | 3 530 000 |
| 6 | 5.6km Makhutswe to Burgersdorp 22kv line | | 1 680 000 |
| | | | |
| | TOTAL | 677 | 15 210 000 |

| Pre-Engineering | | |
|-----------------|-----------------------------------|-------------------------------|
| No. | Project Name | 2024/2025 Original Budget (R) |
| 1 | Electrification of Mawa Block 12 | 148 000 |
| 2 | Electrification of Khujwana | 237 000 |
| 3 | Electrification of Xihoko | 147 000 |
| 4 | Electrification of Mavele phase 6 | 206 000 |
| 5 | Electrification of Dan phase 2 | 206 000 |
| 6 | Electrification of Senopelwa | 237 000 |
| | | |
| | TOTAL | 1 181 000 |

| BULK INFRASTRUCTURE | | |
|----------------------------|--|--------------------------------------|
| No. | Project Name | 2024/2025 Original Budget (R) |
| 1 | 11kV Waterbok to Selwane village MV line | 7 539 000 |
| | TOTAL | 7 539 000 |

(ff) That the following projects funded by Municipal Disaster Recovery Grant (MDRG) be approved:

| Project Name | 2024/2025 Original Budget (R) |
|---|--------------------------------------|
| Mopye Culvert Bridge | 4 000 000 |
| Pulaneng Primary School Road | 4 000 000 |
| Sebone School Road (Mokgolobotho Village) | 2 261 000 |
| | |
| TOTAL | 10 261 000 |

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. 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 the municipality to provide consumers with uninterrupted services like water supply put stress on consumer ability to pay for services. The poor payment levels of consumers resulted in the Municipality 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 11,34 percent, 6,11 percent, and 13,74 percent for the 2020/2021, 2021/2022 and 2022/2023 financial years respectively have been recorded in Councils financial statements.

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.

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 2024/2025 medium term revenue and expenditure framework proposes a consolidated expenditure budget of R1 808 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 6.8 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 2023/2024 MTREF was drafted and approved on version 6.7 of the chart. The Adjustment Budget and mid-year performance report strings for the 2023/2024 financial year were also submitted in version 6.7 of the chart.

The preparation of the 2024/2025 draft MTREF will however be done in version 6.8 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 2024/2025 MTREF BUDGET (Including Water and Sewer)

This section provides an overview of the Greater Tzaneen Municipality's 2024/2025 to 2026/2027 MTREF.

The Municipality's budget must be seen within the context of the policies and financial priorities in meeting the service delivery challenges faced in Greater Tzaneen Municipality. Greater Tzaneen alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

Per MFMA Circular No. 128, the following headline inflation forecasts support the national 2024 Budget:

| Fiscal Year | 2023/24 Estimate | 2024/25 | 2025/26 | | 2026/27 |
|---------------|---------------------|---------|----------|------|---------|
| | | | Forecast | | |
| CPI inflation | 6.0% | 4.9% | 4.6% | 4.6% | 4.6% |

The growth limits apply to tariff increases for user and other charges raised by municipalities.

The cent in the Rand rates will be kept constant on Property Rates (0% tariff increase) due to the implementation of the new General Valuation Roll from 1 July 2024, which will constitute an increase in Property Values

The budget process in Greater Tzaneen followed the requirements of the MFMA. A Table of key deadlines was tabled in Council by the Mayor during August 2023.

A Budget Steering Committee was established to examine, review and prioritize budget proposals from departments.. In 2024/2025, the capital budget is R213 million. Operating expenditure in 2024/2025 is budgeted at R 1 808 billion and the operating revenue is budgeted at R2 068 billion.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These "key deliverables" link the financial inputs of the budget to service delivery on the ground. As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the draft budget and forms the basis for the Municipality's in year monitoring.

The following table is a consolidated overview of the proposed MTREF:

| OPERATING AND CAPITAL BUDGET | 2024/2025 DRAFT BUDGET | 2025/2026 DRAFT BUDGET | 2026/2027 |
|---------------------------------|---------------------------|---------------------------|-----------|
|---------------------------------|---------------------------|---------------------------|-----------|

| | | | DRAFT BUDGET |
|--|------------------------|------------------------|-------------------------|
| TOTAL REVENUE | R 2,067,805,408 | R 2,198,925,246 | R 2,405,594,901 |
| TOTAL OPERATING EXPENDITURE | R1,808,037,434 | R 1,907,272,536 | R 1,979,335,001 |
| TOTAL CAPITAL EXPENDITURE | R 212,952,800 | R 200,429,500 | R 210,587,300 |
| TOTAL OPEX AND CAPEX BUDGET | R 2,020,990,234 | R 2,107,702,036 | R 2,189,922,301 |

The operating revenue increase is mainly attributable to an increase in grant allocations, tariff increase as well as the new valuation roll to be implemented from 1 July 2024. The operating expenditure increase is mainly attributable to the annual increase that is linked to CPI, debt impairment item aligned to audited figures and the increase in bulk electricity cost.

Although the budget is approved by National Treasury and Provincial

Treasury on vote level/department 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 | 2024/2025 Budget | 2025/2026 Budget | 2026/2027 Budget |
|---|-------------------------|-------------------------|-------------------------|
| Expenditure By Type/Bulk purchases - electricity | 560 012 325 | 587 452 929 | 614 475 764 |
| Expenditure By Type/Contracted services | 108 172 349 | 113 472 794 | 118 692 543 |
| Expenditure By Type/Debt impairment | 120 400 000 | 126 299 600 | 132 109 382 |
| Expenditure By Type/Depreciation and asset impairment | 120 367 596 | 126 265 608 | 132 073 826 |
| Expenditure By Type/Employee related costs | 488 725 271 | 512 672 809 | 536 255 758 |
| Expenditure By Type/Finance charges | 16 084 886 | 16 873 045 | 17 649 206 |
| Expenditure By Type/Inventory consumed | 132 895 361 | 139 407 234 | 145 819 966 |
| Expenditure By Type/Other expenditure | 185 516 941 | 194 607 271 | 203 559 206 |

| | | | |
|---|------------|------------|------------|
| Expenditure By Type/Remuneration of councillors | 30 557 656 | 32 054 982 | 33 529 511 |
| Expenditure By Type/Transfers and subsidies | 45 305 048 | 58 166 264 | 45 169 841 |

The Total Revenue budget of Greater Tzaneen Municipality for the 2024/2025 financial year amounts to R2,067 billion. 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 projected revenue for the 2024/2025 financial year amounts to R2,067 billion, which represents an increase of R252,2 million over the 2023/2024 original budget. 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 R551 million which represents the equitable share allocation to the Greater Tzaneen Municipality.

An amount of R190 million will be levied by way of property rates and R1,032 billion will be sourced from user service charges. National allocations to fund operational activities amount to R34,3 million which includes the Finance Management Grant of R2,0 million, the EPWP grant of R5,0 million; the energy efficiency grant of R5,0 million, MIG operation of R 5,9 million and the INEP allocation of R16.4 million.

An amount of R1, 808 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, debt impairment and bulk purchases. The Expenditure amount includes R489 million for employee related costs, R133 million for inventory consumed excluding labour costs and R 560 million for the purchase of bulk electricity.

An amount of R213 million has been allocated for capital expenditure for the 2024/2025 financial year. This amount includes the MIG allocation of R105 million which will be spent on roads, community hall and installation of high mast. A summary of the detailed capital budget is attached as Annexure "O" 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 R13.6 million which represents an increase of R1 million or 8% on the 2023/2024 Annual Budget. The total revenue amount consists of a Grant from GTM.

The total expenditure amounts to R13.6 million of which R6.3 million of the total expenditure represents employee related costs R1.3 represents contracted services and an amount of R4.6 million of total expenditure represents general expenditure.

An amount of R290 777 thousand has been provided for Office Equipment in the capital budget.

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

The total projected revenue for the 2024/2025 financial year amounts to R1,981 billion, which represents an increase of R254,2 million over the 2023/2024 original budget. 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 R551 million which represents the equitable share allocation to the Greater Tzaneen Municipality.

An amount of R190 million will be levied by way of property rates and R964,8 million will be sourced from user service charges. National allocations to fund operational activities amount to R34,3 million which includes the Finance Management Grant of R2,0 million, the EPWP grant of R5,0 million; the energy efficiency grant of R5,0 million, MIG operation of R 5,9 million and the INEP allocation of R16.4 million.

An amount of R1,722 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, debt impairment and bulk purchases. The Expenditure amount includes R449 million for employee related costs, R110 million for inventory consumed excluding labour costs and R 560 million for the purchase of bulk electricity.

An amount of R213 million has been allocated for capital expenditure for the 2024/2025 financial year. This amount includes the MIG allocation of R105 million which will be spent on roads, community hall and installation of high

mast. A summary of the detailed capital budget is attached as Annexure “N” to this report.

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 R74 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 |
|----------------|------------------------|
| 2024/2025 | R23 935 460 |
| 2025/2026 | R25 046 326 |
| 2026/2027 | R25 046 326 |

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 |
|----------------|--------------------------|
| 2024/2025 | R111 062 000 |
| 2025/2026 | R126 934 000 |
| 2026/2027 | R126 934 000 |

ELECTRICITY SERVICES

The electricity service has been allocated an amount of R268.4 million over the MTREF 2024/2025 to 2026/2027 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 |
|----------------|-------------------------|---------------------|
|----------------|-------------------------|---------------------|

| | | |
|-----------|-------------|-------------|
| 2024/2025 | R45 038 051 | R53 320 000 |
| 2025/2026 | R40 485 970 | R45 000 000 |
| 2026/2027 | R30 229 970 | R54 400 000 |

The bulk electricity purchases amount to R560 million for the 2024/2025 financial year.

Distribution losses of 11,34 percent, 6,11 percent, and 13,74 percent for the 2020/2021, 2021/2022 and 2022/2023 financial years respectively have been recorded in Councils financial statements.

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 4.9% on the previous financial year tariff is proposed, which will provide for an amount of R43 979 397 as service charges on the 2024/2025 Budget.

The increase of 4.9% 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> |
|-------------|---------------------------|
| 2024/2025 | R30 211 494 |
| 2025/2026 | R72 836 352 |
| 2026/2027 | R199 035 215 |

MULTI-YEAR PROJECTIONS (INCLUDING WATER AND SEWER)

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

| ITEM | 2024/2025 | 2025/2026 | 2026/2027 |
|-------------|------------------|------------------|------------------|
| Revenue | R 2 067 805 408 | R 2 198 925 246 | R 2 405 594 901 |

The table above reflects the multi-year projections on revenue which is mainly based on the inflation forecast contained in National Treasuries Budget Circular 126 and 128 as well as the Grants contained in the Division of Revenue Bill (DORA) 2024/2025.

The revenue increased from R1 815 522 342 in the 2023/2024 financial year to R2 067 805 408 in the 2024/2025 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.

| | | |
|-----------|---|--------------|
| 2024/2025 | - | R708,756,000 |
| 2025/2026 | - | R681,944,000 |
| 2026/2027 | - | R687,525,000 |

Service Charges

The increase in service charges are based on the inflation forecast contained in National Treasuries Budget Circulars 126 and 128.

| ITEM | 2024/2025 | 2025/2026 | 2026/2027 |
|-----------------|------------------|------------------|------------------|
| Service charges | 1 031 754 695 | 1 175 309 819 | 1 360 677 811 |

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

The operating expenditure has increased from R1.604 billion in the 2023/2024 financial year to R1.808 billion in the 2024/2025 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 128 that the under-mentioned Macro Economic forecasts must be considered when preparing the 2024/2025 MTREF Municipal Budget

| CATEGORY | 2024/2025 | 2025/2026 | 2026/2027 |
|-----------------|------------------|------------------|------------------|
| Property Rates | 0% | 4.6% | 4.6% |
| Electricity | 12.70% | 15.70% | 17.70% |
| Refuse | 4.9% | 4.6% | 4.6% |
| Water | 4.9% | 4.6% | 4.6% |
| Sewerage | 4.9% | 4.6% | 4.6% |

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

The cent in the Rand rates will be kept constant on Property Rates (0% tariff increase) due to the implementation of the new General Valuation Roll from 1 July 2024, which will constitute an increase in Property Values.

Service Charges

The increases in the service charge tariffs are within the upper limit set by National Treasury for the 2024/2025 financial year and according to the inflation forecast for the 2025/2026 and 2026/2027 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 schedule of key deadlines was approved by Council during the month of August 2023

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.

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. 126 and 128 of the 2024/2025 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 2024/2025.

The upper boundary of tariff increases prescribed by National Treasury in Circular no 126 and 128 is 4.9% for 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 0% 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 2024/2025 financial year is contained in item 3 of this report.

TARIFF INCREASES TO CONSUMPTIVE TARIFF-BASED SERVICES ARE:

- | | |
|-------------------------|-------|
| • Electricity (average) | 12.7% |
| • Water | 4.9% |
| • Sanitation | 4.9% |
| • Solid Waste | 4.9% |

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 126 approved an increase of 12.7% 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 2024/2025.

The increase of 12.7% 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 4.9% on the 2024/2025 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 4.9% for the 2024/2025 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 4.9% is necessary to address essential operational requirements.

SOLID WASTE

The proposed Solid Waste Tariff increase is 4.9% for the 2024/2025 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 6% in the 2024/2025 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 31% 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 2024/2025 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 27%
- Bulk Purchases 31%
- Inventory Consumed 7%
- General Expenses 10%

(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 2023/24 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 2023/2024 SDBIP was approved by the Mayor on the 23rd June 2023 and quarterly progress reports are submitted to Council. The Back-to-Basics Action Plan for 2023/24 was approved by the Council on the 30th of August 2023. Quarterly Back to Basics reports are submitted to council.
- The 2022/2023 Annual Performance Report was submitted to the Auditor General, Treasury and CoGHSTA on the 31st of August 2023.
- The Midyear Performance Report for 2023/24 was submitted to the Auditor General, Treasury and CoGHSTA on the 25th of January 2024.
- The Annual Report for 2022/2023 is currently being reviewed by MPAC and was approved by Council on the 26th of January 2024, the final AR will be concluded in March 2024.
- The MM and Directors have signed performance agreements for the 2023/2024 financial year.
- The Annual Performance Assessment of Directors for 2022/23 Financial year conducted by the end of March 2024.
- 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 2023 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 113 households were affected. They were assisted and provided with relief as follows:**171 Blankets,160 Mattresses and 26 Tents.**

Awareness Campaigns on Fire and Floods were conducted at the following areas:

The following primary schools were visited:

- Sepeke Primary School, Ward 33, Bokgaga and Ga-Maake
- Mohlomeng village and ward 7
- Senopeloa village, ward 1 and unity education centre
- Moloko village, ward 1 and Kgorong
- Batlhabine Tribal authority, Makhubidung village, ga-Nduna Manjoro, Sunshine Primary school, Nkowankowa section, Tours Primary school, Tours village and ward 26

Projects Done:

- Risk assessment and monitoring of fire hotspots was done on 18 July 2022 at Noah's ark
- Risk assessment conducted on 25 January 2023 at Bolobedu South (Thako village)
- Risk assessment conducted on the 03rd February 2023 at ward 9, Thako village

Special events attended:

- Fourth session six legislature youth parliament held on 08 July 2022 at Relela community hall.
- Homegoing celebration of Miss south Africa (Ndavi Nukeri) held from 26-28 August 2022, within the selected communities in the municipal jurisdiction.
- Presidential visit (Operation Letsema) held at Nkowankowa on 10 September 2022
- Letaba show held on 21-23 October 2022 at Letaba showground
- Inauguration of kgoshi Mogoboya held on 30 September 2022 at Carling Sportsground
- Mayoral Imbizo held on 23 November 2022 at Mariveni
- Mayoral imbizo held on the 19 January 2022 at Tickeyline village
- Grannies International Football tournament held at Nkowankowa stadium on 25-29 March 2023

- Touching life music festival held at Lenyenye stadium on 06 May 2023
- State of the municipal address held at Nkowankowa stadium on 31 May 2023
- Mayoral Imbizo held at Mohlatlego Matshaba on the 21 June 2023
- Youth Day celebration held at Napscom on 28 June 2023

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 2023/24 was approved by the Council on the 30th of August 2023. Quarterly Back to Basics reports are submitted to council.

The 2022/2023 Annual Performance Report was submitted to the Auditor General, Treasury and COGHSTA on the 31st of August 2023.

The mid-year performance report for 2023/2023 was submitted to the Auditor General, Treasury and COGHSTA on the 25th of January 2024. the annual report for 2022/2023 is currently being reviewed by MPAC and should be approved by council by March 2024, concluded in March 2024.

The MM and Directors have signed performance agreements for the 2023/2024 financial year.

IDP

Council approved the 2023/24 IDP on 26 May 2023, along with the budget, and it was submitted to the MEC for COGHSTA and Provincial Treasury.

The IDP Process of 2023/24 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 2023 IDP will take 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 2023/2024 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 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 2022/2023 Financial Statements were compiled during August 2023. An unqualified audit opinion was received on the 30th of November 2023. 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 2024.

Revenue

The municipality managed to collect R446 305 364.68 for the first 6 months.

The Municipality averages payment rate of 84%.

The payment rate increased from 58% to 84% as a result of debt collection and credit control actions implemented. The economic climate however is affecting 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 R111 062 000(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 were placed in 2022/2023 financial year and an additional 4 vehicle (LDV's) are currently on procurement in the 2023/2024 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 nationwide 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 (8 normal and 3 Special Council meetings) from January to December 2023.

Out of 206 Council resolutions, 155 (75%) were implemented, 48 resolutions were still in progress for implementation and 4 reports were referred back from January to December 2023.

From January to December 2023, all Council meetings were held face to face.

8 MPAC oversight reports were submitted to Council for adoption for the period January to December 2023.

2. HUMAN RESOURCES

Council staff complement was at a total of 638. Council approved organizational structure on the 29 June 2023 with comments from COGHSTA as per Chapter 2 of Municipal Staff Regulations.

From July 2023 to date a total of 130 employees trained as per Workplace Skills Plan submitted to LGSETA, 35 Councillors were as trained on Protocol training. In addition, 69 Councillors will be trained on Ethics Training, 10 employees will also be trained on Communication Skills, both the training are scheduled for April 2024.

36 employees were awarded bursaries to study qualification related to their field of work as guided by the bursary policy

57 interns were also appointed for internship programmes for a period of 12months, the interns are funded by LGSETA.

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: 638

Greater Tzaneen has 638 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 | BM Mathebula |
| 4. | Chief Financial Officer | CM Maeta |
| 5. | Director Engineering Services | H O Tshisevhe |
| 6. | Director Electrical Engineering | F Mthetwa |
| 7. | Director Community Services | C Ntimbani |

Management Capability and Structure

The organizational structure of the Municipality as from 1 July 2023/2024 provides for the following departments:

- Office of the Mayor
- 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 2023.

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.
 - f. The Greater Tzaneen Municipality land use scheme was promulgated on the 02 February 2024.

Public Participation process to commence shortly.

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.

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 9 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 is done at all the commercial sites in the Central Business. Reclamation is also done at the landfill site.
- *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.
 - The Extended Public Works Programme has made a significant impact in the provision of refuse removal services in the rural areas.
 - 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 are available to 40.2% of all households (representing 52 170 of the 129 579 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 R182 000 000,00 per annum for all the 46 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 46 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 replaced every five 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 ± 8 years.
 - The Landfill-site & the D.o.C.s are managed by Service Providers
 - Four landfill site Internal Landfill Audits are conducted annually with an average of 92% to 95%.
 - The Limpopo Department of Economic Development, Environment and Tourism has appointed a consultant to conduct feasibility studies for Phase II of the landfill site.

(D) CONSOLIDATED FINANCIAL POSITION

15 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 draft **MUNICIPAL MANAGERS QUALITY CERTIFICATION**

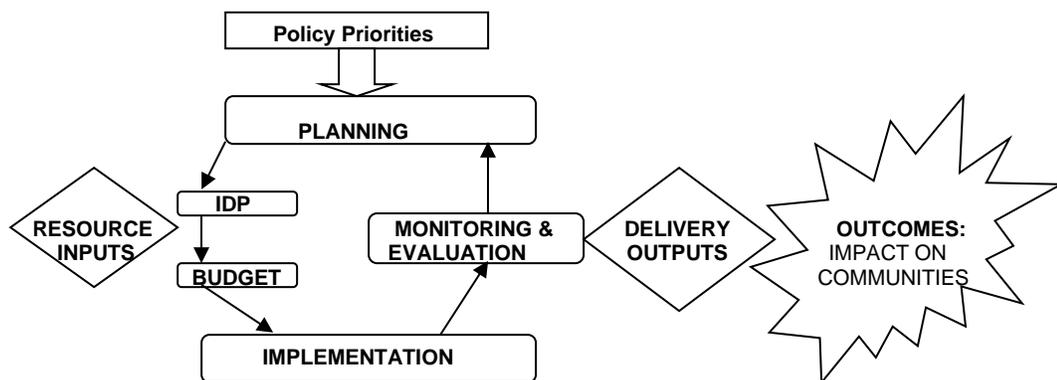
The Quality Certificate is attached as Annexure “ N “.
Budget Report

(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 2024/2025 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)
- The 2024/2025 IDP Analysis took cognizance of the Census 2022 and other mid term statistics.

✓ 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.
- Mission and values were also re-affirmed.

✓ Project Phase

- Prioritized projects have been approved. Most capital projects will be funded through Municipal Infrastructure Grants, Integrated National Electricity Programme, Municipal Disaster Relief Fund 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 affected 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 2023/2024 |
| 1 | Water | Water remains a challenge in many wards |
| 2 | Water | Water remains a challenge in many wards |
| 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 | <ul style="list-style-type: none"> • No budget was made by the Dept of public works/RAL |

| Table 12: Service Delivery priorities per ward (Highest Priority first) | | |
|--|---|--|
| Ward | Priority name and detail | Progress during 2023/2024 |
| | <ul style="list-style-type: none"> • Electrification of extensions and new stands | <ul style="list-style-type: none"> • The street paving is more than 90% and will be completed by May 2024. • Electricity for HH done in Mugwazeni, Akanani and Mackery. 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 and construction for phase 2 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 D3248 will cover the ward in phase 2 • The street paving has been completed. |
| 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 construction for phase is at 80% • The street paving have been completed. |
| 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 | The construction of the project has begun. |
| 17 | Crime | <ul style="list-style-type: none"> • Some progress made in |

| Table 12: Service Delivery priorities per ward (Highest Priority first) | | |
|--|--|---|
| Ward | Priority name and detail | Progress during 2023/2024 |
| | LED | <p>conjunction SAPS in fighting the gangs. There is calm in the area</p> <ul style="list-style-type: none"> • A new Dan city and mall is earmarked to start in 2025. |
| 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 in 2025. |
| 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 |
| 22 | Water | Water remains a challenge |
| 23 | Water | Water remains a challenge. MDM has commissioned construction of new bulk water pipes |
| 24 | Water | <p>Water remains a challenge.</p> <p>A road that will link Zangoma & Mariveni is being constructed.</p> |
| 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 | Upgrade of the road has been budgeted for in 2023/24 |

| Ward | Priority name and detail | Progress during 2023/2024 |
|-------------|--|----------------------------------|
| | Rita (Molobosane), Mshango Khopo to Mphukule | |
| 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 2023.

ACTIVITY

DATE

| | |
|--------------------------------|---------------|
| Approval of Draft IDP | 27 March 2024 |
| Public Participation Programme | April 2024 |
| Approval of final IDP | 25 May 2024 |

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 from the 4th to 6th December 2023.

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 2024/2025 financial year was developed and approved by Council in August 2023. 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 2024/2025 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
 - Draft IDP
 - Draft 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 2023/2024 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 2024/2025 budget realities to ensure that critical service delivery needs are budgeted for.

The Mayor and Councillors have, through the IDP process, guided the 2024/2025 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.

(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 2023 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 2024.

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 was held during April 2024.

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

During the consultative process all verbal questions and answers will be recorded.

All written submissions will be directed to the IDP Office who keeps records thereof.

All the submissions received during the consultation process will be 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 draft 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 2024/2025 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 "O".

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 the 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 the 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

$$A = \frac{B}{C}$$

| | |
|---|---------------|
| "A" Outstanding service debtor to revenue | 25.82% |
| "B" Total outstanding service debtors | 298 222 798 |
| "C" Annual revenue actually received for services | 1 155 034 811 |

- DEBT COVERAGE

-

$$A = \frac{B - C}{D}$$

| | |
|--------------------------------------|----------------------|
| "A" Debt Coverage | 41.79 |
| "B" Total Operating Revenue Received | <u>1 981 265 465</u> |
| "C" Operating Grants | 664 554 000 |
| "D" Debt Service Payments | 31 505 211 |

COST COVERAGE

$$A = \frac{B + C}{D}$$

| | |
|-------------------|------|
| "A" Cost Coverage | 1.44 |
|-------------------|------|

| | |
|---|-------------|
| “B” All available cash at a particular time | 240 669 616 |
| “C” Investments | |
| “D” Monthly Fixed Operating Expenditure | 166 745 733 |

(B) MEASURABLE PERFORMANCE OBJECTIVES FOR:

The measurable performance objectives are attached as Annexure “J”.

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 Wastewater 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 2024/2025 as outlined in the budget.

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

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 inscrutable, 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

The following change had to be made on Council's Policies during the 2024/2025 financial year

Indigent policy

10.6 Grave cost

Approved indigents may qualify for a grave at no cost
Applicants not yet approved may qualify for a grave at 50% of the cost.

Subsistence and travelling policy

- 6.3 Where the cost of accommodation includes the provision of breakfast and dinner a subsistence allowance of R160 remains for all officials and councillors, if supper is not included in the

- accommodation tariff a maximum of R200.00 is claimable on submission of proof
- 6.7 Officials must submit Original Tax Invoices for accommodation billed to the municipality, within 10 days of returning from official trips. Failure to do so will result in, the S & T claim withheld until submission of the tax invoice is made to Expenditure Division or deduction of amounts paid for such accommodation from the employee's salary in the next pay run.
- 9.2.1 An employee may claim a maximum of three meals per day in terms of actual expense provision, provided the total cost for all three meals does not exceed R584 as prescribed by SARS.
- 11.3 The maximum cost of the hotel bookings (Dinner, bed & breakfast) shall not exceed R1800.00 for all officials and Councillors
- 15.2 Officials & Councillors that structured a car allowance may not use municipal-owned vehicles to commute between official events

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 126 and 128 indicate an inflation rate of 4.9% for the 2024/2025 financial year.

PERSONNEL ISSUES

The Salary and Wage Collective Agreement for the period 1 July 2021 to 30 June 2024 dated 15 September 2021 has come an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Circular advised that due to the absence of information in this regard from South African Local Government Bargaining Council, Municipalities are advised to consider their financial sustainability when considering salary increases.

Based on the advice provided by National Treasury, budget steering committee recommended a Provision for an increase of 6% on the 2024/2025 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 2024/2025 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 12.1% of property valuation on the previous valuation roll, budget steering committee recommended that the cent in the Rand rates will be kept constant on Property Rates (0% tariff increase) due to the implementation of the new General Valuation Roll from 1 July 2024, which will constitute an increase in Property Values.

The electricity tariff adjustment is 12.7%, largely due to the increase for Eskom bulk purchases.

Water and Sewerage tariff adjustments are 4.9% on the previous year tariff, while refuse and disposal charges are modeled to increase by 4.9%. 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 12.7% 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 2023/2024 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.

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.

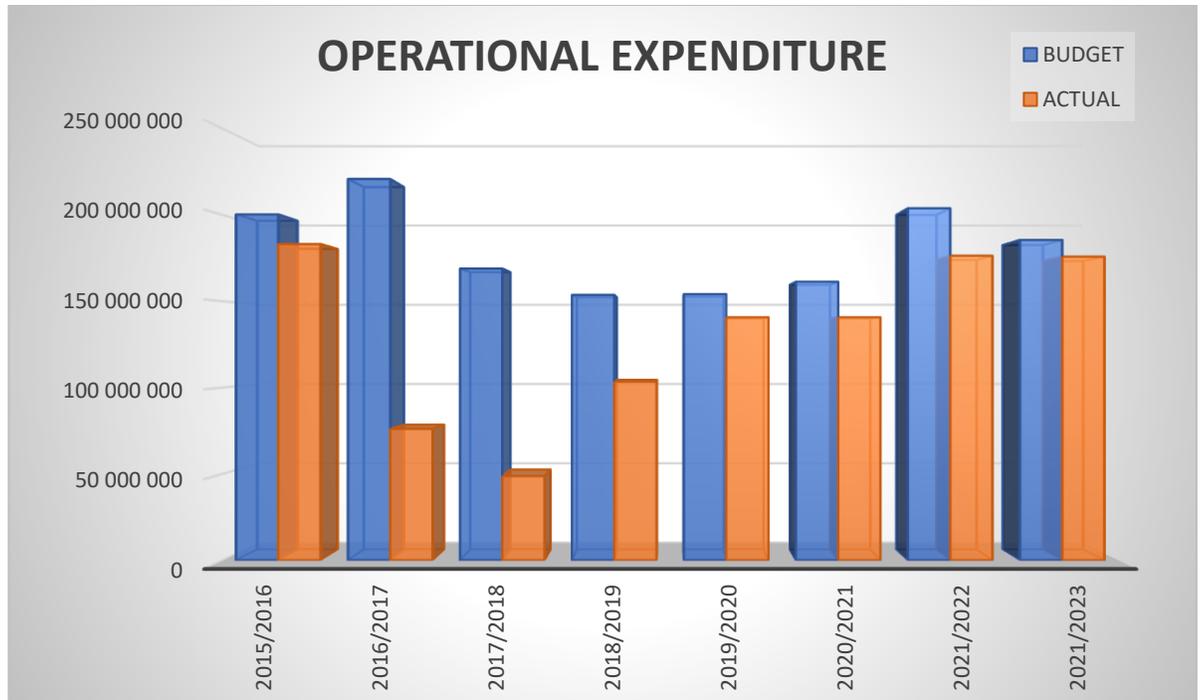
(A) Outcomes of the Past Years and Current year

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

OPERATING EXPENDITURE

| YEAR | BUDGET | ACTUAL |
|-------------|---------------|---------------|
| 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 |
| 2022/2023 | 1 432 598 658 | 1 452 740 530 |

GRAPH

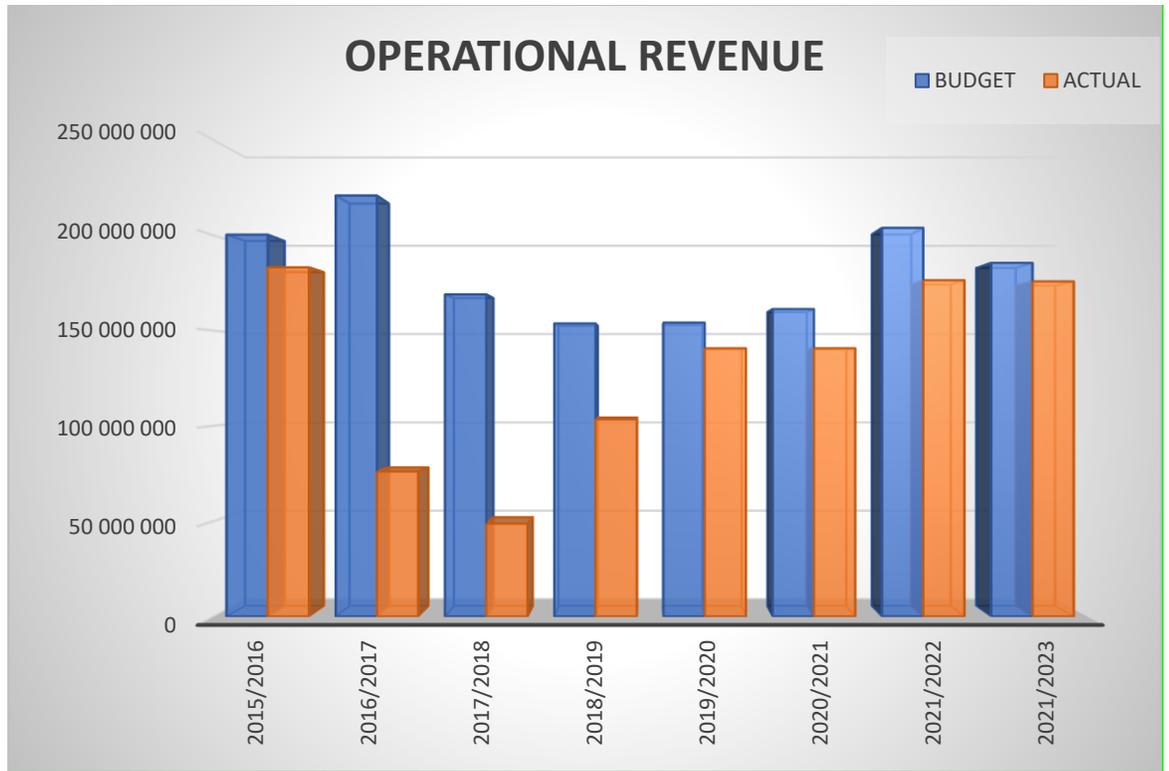


The graph below indicates the comparison between budgeted and actual operating Income over the past 8 year.

OPERATING INCOME

| YEAR | BUDGET | ACTUAL |
|-----------|---------------|---------------|
| 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 |
| 2021/2023 | 1 624 123 625 | 1 577 592 218 |

GRAPH

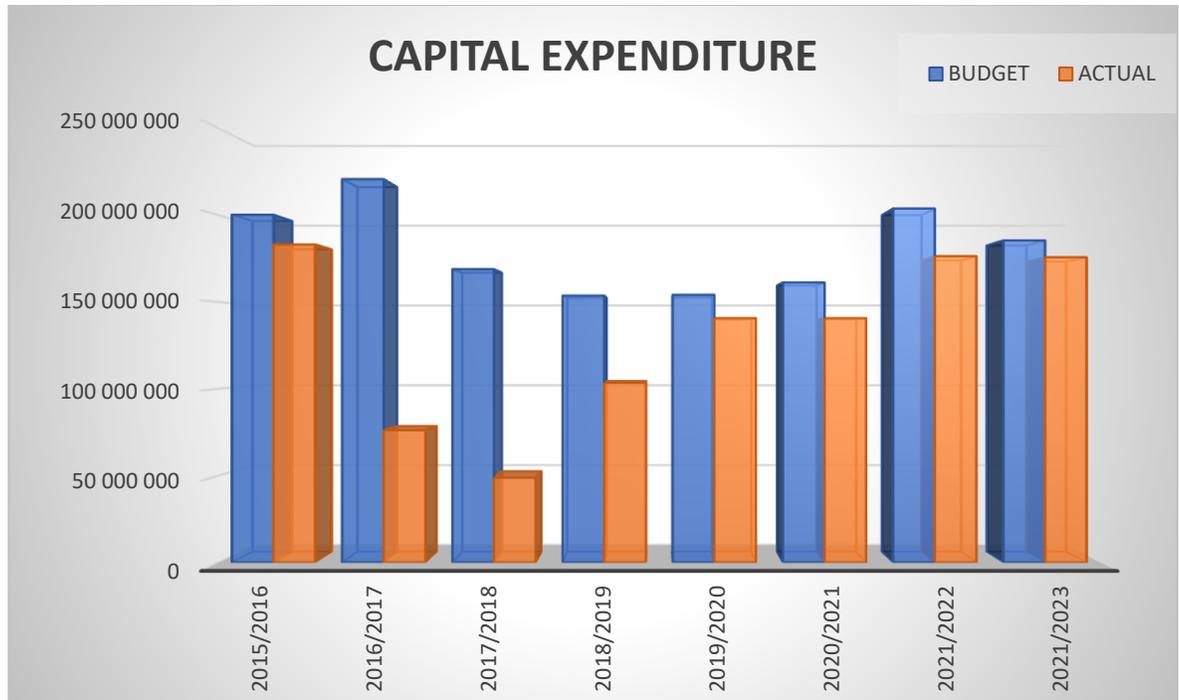


The capital expenditure against the budget of the past 8 years is also indicated graphically below:

CAPITAL EXPENDITURE – MIG INCLUDED

| YEAR | BUDGET | ACTUAL |
|-----------|-------------|-------------|
| 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 | 140 722 334 |
| 2020/2021 | 161 257 943 | 140 722 334 |
| 2021/2022 | 203 819 620 | 176 377 454 |
| 2021/2023 | 185 463 330 | 175 771 698 |

GRAPH



OPERATING BUDGET 2024/2025

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 will contribute the following revenue to Greater Tzaneen Municipality during the 2024/2025 financial year:

| | |
|----------------|--------|
| Electricity | 46.47% |
| Refuse Removal | 2.22% |
| Property Rates | 9.60% |

OPERATING BUDGET 2024/2025

The Greater Tzaneen Municipal operating income will be allocated as follows during 2024/2025 Financial year:

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

Excluding Water and Sewer

| Row Labels | Sum of 2024/2025 Draft Budget | |
|---|-------------------------------|----------------------|
| Revenue By Source/Agency services | - | 16 664 291 |
| Revenue By Source/Fines, penalties and forfeits | - | 27 206 392 |
| Revenue By Source/Interest earned - external investments | - | 22 764 459 |
| Revenue By Source/Interest earned - outstanding debtors | - | 35 734 777 |
| Revenue By Source/Licences and permits | - | 1 229 000 |
| Revenue By Source/Other revenue | - | 10 937 746 |
| Revenue By Source/Property rates | - | 190 271 815 |
| Revenue By Source/Rental of facilities and equipment | - | 1 737 990 |
| Revenue By Source/Service charges - electricity revenue | - | 920 783 599 |
| Revenue By Source/Service charges - refuse revenue | - | 43 979 397 |
| Revenue By Source/Transfers and subsidies | - | 587 003 200 |
| Revenue By Source/Transfers and subsidies - capital (monetary allocations) (National/Provincial and District) | - | 122 952 800 |
| Grand Total | - | 1 981 265 465 |

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

| Row Labels | Sum of 2024/2025 Draft Budget | |
|--|-------------------------------|-------------|
| Revenue By Source/Agency services | - | 16 664 291 |
| Revenue By Source/Fines, penalties and forfeits | - | 27 206 392 |
| Revenue By Source/Interest earned - external investments | - | 22 764 459 |
| Revenue By Source/Interest earned - outstanding debtors | - | 55 283 020 |
| Revenue By Source/Licences and permits | - | 1 229 000 |
| Revenue By Source/Other revenue | - | 10 937 746 |
| Revenue By Source/Property rates | - | 190 271 815 |
| Revenue By Source/Rental of facilities and equipment | - | 1 737 990 |
| Revenue By Source/Service charges - electricity revenue | - | 920 783 599 |
| Revenue By Source/Service charges - refuse revenue | - | 43 979 397 |
| Revenue By Source/Service charges - sanitation revenue | - | 9 100 000 |
| Revenue By Source/Service charges - water revenue | - | 57 891 699 |
| Revenue By Source/Transfers and subsidies | - | 587 003 200 |

| | | |
|--|---|----------------------|
| Revenue By Source/Transfers and subsidies - capital (monetary allocations) (National/Provincial and District) | - | 122 952 800 |
| Grand Total | - | 2 067 805 408 |

Operating Expenditure

The budgeted expenditure per item are as follows for the 2024/2025 financial year:

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

| Row Labels | Sum of 2024/2025 Draft Budget |
|---|-------------------------------|
| Expenditure By Type/Bulk purchases - electricity | 560 012 325 |
| Expenditure By Type/Contracted services | 97 556 542 |
| Expenditure By Type/Debt impairment | 106 277 000 |
| Expenditure By Type/Depreciation and asset impairment | 120 367 596 |
| Expenditure By Type/Employee related costs | 449 226 170 |
| Expenditure By Type/Finance charges | 16 084 886 |
| Expenditure By Type/Inventory consumed | 109 544 491 |
| Expenditure By Type/Other expenditure | 183 602 884 |
| Expenditure By Type/Remuneration of councillors | 30 557 656 |
| Expenditure By Type/Transfers and subsidies | 49 028 048 |
| Grand Total | 1 722 257 598 |

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

Including Water and Sewer

| Row Labels | Sum of 2024/2025 Draft Budget |
|---|-------------------------------|
| Expenditure By Type/Bulk purchases - electricity | 560 012 325 |
| Expenditure By Type/Contracted services | 108 172 349 |
| Expenditure By Type/Debt impairment | 116 677 000 |
| Expenditure By Type/Depreciation and asset impairment | 120 367 596 |
| Expenditure By Type/Employee related costs | 488 725 271 |
| Expenditure By Type/Finance charges | 16 084 886 |
| Expenditure By Type/Inventory consumed | 132 895 361 |
| Expenditure By Type/Other expenditure | 185 516 941 |
| Expenditure By Type/Remuneration of councillors | 30 557 656 |
| Expenditure By Type/Transfers and subsidies | 49 028 048 |

CAPITAL BUDGET

An amount of R212 million was approved for capital projects for the 2024/2025 financial year. This was funded as follows:

| | |
|---------------|---------------------|
| - Own Sources | R 90 000 000 |
| - INEP | R 7 539 000 |
| - MDRG | R 10 261 000 |
| - Grants | <u>R105 152 800</u> |
| TOTAL | <u>R212 952 800</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 2024.
- 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 2024/2025 expenditure will be funded as follows:

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

| Funding source | Amount |
|-------------------------|-----------------------|
| Grants & Subsidies | R 709 956 000 |
| Rates & Service Charges | R1 155 034 811 |
| Sundry Income | <u>R 116 274 655</u> |
| Budgeted Revenue | <u>R1 981 265 465</u> |

Greater Tzaneen Municipal Budget Including GTEDA and Water & Sewer:

| Funding source | Amount |
|-------------------------|-----------------------|
| Grants & Subsidies | R 709 956 000 |
| Rates & Service Charges | R1 222 026 510 |
| Sundry Income | <u>R 135 822 898</u> |
| Budgeted Revenue | <u>R2 067 805 408</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 126 and 128 for the 2024/2025 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. New valuation roll will be implemented from 1 July 2024 and the Property Rates Tariff contained in the 2024/2025 Budget is calculated on the Valuation Roll for the period 2024 - 2029.

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 cent in the Rand rates will be kept constant on Property Rates (0% tariff increase) due to the implementation of the new General Valuation Roll from 1 July 2024, which will constitute an increase in Property Values. 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 2024/2025 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 2023/2024 financial year be retained, with a proposed 4.9% increase in volumetric water tariffs generally, and a proposed 4.9% 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 2024/2025. The budget steering committee resolved that an increase of 12.7% 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 4.9% on the 2023/2024 tariffs with effect from 1 July 2024.

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 2023 to December 2023:

| | Jul-23 R000 | Aug-23 R000 | Sep-23 R000 | Oct-23 R000 | Nov-23 R000 | Dec-23 R000 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue billed | 106 587 544 | 111 534 697 | 112 155 399 | 100 154 216 | 89 241 446 | 103 793 297 |

| | | | | | | |
|---------------------|------------|------------|------------|------------|------------|------------|
| Revenue collected | 74 330 677 | 86 368 319 | 93 427 137 | 96 623 944 | 86 290 628 | 83 595 337 |
| % Revenue collected | 69.74% | 77.44% | 83.30% | 96.48% | 96.69% | 80.54% |

The MFMA requires that the budget be based on realistic forecasts for revenue and the average collection rate for Greater Tzaneen Municipality amounts to 81%.

(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 | R24 214 958 |
| ABSA | R19 286 484 |

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 R24 214 958.

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 R19 286 484.

(g) GRANT ALLOCATION

National Treasury advised Municipalities, through their Budget Circular 126 and 128 use the indicative numbers as set out in the Division of Revenue Act to compile their 2024/2025 MTREF.

Greater Tzaneen Municipality however included the Grant allocations as contained in the DORA as published in Government Gazette no. 48017 of 12 February 2024, in the 2024/2025 Draft Budget.

The grant allocations as published in the 2024/2025 Division of Revenue Bill are summarized as follows:

| MUNICIPAL GRANTS FOR 2024/2025- 2026/2027 | | | |
|--|--------------------------|--------------------------|--------------------------|
| Grant Description | 2024/2025 (R) | 2025/2026 (R) | 2026/2027 (R) |
| EQUITABLE SHARE | 551 492 000 | 554 078 000 | 544 491 000 |
| MIG | 111 062 000 | 116 610 000 | 126 934 000 |
| FMG | 2 000 000 | 2 000 000 | 2 100 000 |
| EPWP | 5 011 000 | - | - |
| INEP | 23 930 000 | 9 256 000 | 9 000 000 |
| EEDSM | 5 000 000 | - | 5 000 000 |
| MDRG | 10 261 000 | - | - |
| TOTAL | 708 756 000 | 681 944 000 | 687 525 000 |

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 | 2024/2025 (R) | 2025/2026 (R) | 2026/2027 (R) |
|---|--------------------------|--------------------------|--------------------------|
| Upgrading of Nkowakowa B (Hope of Christ, Bombelani School, Giyani Soshangani and Xirhombarhomba) Streets | - | 18 447 000 | 9 553 000 |
| Paving of Topanama Access Road | 16 900 000 | - | - |

| | | | |
|---|--------------------|--------------------|--------------------|
| Paving of Thapane Street from gravel to paving | 18 447 000 | 13 253 000 | - |
| Lenyenye Street from gravel to paving | 17 227 298 | 26 452 404 | - |
| Paving of Zangoma to Mariveni Road | 21 162 615 | - | - |
| Upgrading of Marirone to Motupa Street from gravel to paving | 3 730 582 | - | - |
| Paving of Nkowakowa Section D (Tommy Spaza Shop via Bridge, Mashaba via Vodacom and Raymond Makelana) Streets | - | 36 000 000 | 2 000 000 |
| Access Street from Khopo, Molabosane School via Tickyline and Myakayaka Serutung to Malegege to Shoromong | - | - | 42 739 895 |
| Dan Access road from R36 (Scrapyard) to D5011 (TEBA) | 21 054 096 | - | - |
| Bulamahlo Community Hall | 6 631 209 | - | - |
| Supply and Installation of 20 High Mast | - | 13 000 000 | - |
| Paving of Thako to Kkefolwe to Kherobene Road | - | 3 277 096 | 24 400 405 |
| Paving of Khethong Access Street | - | - | 15 000 000 |
| Supply and Installation of 30 High Mast | - | - | 26 894 000 |
| PMU Management (4.5% & 4.8% of Total MIG) | 5 909 200 | 6 180 500 | 6 346 700 |
| TOTAL MIG | 111 062 000 | 116 610 000 | 126 934 000 |

11. ALLOCATIONS OF GRANTS MADE BY THE MUNICIPALITY

The allocations made by Council for the 2024/2025 financial year can be summarized as follows:

| | 2023/2024 | 2024/2025 |
|-------------------------|------------------|------------------|
| 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

| Row Labels | Sum of Net Basic Salary | Sum of TRAVEL P A | Sum of TELEPHONE P A | TOTAL |
|------------------------|--------------------------------|--------------------------|-----------------------------|-------------------|
| EX-CO MEMBER FULL TIME | 3,378,071 | 1,118,111 | 269,568 | 4,765,750 |
| EXCO PARTTIME | | | | |
| COUNCILLORS | 1,579,180 | 519,800 | 224,640 | 2,323,620 |
| MAYOR FULL TIME | 749,364 | 248,469 | 44,928 | 1,042,761 |
| PART TIME COUNCILLORS | 10,985,944 | 3,664,233 | 2,066,688 | 16,716,865 |
| SECTION 79 COUNCILLORS | 3,066,866 | 1,009,102 | 449,280 | 4,525,248 |
| SPEAKER FULL TIME | 600,280 | 198,775 | 44,928 | 843,983 |
| Grand Total | 20,359,706 | 6,758,490 | 3,100,032 | 30,218,228 |

(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 | 1,764,153.38 | 1,556,641.41 | 1,560,911.08 | 1,555,960.67 | 1,560,911.08 | 1,546,041.00 | 1,555,272.55 |

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

| Row Labels | 2024/2025 Draft Budget |
|--|------------------------|
| Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Accommodation, Travel and Incidental | 17 125 750 |
| Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Cellular and Telephone | 1 733 084 |
| Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Essential User | 4 196 000 |
| Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Rental Subsidy | 1 475 864 |
| Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Leave Pay | 13 907 788 |
| Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Overtime:Structured | 17 294 829 |
| Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Standby Allowance | 227 747 |
| Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages | 267 260 919 |
| Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Bonuses | 20 187 450 |
| Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Bargaining Council | 98 246 |
| Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Group Life Insurance | 2 804 788 |
| Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Medical | 16 179 417 |
| Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Pension | 28 419 990 |
| Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Unemployment Insurance | 1 552 715 |
| Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Allowance:Accommodation, Travel and Incidental | 371 850 |
| Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Allowance:Cellular and Telephone | 26 561 |
| Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Social Contributions:Pension | 112 493 |
| Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Allowance:Accommodation, Travel and Incidental | 398 411 |
| Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Allowance:Cellular and Telephone | 132 805 |
| Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Basic Salary | 5 743 482 |
| Expenditure:Employee Related Cost:Senior Management:Designation:Social Contributions:Pension | 620 521 |
| Expenditure:Employee Related Cost:Senior Management:Designation:Social Contributions:Unemployment Insurance | 4 704 |
| Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Allowance:Accommodation, Travel and Incidental | 335 887 |
| Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Basic Salary | 1 224 015 |

| | |
|---|--------------------|
| Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Social Contributions:Pension | 195 299 |
| Grand Total | 401 630 615 |

16 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASHFLOW

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

Attached as **Annexure “K”**

(b) CONSOLIDATED CAPITAL EXPENDITURE BY VOTE.

| DEPARTMENT NUMBER | DEPARTMENT | 2024/2025 | 2025/2026 | 2026/2027 |
|-------------------|---------------------------------|--------------------|--------------------|--------------------|
| 002 | Municipal Manager | - | - | - |
| 052 | Corporate Services | 4 499 000 | 2 000 000 | - |
| 032 | Financial Services | 510 223 | 509 223 | 600 000 |
| 140 | Community Services | 3 100 000 | 1 200 000 | - |
| 0062 | Engineering Services | 150 413 800 | 145 429 500 | 155 587 300 |
| 162 | Electrical Engineering Services | 52 139 000 | 45 000 000 | 54 400 000 |
| 012 | PED | 2 000 000 | 6 000 000 | - |
| | GTEDA | 290 777 | 290 777 | - |
| | TOTAL | 212 952 800 | 200 429 500 | 210 587 300 |

The Capital budget increased from **R190 704 744** in the 2023/2024 financial year to **R212 952 800** in the 2024/2025 financial year.

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

Attached as **Annexure “E”**

17 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 2024 to 30 June 2025. 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 2023/2024 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.

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 with the exception of 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.

D) Changes to service levels and standards

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

18 SUMMARY OF BUDGET AND SDBIP – ENTITIES

Budget is contained in Item 22 of this report.

19 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.

20 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.

21 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 2024/2025 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.

22 OTHER SUPPORTING DOCUMENTS

21.1 Providing clean water and managing wastewater.

Attached as Annexure "I" is a certificate of analysis of water samples of Greater Tzaneen Municipality.

23 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 connects 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 2024/2025 allocation amounts to R13 592 048.

Future Objectives:

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

24 PERFORMANCE AGREEMENTS OF SENIOR MANAGERS

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

25 MUNICIPAL MANAGERS QUALITY CERTIFICATION

The Quality Certificate is attached as **Annexure “L “**.

PROPOSED MULTI- YEAR BUDGET 2024/25, 2025/26, 2026/2027

| | YEAR 1 | YEAR 2 | YEAR 3 |
|--|---------------|---------------|---------------|
|--|---------------|---------------|---------------|

| | Total Budget 2024/2025 | Total Budget 2025/2026 | Total Budget 2026/2027 |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| 01 - INCOME | | | |
| 011- Interest Earned | - | - | - |
| 0141 - Interest Received | - | - | - |
| 022- Operating Grants/Subsidies | 13 592 047.87 | 14 679 411.70 | 15 853 764.64 |
| 0233 - Municipal | 13 592 047.87 | 14 679 411.70 | 15 853 764.64 |
| 024- Other Revenue | | - | - |
| 0250 - Facilitation Fees | - | - | - |
| 0251 - Other Cash Sales | - | - | - |
| TOTAL INCOME | 13 592 047.87 | 14 679 411.70 | 15 853 764.64 |
| 02 - EXPENSES | | | |
| 051- Employ Related Costs | 3 431 213.78 | 3 705 710.89 | 4 002 167.76 |
| 1001 - Salaries Basic | 2 789 453.04 | 3 012 609.28 | 3 253 618.03 |
| 1002 - Overtime | 16 514.56 | 17 835.73 | 19 262.58 |
| 1003 - Annual Bonus (13th Cheque) | 183 600.00 | 198 288.00 | 214 151.04 |
| 1010 - Leave Pay | 364 505.71 | 393 666.17 | 425 159.46 |
| 1016 - Performance Bonus | 77 140.47 | 83 311.71 | 89 976.64 |
| 053- Employ Related Costs | 2 885 909.77 | 3 116 782.56 | 3 366 125.16 |
| 1021 -Contribution-Medical aid scheme | 207 437.76 | 224 032.78 | 241 955.40 |
| 1022 - Contribution-Pension schemes | 839 002.54 | 906 122.74 | 978 612.56 |
| 1023 - Contribution-Housing Subsidy | 39 336.84 | 42 483.79 | 45 882.49 |
| 1024 - Contribution-Group Scheme | 124 296.64 | 134 240.37 | 144 979.60 |
| 1025 - Contribution-Car allowance | 674 201.39 | 728 137.51 | 786 388.51 |
| 1026 - UIF/Levy (Stat Payments) | 1 001 634.61 | 1 081 765.37 | 1 168 306.60 |
| 058 - Remuneration of Directors | 811 063.71 | 875 948.81 | 946 024.72 |
| 1053 - Emoluments | 541 603.39 | 584 931.66 | 631 726.19 |
| 1054 - Travel/Accom | 118 260.32 | 127 721.15 | 137 938.84 |
| 1055 - Secretarial Support | - | - | - |
| 1056 - PAYE/Levy (Stat Board) | 151 200.00 | 163 296.00 | 176 359.68 |

| | | | |
|--|----------------------|----------------------|----------------------|
| 064 - Depreciation | 216 184.56 | 233 479.33 | 252 157.67 |
| 1091 - Depreciation | 216 184.56 | 233 479.33 | 252 157.67 |
| 066 - Repairs and Maintenance | 7 135.13 | 7 705.94 | 8 322.41 |
| 1101 - Furniture/Office Equipment | 7 135.13 | 7 705.94 | 8 322.41 |
| 068 - Interest Expense | 5 868.80 | 6 338.30 | 6 845.36 |
| 1231 - External | 5 868.80 | 6 338.30 | 6 845.36 |
| 074 - Contracted Services | 1 364 253.46 | 1 473 393.74 | 1 591 265.24 |
| 1261 - Information Technology | 53 379.08 | 57 649.40 | 62 261.35 |
| 1263 - Security | 8 861.78 | 9 570.72 | 10 336.38 |
| 1265 - Cleaning | 53 200.80 | 57 456.86 | 62 053.41 |
| 1270 - Internal Audit | 463 526.71 | 500 608.85 | 540 657.56 |
| 1271 - Copier Rental | 151 231.72 | 163 330.26 | 176 396.68 |
| 1277 - Rent Premises | 634 053.38 | 684 777.65 | 739 559.86 |
| 078 - General Expenses | 4 565 554.09 | 4 930 798.42 | 5 325 262.29 |
| 1301 - Advertising | 68 035.95 | 73 478.83 | 79 357.13 |
| 1302 - Advertising Recruitment | - | - | - |
| 1303 - Audit Fees | 304 692.41 | 329 067.80 | 355 393.22 |
| 1306 - Bank Fees / Interest on Overdraft | 25 162.19 | 27 175.16 | 29 349.17 |
| 1307 - Community Based Planning | 2 672 124.29 | 2 885 894.24 | 3 116 765.78 |
| 1310 - Consultancy/Legal Costs | 80 621.05 | 87 070.73 | 94 036.39 |
| 1311 - Consumables Domestic | 1 869.58 | 2 019.14 | 2 180.67 |
| 1320 - Entertainment Public | 11 147.61 | 12 039.42 | 13 002.57 |
| 1327 - Insurance | 61 287.84 | 66 190.87 | 71 486.14 |
| 1347 - Postage & Courier | 3 511.46 | 3 792.37 | 4 095.76 |
| 1348 - Printing/Stationery | 57 697.61 | 62 313.42 | 67 298.49 |
| 1363 - Subscriptions | 83 450.50 | 90 126.54 | 97 336.66 |
| 1364 - Subsistence/Travel/Accom | 216 000.39 | 233 280.42 | 251 942.85 |
| 1366 - Telephone/Cellphone | 230 021.13 | 248 422.82 | 268 296.65 |
| 1368 - Training | 235 445.40 | 254 281.03 | 274 623.51 |
| 1379 - Accounting Costs | 215 730.00 | 232 988.40 | 251 627.47 |
| 1380 - Social Inclusion | 21 606.48 | 23 335.00 | 25 201.80 |
| 1381 - Bursaries | 195 125.73 | 210 735.79 | 227 594.65 |
| 1382 - Seminar & Workshop | 82 024.49 | 88 586.45 | 95 673.36 |
| 03 - CAPITAL EXPENDITURE | 304 864.56 | 329 253.72 | 355 594.02 |
| 5023 - Office Equipment | 304 864.56 | 329 253.72 | 355 594.02 |
| TOTAL EXPENSES | 13 592 047.87 | 14 679 411.70 | 15 853 764.64 |

NET SURPLUS/ (DEFICIT)

